



**Barings Investment Funds plc**  
Prospectus

5 March 2021

**IMPORTANT:** This notice (the “**Notice**”) is sent to you as a shareholder of Barings Investment Funds plc (the “**Company**”). It is important and requires your immediate attention. If you have any questions about the content of this Notice or are in any doubt as to the action to be taken, you should immediately seek independent professional advice and consult your stockbroker, bank manager, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in the Company, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**This Notice has not been reviewed by the Central Bank of Ireland (the “Central Bank”) and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The directors of the Company (the “Directors”) are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank.**

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept full responsibility for the accuracy of information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the prospectus for the Company dated 1 July 2019, the Hong Kong Covering Document dated December 2019 and the Product Key Facts Statements of the Fund (as defined below) dated December 2019 (collectively, the “**Hong Kong Offering Documents**”).

## **BARINGS INVESTMENT FUNDS PLC**

*Registered Office  
70 Sir John Rogerson’s Quay  
Dublin 2  
Ireland*

*an umbrella fund with segregated liability between sub-funds*

6 January 2020

Dear Shareholder

We are writing to you as a Shareholder to notify you of certain changes being made to the Company.

### **Termination of the Barings China Select Fund**

The Directors have resolved to terminate the Barings China Select Fund (the “**Fund**”), a sub-fund of the Company. The decision has been taken in consideration of, amongst other things, the Fund’s economic viability and ability to operate in a cost-efficient manner due to its small asset size. As at 29 November 2019, the net assets of the Fund were approximately USD 26.5 million. As a result, the Manager, Investment Manager and the Directors believe the termination of the Fund (the “**Termination**”) is in the best interest of Shareholders. The Depositary has no objection to the Termination.

We hereby give you notice of the closure of the Fund pursuant to Clause 36.01 of the Memorandum and Articles of Association which provides that the Directors may at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to compulsorily redeem all Shares of the Fund and terminate the Fund. Clause 36.02 of the Memorandum and Articles of Association also provides that the Directors may terminate the Fund if the Net Asset Value of the Fund falls below US\$50 million. All of your Shares in the Fund will be compulsorily redeemed on 6 March 2020 (the “**Compulsory Redemption Date**”).

Barings Investment Funds plc  
(An investment company with segregated liability between sub-funds)

70 Sir John Rogerson’s Quay, Dublin 2, Ireland

*Registration in Ireland with registration No. 00392526. Registered office as above. VAT Registration No. IE 65 61 794C  
Directors: Barbara Healy, James Cleary, David Conway, Julian Swayne (UK), Timothy Schulze (US), Peter Clark (UK), Alan Behan, Paul Smyth  
Authorised and regulated by the Central Bank of Ireland*

As at 31 October 2019, the ongoing charges for the various classes of Shares of the Fund were as follows:

Class A EUR Inc: 1.95%

Class A USD Inc: 1.95%

Class I GBP Inc: 1.00%

Class A HKD Acc: 1.95%

Class I EUR Acc: 1.00%

Class I USD Acc: 1.00%

The ongoing charges figure is based on the ongoing expenses chargeable to the respective share class for the 12-month period ended 31 October 2019 expressed as a percentage of the average net asset value of the respective share class for the same period.

There are no unamortised preliminary expenses.

Please note that the costs relating to the Termination will be borne by the Manager.

From the date of this letter, the Fund will no longer be allowed to be marketed to the public in Hong Kong or accept subscriptions from new investors for shares into the Fund.

### **Your options**

#### **Switch to another Barings fund or redeem your Shares in the Fund**

You may:

- (i) use the proceeds of the redemption of your Shares to subscribe, free of charge, for units in an equivalent class of the Barings Hong Kong China Fund (the “**HK China Fund**”), a sub-fund of Barings International Umbrella Fund, an umbrella fund authorised by the Central Bank as a UCITS and also authorised by the Securities and Futures Commission of Hong Kong (“**SFC**”) <sup>1</sup> provided such request is received by the Hong Kong Representative no later than 5:00pm (Hong Kong time) on 5 March 2020 (“**Last Dealing Day**”). We believe that the HK China Fund offers similar (but not the same) market equity exposure and risk characteristics to the closing Fund, and is run by the same team within the Investment Manager using the same investment process and style as the Fund. However, the Fund and the HK China Fund are not identical funds and there may be differences in fees, charges and expenses, classes available and other features. Investment involves risk and investors should review and consider the offering documents, the investment objective and policy, the risk profile and applicable risk factors of the HK China Fund before making a decision to switch into the HK China Fund. A summary of the features of the Fund and the HK China Fund is contained in Appendix to this notice, however investors should review the full details and offering documents of the HK China Fund which can be found at [www.baring.com](http://www.baring.com)<sup>3</sup>. If in doubt, please seek professional advice.
- (ii) use the proceeds of the redemption of your Shares to switch to any SFC-authorized Barings fund(s)<sup>1</sup> of the below umbrella funds (which are domiciled in Ireland and for which Northern Trust Fiduciary Services (Ireland) Limited acts as Administrator) free of charge provided such request is received by the Hong Kong Representative no later than 5:00pm (Hong Kong time) on the Last Dealing Day. Should you wish to switch to another Barings fund, please refer to the offering documents of the relevant Barings fund before you invest as the investment objective as well as risk profiles of such funds may be different to the Fund.

- Barings Emerging Markets Umbrella Fund

<sup>1</sup> SFC authorization is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

<sup>2</sup> Please note that the website has not been reviewed by SFC and may contain information of funds which are not authorized by the SFC.

<sup>3</sup> Please note that the website has not been reviewed by SFC and may contain information of funds which are not authorized by the SFC.

- Barings Global Umbrella Fund
- Barings International Umbrella Fund
- Barings Investment Funds plc
- Barings Global Opportunities Umbrella Fund
- Barings Korea Feeder Fund
- Barings Currency Umbrella Fund

- (iii) redeem your shares, free of charge (in accordance with the normal redemption procedures set out in the Hong Kong Offering Documents of the Fund) from the Fund on or before 5:00pm (Hong Kong time) on the Last Dealing Day.

Hong Kong investors may also request for a copy of the latest Hong Kong offering documents, annual and half yearly reports and accounts of the HK China Fund or any Barings fund authorised by the SFC from the Hong Kong Representative (contact details below) during normal business hours.

If you have any queries about the exchange of Shares into other Barings funds, please contact the Hong Kong Representative (contact details below) during normal business hours.

Please note that we will not impose any charges in respect of your redemption and/or switching instructions. However, your bank or financial adviser may charge you additional fees (such as redemption fees, switching fees or transaction fees) or expenses at their own discretion in respect of such instructions and they may apply different procedures from what is stated in the Hong Kong Offering Documents. You are advised to contact your bank, distributor or financial adviser should you have any questions.

Please note that this letter is not an offer and/or solicitation to subscribe for shares/units in any Barings funds nor does it constitute investment advice or recommendation in relation to any such subscription, switch or redemption. You should review and consider the offering documents carefully before deciding to switch into any other Barings fund(s). We always recommend that you consult with your own legal, tax and financial advisers before proceeding with any investment.

### **Take No Action**

If you do not switch or redeem your shareholding prior to the Last Dealing Day, your Shares will be automatically redeemed on the Compulsory Redemption Date. The net proceeds of redemption will be returned to you within three business days of the Compulsory Redemption Date.

We will commence the winding-up process as soon as practicable after the Compulsory Redemption Date. In the event that any additional monies come into the Fund (for example, due to a payment to the Fund after the Compulsory Redemption Date) then this will be paid as a final distribution payment when the winding up process for the Fund is completed in due course. The proceeds could comprise of both your return of capital and (any) income distribution, net of any further expenses of the Fund and income tax, if applicable. These will be detailed separately in the voucher accompanying payment. The final distribution payment will be paid to the Shareholders on the register in proportion to their Shareholding as at the Compulsory Redemption Date, subject to a minimum value of USD 50 per Shareholder. This *de minimis* level has been set based on industry practice and transactional and operational cost considerations. The Depositary has no objection to this approach. It is anticipated that any residual total of below *de minimis* amounts across all Shareholdings that remain at the point of winding up of the Fund will be donated to charity. Such arrangement is acceptable common practice in Ireland for residual *de minimis* amounts. Notwithstanding the foregoing, the Manager may still exercise discretion to return amounts below the *de minimis* USD 50 to Shareholders in certain circumstances after taking into account various factors (such as but not limited to the number of Shareholder involved, the total sum of such proceeds and cost effectiveness) and upon consultation with the Depositary.

If we have not yet verified your identity at such time, we will write to you separately to request this information. Please note that we will be unable to send you any redemption proceeds until this process is complete.

Under current law and practice in Hong Kong, shareholders will not be liable for Hong Kong tax in respect of any income or gains made on the issue, redemption, conversion or other disposal in Hong Kong of shares, save that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong. Individual shareholders should seek independent advice on taxation and other consequences of the Termination referred hereto.

Please note that as the Fund will be winding down and will progressively liquidate its assets as the Investment Manager will endeavour to maximise liquidity in the portfolio relative to the Fund's liquidity needs. As a result, the Fund may deviate from the investment strategy and restrictions of the Fund and may hold a high proportion of its assets in cash assets up until the Compulsory Redemption Date. Such arrangement is in the best interest of investors and complies with the applicable laws and regulatory requirements in Ireland.

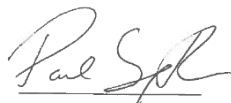
#### **Documents available for inspection**

Copies of the following documents may be obtained or inspected free of charge at the offices of the Hong Kong Representative set out below:

- the Articles
- the Hong Kong Offering Documents
- the latest annual and half yearly reports and accounts (the annual and half yearly reports are available in English only)

Should you have any questions relating to these matters please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at [Hk.wealth.retail@barings.com](mailto:Hk.wealth.retail@barings.com), or by letter at the following address: 35th Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

Yours faithfully,



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**Director**  
**For and on behalf of,**  
**BARINGS INVESTMENT FUNDS PLC**

## Appendix

	<b>Barings Investment Funds Plc – Barings China Select Fund (the terminating sub-fund)</b>	<b>Barings International Umbrella Fund - Barings Hong Kong China Fund (the HK China Fund)</b>
Investment Objective and policy	<p>To achieve long-term capital growth in the value of assets by investing in companies which the Investment Manager believes will benefit from the economic growth and development of China.</p> <p>The Fund will invest at least 70% of its total assets at any one time in equities of companies quoted on recognised exchanges in China or Hong Kong or incorporated in China or Hong Kong, or which have a significant proportion of their assets or other interests in China or Hong Kong or in equities of companies elsewhere in the Asia Pacific ex-Japan region with the potential, in the opinion of the Investment Manager, to benefit from the development of China. For this purpose, total assets exclude cash and ancillary liquidities.</p> <p>The Fund may also invest in American depositary receipts and global depositary receipts in order to gain exposure to equities issued by companies quoted or traded on recognised exchanges in China or elsewhere in the Asia Pacific ex Japan region. The Fund may also invest in structured notes, participation notes, equity-linked notes, similar financial instruments and derivative instruments where the underlying assets consists of securities issued by companies quoted on recognised exchanges in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on recognised exchanges in China. These instruments shall generally comprise transferable securities of the issuer, notwithstanding that their value is linked to an underlying equity or equity index. Only participation notes, structured notes and equity-linked notes which are liquid, unleveraged, “securitised” and capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be “transferable securities”. Investment in participation notes and structured notes as referenced above</p>	<p>To achieve long-term capital growth in the value of assets by investing in Hong Kong, China and Taiwan.</p> <p>The Fund will invest at least 70% of its total assets at any one time, either directly in equities or through equity-related securities (such as structured notes, participation notes, equity-linked notes or depositary receipts) of companies (i) incorporated, or (ii) exercising the predominant part of their economic activity, or (iii) quoted or traded on the stock exchanges in markets in Hong Kong or China. For this purpose, total assets exclude cash and ancillary liquidities.</p> <p>The Investment Manager may also invest up to 30% of its total assets outside the fund’s principal geographies (including but not limited to Taiwan), market sectors, currency or asset classes. With regard to investment in debt securities, the Fund does not have any specific restrictions or limits on the credit rating of the underlying debt securities.</p> <p>The portfolio will be balanced according to the Manager’s assessment of investment prospects but may, depending upon underlying investment conditions, emphasise investment in companies operating in those sectors of the Hong Kong or China economies that, in the Manager’s opinion, provide the determinants for Hong Kong’s or China’s economic growth such as those involved in international trade, property and construction activity, engineering, electronics or the service sectors.</p> <p>The Fund may also invest in collective investment schemes in accordance with the requirements of the Central Bank of Ireland up to a maximum of 10% of the net asset value of the Fund.</p> <p>With regard to investment in China, no more than 20% of the Fund’s net asset value may at any one time be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly</p>

	<p>which are not listed or traded on a regulated market are restricted to 10% of net assets.</p> <p>In identifying the companies in which the Fund will invest, the Investment Manager will look across the full market capitalisation range and may take opportunistic exposure in the Fund to smaller and medium sized companies in the region as investment conditions permit.</p> <p>The Fund may invest in collective investment schemes (including exchange traded funds) in accordance with the requirements of the Central Bank of Ireland up to a maximum of 10% of the net asset value of the Fund.</p> <p>With regard to investment in China, no more than 20% of the net asset value of the Fund at any one time may be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Shanghai Hong Kong Stock Connect Scheme and Shenzhen Hong Kong Stock Connect Scheme and/or through quotas approved under QFII regulations and/or RQFII regulations or indirectly through investment in other eligible collective investment schemes or participation notes.</p> <p>Under exceptional circumstances (e.g. economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions), the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.</p> <p>The Fund may use derivatives (including warrants, futures, options, forward currency contracts (including non-deliverable forwards), total return swaps and contracts for differences for efficient portfolio management (including hedging) and investment purposes. Although derivatives may be</p>	<p>through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Shanghai Hong Kong Stock Connect Scheme and Shenzhen Hong Kong Stock Connect Scheme and/or through quotas approved under the QFII Regulations and/or RQFII Regulations or indirectly through investment in other eligible collective investment schemes or participation notes.</p> <p>Under exceptional circumstances (e.g. economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions), the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.</p> <p>The Fund may use derivatives (including warrants, futures, options, currency forward contracts (including non-deliverable forwards), swap agreements and contracts for difference) for efficient portfolio management (including hedging) or investment purposes. Although derivatives may be used, they will not be used extensively for investment purposes.</p> <p>The derivative techniques may include, but are not limited to: (i) hedging a currency exposure; (ii) using derivatives as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure; (iii) tailoring the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or (iv) gaining an exposure to the composition and performance of a particular index which are consistent with the investment objective and policies of the Fund.</p> <p>Pursuant to the Investmentsteuergesetz (2018), the Fund intends to meet the requirements to be classified as being an "equity fund" and will invest at least 50% of its assets in direct equities.</p>
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	<p>used, they will not be used extensively for investment purposes.</p> <p>The derivative techniques may include, but are not limited to: (i) hedging a currency exposure; (ii) using derivatives as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure; (iii) tailoring the Fund's interest rate exposure to the Investment Manager's outlook for interest rates; and/or (iv) gaining an exposure to the composition and performance of a particular index which are consistent with the investment objective and policies of the Fund.</p> <p>Pursuant to the Investmentsteuergesetz (2018), the Fund intends to meet the requirements to be classified as being an "equity fund" and will invest at least 50% of its assets in direct equities.</p>	
Key risk factors	<ul style="list-style-type: none"> <li>• Investment risk</li> <li>• Risks of investment in equities and equity-related securities</li> <li>• Emerging market investment risk</li> <li>• Risk associated with investment in specific countries</li> <li>• Risk associated with small-capitalisation/mid-capitalisation companies</li> <li>• Risks associated with derivative instruments</li> <li>• Liquidity risk</li> <li>• Counterparty risk</li> <li>• Currency risk</li> <li>• Charges deducted from capital/ Risks relating to distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Investment risk</li> <li>• Risks of investment in equities and equity-related securities</li> <li>• Emerging market investment risk</li> <li>• Risk associated with investment in specific countries</li> <li>• Risk associated with small-capitalisation/mid-capitalisation companies</li> <li>• Risks associated with derivatives</li> <li>• Liquidity risk</li> <li>• Counterparty risk</li> <li>• Currency risk</li> <li>• Charges deducted from capital/ Risks relating to distribution</li> </ul>
Fund Manager	Baring International Fund Managers (Ireland) Limited	Baring International Fund Managers (Ireland) Limited
Investment Manager	Baring Asset Management Limited	Baring Asset Management Limited
Depository	Northern Trust Fiduciary Services (Ireland) Limited	Northern Trust Fiduciary Services (Ireland) Limited
Subscription fee	Class A Shares: up to 5% of NAV per share Class I Shares: Nil	Class A Units: up to 5% of NAV per unit Class I Units: Nil
Switching fee	Up to 5% of the NAV per share of the new class	Nil
Redemption fee	Nil	Class A and Class I Units: Nil
Management fee	Class A Shares: up to 1.50% of the Fund's NAV attributable to the Class Class I Shares: 0.75% of the Fund's NAV attributable to the Class	Class A Units: 1.25% of the Fund's NAV attributable to the Class Class I: 0.75% of the Fund's NAV attributable to the Class





**BARINGS INVESTMENT FUNDS PLC**

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**HONG KONG COVERING DOCUMENT  
MARCH 2021**

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## INFORMATION FOR HONG KONG INVESTORS

**Important - If you are in any doubt about the contents of this document or any of the documents accompanying it, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser.**

This Hong Kong covering document (the “**Hong Kong Covering Document**”) is supplemental to, forms part of and should be read in conjunction with the prospectus for Barings Investment Funds Plc (the “**Company**”) dated 5 March 2021 as supplemented from time to time (the “**Prospectus**”). Unless otherwise provided in this Hong Kong Covering Document, terms defined in the Prospectus have the same meaning in this Hong Kong Covering Document unless the context otherwise requires.

The Directors of the Company, whose names appear under the heading “Directors of the Company” in the Prospectus, are the persons responsible for the information contained in the Prospectus, the Hong Kong Covering Document and the Product Key Fact Statement of the relevant Funds (“**KFS**”). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in the Prospectus, this Hong Kong Covering Document and the KFS is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Barings Investment Funds Plc and the Funds set out below under the section headed “Funds Available in Hong Kong” have been authorised by the Securities and Futures Commission (“**SFC**”) in Hong Kong under Section 104 of the Securities and Futures Ordinance of Hong Kong (“**SFO**”) and are available for sale to the public in Hong Kong. The SFC’s authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

### FUNDS AVAILABLE IN HONG KONG

**Warning:** In relation to the Funds as set out in the Prospectus, only the following Funds are authorised by the SFC pursuant to Section 104 of the SFO and hence may be offered to the public in Hong Kong:-

- Barings China Select Fund<sup>#^</sup>
- Barings European Opportunities Fund

<sup>#</sup> A notice on the termination of this Fund was issued on 6 January 2020. From 6 January 2020, this Fund is no longer allowed to be marketed to the public in Hong Kong or accept subscriptions from new investors for shares into the Fund.

<sup>^</sup> This Fund is closed to further subscription and application will be made to the Central Bank for its withdrawal of approval in due course.

Please note that the Prospectus is a global offering document and therefore also contains information of the following Funds which are **not** authorised by the SFC:-

- Barings Dynamic Absolute Return Fund<sup>^</sup>
- Barings Frontier Markets Fund<sup>^</sup>
- Barings Global Dividend Champions Fund
- Barings Global Flexible Allocation Fund
- Barings Europe Select Fund
- Barings German Growth Fund
- Barings Global Equity Allocation Fund
- Barings China A-Share Fund

<sup>^</sup> This Fund is closed to further subscription and application will be made to the Central Bank for its withdrawal of approval in due course.

The Prospectus also contains references to the following collective investment schemes managed by the Manager which are **not** authorised by the SFC:-

- Barings Alpha Funds plc
- Barings Component Funds
- Barings Global Investment Funds plc

No offer shall be made to the public of Hong Kong in respect of the above unauthorised Funds and unauthorised collective investment schemes.

The issue of the Prospectus was authorised by the SFC only in relation to the offer of the above SFC-authorised Funds to the public of Hong Kong. Intermediaries should take note of this restriction.

## **IMPORTANT INFORMATION**

In Hong Kong, distribution of the Prospectus and this Hong Kong Covering Document is not authorised unless accompanied by a copy of the then latest published annual report of the Company and, if published after such annual report, a copy of the latest semi-annual report. Before investing you must have received and read the KFS.

Shares in the Company are offered only on the basis of the information contained in the Prospectus, the relevant Supplement, this Hong Kong Covering Document, the relevant KFS, the most recent annual report and, if subsequently published, the semi-annual report of the Company. Neither the delivery of the Prospectus or the relevant Supplement or this Hong Kong Covering Document nor the issue of Shares shall, under any circumstances, create any implication that the affairs of the Company have not changed since the respective dates of the documents or that the information contained therein is correct as of any time subsequent to the date of the relevant document.

The websites [www.barings.com](http://www.barings.com) and [www.ise.ie](http://www.ise.ie) and other websites (if any) set out in this Hong Kong Covering Document and the Prospectus have not been reviewed by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted at Hong Kong investors.

## **DEFINITIONS**

**“Hong Kong Business Day”** a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for normal business, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Hong Kong Business Day unless the Directors and the Depositary determine otherwise or such other day or days as the Directors and the Depositary may determine;

**“Hong Kong Representative”** Baring Asset Management (Asia) Limited.

## **HONG KONG REPRESENTATIVE**

Baring Asset Management (Asia) Limited has been appointed by the Manager as the Hong Kong Representative to represent the Manager in Hong Kong generally in relation to the affairs of the Company. As part of its functions as the Hong Kong representative, it may receive applications for Shares from prospective investors in Hong Kong and its localities and deal with redemption and/or conversion requests and other enquiries from Shareholders. The fees of the Hong Kong Representative in relation to the Company will be borne by the Manager.

Investors may contact the Hong Kong Representative if they have any complaints or enquiries in respect of the Company. Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Hong Kong Representative directly, or referred to the Manager/relevant parties for further

handling. The Hong Kong Representative will, on a best effort basis, revert and address the investor's complaints and enquiries as soon as practicable. The contact details of the Hong Kong Representative are set out in the section headed "Other Information" below.

## **INVESTMENT MANAGER**

Subject to the Central Bank and the SFC's approval, the Investment Manager may sub-delegate such investment management to other entities including group companies (group companies currently refers to Baring Asset Management Limited and Baring Asset Management (Asia) Limited). Prior approval from the SFC will be sought in relation to (i) any sub-delegation to entities within the group companies listed above; (ii) any change to the list of sub-delegates above; or (iii) any appointment or removal of sub-delegates not being a group company. Except in the case of a sub-delegation to entities within the group companies listed above, one month's prior notice will be given to Shareholders. No prior notice would be given to Shareholders in respect of any sub-delegation to entities within the group companies listed above, however, details of such sub-delegation will be disclosed in the Fund's annual and semi-annual accounts and an up-to-date list of sub-delegates will be available free of charge upon request from the Hong Kong Representative. The fees and expenses of any sub-investment managers appointed by the Investment Manager will be discharged by the Investment Manager. Details of any sub-investment managers appointed to a Fund will be provided to Shareholders upon request and details will also be provided in the periodic reports of the Company.

## **INVESTMENT POLICIES: GENERAL**

Unless otherwise specifically disclosed in the investment objectives and policies of a Fund, it is not intended that it will invest, whether directly or indirectly, more than 10% of its Net Asset Value in China A and B shares and/or more than 10% of its Net Asset Value in domestic Chinese bonds (including urban investment bonds). For so long as the Funds remain authorised under the SFO, upon satisfaction of applicable SFC requirements (if any) and providing at least one month's prior notice to investors, a Fund may invest more than 10% of its Net Asset Value in China A and B shares and/or more than 10% of its Net Asset Value in domestic Chinese bonds (including urban investment bonds), and the Prospectus and the Hong Kong Covering Document will be updated accordingly.

The Funds do not currently use repurchase agreements, reverse repurchase agreements or engage in stocklending. In the event that a Fund does propose to utilise such techniques and instruments, Shareholders will be notified and the Hong Kong Covering Document and the Prospectus will be revised in accordance with the requirements of the Central Bank and the SFC. Due notification will be given to Shareholders and prior approval from the SFC (if required) will be sought if a Fund proposes to utilise such techniques and instruments in the future.

For so long as the Funds are authorised by the SFC, the Manager, the Investment Manager(s) or any person acting on behalf of the Funds or the Manager or Investment Manager(s) may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

Unless otherwise specified in the particulars relating to each Fund in the relevant Supplement of the Prospectus, a Fund may invest in any country and in securities issued by companies of any market size, of any industry or sector (as the case may be) in such proportions as the Investment Manager deems appropriate.

## **NET DERIVATIVE EXPOSURE**

For each of the following Funds, the net derivative exposure of the Fund may be up to 50% of its Net Asset Value:

- Barings European Opportunities Fund

The net derivative exposure is defined in the Code on Unit Trusts and Mutual Funds ("**Code**") issued by the SFC and is calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time. The net derivative exposure set out above may be exceeded in such

circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

## **RISK CONSIDERATIONS**

Investors should refer to the section headed “Risk Considerations” of the Prospectus and the following additional information in respect of the risks associated with investing in the Funds.

Notwithstanding the statement in the section headed “Risk Considerations” in the Prospectus that “The following Risk Considerations detail particular risks associated with an investment in the Company, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the Company or an individual Fund.” To the best of the knowledge and belief of the Directors of the Manager, the Prospectus and the Hong Kong Covering Document contain explanations of the risks that may apply to the relevant Funds and that investors should be aware of as at the date of the Prospectus and the Hong Kong Covering Document. Investors should note that the Funds are exposed to various risks depending on their respective investment policies. Investors should be aware that in a changing environment the Funds may be exposed to risks that were not envisaged as at the date of the Prospectus and the Hong Kong Covering Document. Potential investors should consider the risks involved prior to investing in the Funds to determine whether an investment in the Fund is suitable to them.

### ***Investment in Collective Investment Schemes***

In addition to the risks set out under the risk factor headed “Investment in Collective Investment Schemes” in the Prospectus, investors should note that the underlying collective investment schemes in which a Fund may invest may not be regulated by the SFC.

### ***Risk associated with urban investment bonds***

Domestic Chinese bonds includes urban investment bonds, which are bonds issued by local government financing vehicles (“LGFVs”). Where a Fund invests in urban investment bonds, such Fund may be subject to risks presented by such bonds. Urban investment bonds are typically not guaranteed by local governments or the central government of Mainland China. In the event that the LGFVs default on payment of principal or interests of the urban investment bonds, the Fund could suffer substantial loss and the Net Asset Value of such Fund could be adversely affected.

## **DISTRIBUTION POLICY**

As provided in the Prospectus, the Company may distribute to the Shareholders of the Fund such part of any capital gains less realised and unrealised capital losses attributable to the relevant Fund or Class as, in their opinion, is appropriate to maintain a satisfactory level of distribution. Investors should note that payment of distributions out of unrealised capital gains amounts to the payment of distributions out of capital under Hong Kong regulatory disclosure requirements. The payment of distributions out of unrealised capital gains (which means effectively paying dividend out of capital) amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of unrealised capital gains (which means effectively paying dividend out of capital) may result in an immediate reduction of that Fund’s Net Asset Value per Share. In such circumstances, distributions made during the lifetime of the relevant Fund must be understood as a type of capital reimbursement.

In respect of Barings European Opportunities Fund, distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

For Funds which are authorised by the SFC, such Funds may amend the above policy subject to obtaining the SFC’s prior approval and by giving not less than one month’s prior notice to affected Hong Kong investors.

The composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months can be obtained either through the Hong Kong Representative's website at [www.barings.com](http://www.barings.com) or from the Hong Kong Representative on request.

## **AVAILABLE SHARES IN HONG KONG**

As at the date of this Hong Kong Covering Document, Shares of the following Funds which are being offered to the public of Hong Kong are set out below. Please refer to the Prospectus for further information relating to the Share Classes.

### **Barings European Opportunities Fund**

Class A EUR Acc	Class I EUR Acc	Class X EUR Acc*
Class A EUR Inc	Class I EUR Inc	Class X GBP Acc*
Class A USD Acc	Class I GBP Inc	Class X JPY Acc*
	Class I USD Acc	Class X USD Acc*
	Class I GBP hedged Inc	

\*The management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the X Share Class. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

Other Classes of Shares which are not mentioned above are not available to the public in Hong Kong.

Accumulation Shares are accumulating and will therefore not pay any distributions. Accumulation Shares are identified by the reference "Acc" in the name of the Class.

The Directors are given the exclusive right to effect for the account of the Company the issue of Shares of any Class and to create, subject to the requirements of the SFC (and other relevant authorities)(if any), new Classes and have absolute discretion to accept or reject in whole or in part any application for Shares.

## **SUBSCRIPTIONS, REDEMPTIONS AND CONVERSION OF SHARES BY HONG KONG INVESTORS**

The below sets out the subscription, redemption and conversion procedures for Hong Kong investors. Full details of subscription, redemption and conversion procedures, all charges payable and other important information concerning the subscription, redemption and conversion of Shares are set out in the Prospectus; and Hong Kong investors should read the relevant sections carefully in conjunction with this Hong Kong Covering Document.

Investors should note that different distributor(s) may impose different dealing cut-off times before the dealing deadlines for receiving instructions for subscription, redemption and/or conversion and may have different dealing arrangements/procedures. Before placing your subscription, redemption and/or conversion orders, please check with your distributor for the distributor's internal dealing deadline (which may be earlier than the Fund's dealing deadline) and the distributor's dealing arrangements/procedures.

### ***Application Procedures***

Initial subscriptions should be made by completing the Account Opening Form and the Subscription Form, together with the supporting documents in relation to anti-money laundering requirements and the originals submitted to the Hong Kong Representative by 5 p.m. Hong Kong time for onward transmission to the Manager c/o the Administrator on a Dealing Day.

Subsequent subscriptions may be made in writing by submitting the signed originals of the Subscription Form to the Hong Kong Representative for onward transmission to the Manager c/o the Administrator or directly to the Manager c/o the Administrator. Subsequent subscriptions may also be made in writing by completing the Subscription Form and submitted by facsimile directly to the Manager c/o the Administrator. In addition, Hong Kong investors can, with the agreement of the Manager (or the Hong



Kong Representative) and the Administrator, submit the subscription applications via electronic messaging services such as SWIFT, or via other means as agreed by the Manager or the Hong Kong Representative from time to time. Both the Account Opening Form and the Subscription Form may be obtained from the Hong Kong Representative.

Shares of each Class may be issued with effect from each Dealing Day pursuant to applications received by the Hong Kong Representative by 5 p.m. Hong Kong time or received by the Manager by 12 noon Irish time on that Dealing Day. The dealing price at which Shares will be issued, after the initial issue, is calculated by reference to the Net Asset Value per Share determined as at the Valuation Point on that Dealing Day. Applications received by the Manager after 12 noon Irish time on a Dealing Day will be treated as having been received on the following Dealing Day. Notwithstanding the aforesaid, any subscription applications received by the Hong Kong Representative after 5 p.m. Hong Kong time on a Hong Kong Business Day or treated as having been received by the Hong Kong Representative on a Dealing Day which is not a Hong Kong Business Day will be deemed to have been received by the Hong Kong Representative on the next Hong Kong Business Day that is also a Dealing Day.

If any of the details that are provided in respect of an application for Shares change, including your address, other contact details (e.g. telephone number, email address) or bank account details, please inform the Hong Kong Representative or the Administrator immediately by letter. Failure to do so may cause a delay in processing any subsequent orders.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activities under Part V of the Securities and Futures Ordinance.

Payment is normally due in the currency of the relevant Class of the relevant Fund. Should investors prefer to make payment in any currency other than the currency of the relevant Class they are advised to make direct contact with the Hong Kong Representative or with the Manager c/o the Administrator.

As provided in the section headed "Subscription of Shares" in the Prospectus, the calculation of the Net Asset Value per Class may be suspended when the right of Shareholders to require the redemption of Shares is suspended as detailed in section headed "Redemption of Shares" in the Prospectus and in the section headed "Redemption of Shares" of this document. Any such suspension will be notified to the SFC without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Please refer to the Prospectus for further details relating to the application of Shares.

### ***Redemption of Shares***

Redemption requests may be made in writing by submitting the signed originals to the Hong Kong Representative for onward transmission to the Manager c/o the Administrator or directly to the Manager c/o the Administrator. Redemption requests may also be made in writing and submitted by facsimile directly to the Manager c/o the Administrator.

In addition Hong Kong investors can, with the agreement of the Manager (or the Hong Kong Representative) and the Administrator, submit the redemption applications via electronic messaging services such as SWIFT, or via other means as agreed by the Manager or the Hong Kong Representative from time to time. No redemption payments shall be made until the original Account Opening Form (and upon completion of any applicable identification procedures in relation to the Shareholder pursuant to any statutory and regulatory obligation from time to time) has been received by the Hong Kong Representative for onward transmission to the Manager c/o the Administrator. The redemption form may be obtained from the Hong Kong Representative.

Applications for the redemption of Shares received by the Hong Kong Representative prior to 5 p.m. Hong Kong time or received by the Manager prior to 12 noon Irish time on a Dealing Day will, subject as mentioned in the section headed "Redemption of Shares" in the Prospectus, be dealt with by reference to the Net Asset Value per Share determined as at the Valuation Point on that Dealing Day. Redemption applications received by the Manager after 12 noon Irish time will be treated as having been received on the following Dealing Day. Notwithstanding the aforesaid, any redemption applications received by the Hong Kong Representative after 5 p.m. Hong Kong time on a Hong Kong Business Day or treated as

having been received by the Hong Kong Representative on a Dealing Day which is not a Hong Kong Business Day will be deemed to have been received by the Hong Kong Representative on the next Hong Kong Business Day that is also a Dealing Day.

Arrangements can be made for Shareholders wishing to redeem their Shares to receive payment in currencies other than the currency of the relevant Class of Share. In such circumstances the Shareholder is advised to make direct contact with the Hong Kong Representative or Manager c/o the Administrator in order to facilitate payment. The cost of currency conversion and other administrative expenses, including electronic transfers, may be charged to the Shareholder.

Partial redemptions of holdings are permitted provided that this will not result in the Shareholder holding an amount which is less than the Minimum Holding.

#### *Redemption Deferral Policy*

As provided in the Prospectus, the Manager is entitled to limit the number of Shares which may be redeemed on any Dealing Day to 10% of the Net Asset Value of the relevant Fund. For so long as a Fund is authorised by the SFC, the Manager will consult the Depositary prior to exercising the right to defer redemptions in respect of the relevant Fund.

#### *Temporary Suspension of Redemptions*

As provided in the Prospectus in the section headed "Redemption of Shares", the calculation of the Net Asset Value per Class may be suspended when the right of Shareholders to require the redemption of Shares is suspended as detailed in section headed "Redemption of Shares" in the Prospectus. Any such suspension will be notified to the SFC without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. In addition, the fact that dealing has been suspended will be published immediately and thereafter at least once a month during the period of suspension in an appropriate manner (including via the Manager's website [www.barings.com](http://www.barings.com)).

#### *In Specie Redemption*

As provided in the Prospectus, the Company has the power to satisfy the redemption request by a distribution of investments *in specie*. For so long as a Fund is authorised by the SFC, a redemption in specie will only be effected with the prior consent of the redeeming Shareholder.

Please refer to the Prospectus for further details relating to the redemption of Shares.

#### **Conversion of Shares**

Shareholders will be able to apply to convert on any Dealing Day all or part of their holding of Shares of any Class (the "Original Class") into Shares of another Class of the same Fund or in another Fund, which are being offered at that time (the "New Class"). Conversion applications may be made in writing by submitting the signed originals to the Hong Kong Representative for onward transmission to the Manager c/o the Administrator or directly to the Manager c/o the Administrator. Conversion requests may also be made in writing and submitted by facsimile directly to the Manager c/o the Administrator.

In addition, Hong Kong investors can, with the agreement of the Manager (or the Hong Kong Representative) and the Administrator, submit the conversion applications via electronic messaging services such as SWIFT, or via other means as agreed by the Manager or the Hong Kong Representative from time to time. The general provisions and procedures relating to redemption set out above and in the Prospectus will apply equally to conversions. The conversion form may be obtained from the Hong Kong Representative. No conversion will be made if it would result in the Shareholder holding an amount of Shares of either the Original Class or the New Class of a value which is less than the Minimum Holding for the relevant Class.

Please refer to the Prospectus for further details relating to the conversion of Shares.

## **CHARGES AND EXPENSES**

Details of the fees and expenses relating to the Company are set out in the section headed “Charges and Expenses” in the Prospectus. The attention of prospective investors is in particular drawn to the information relating to fees and expenses set out therein.

In respect of the sub-section headed “Administration, Depositary and Operating Fee” under the section headed “Charges and Expenses” in the Prospectus, it is provided that the Manager will pay the aggregate fees and expenses of the Administrator and Depositary, in addition to certain other fees and ongoing expenses. In addition to such other fees and ongoing expenses currently stated in the Prospectus, costs of printing, preparing and distributing the KFS of such Funds which are authorised by the SFC will also be included. Any increase in the rate of Administration, Depositary and Operating Fee will require Shareholders’ approval.

Any increase in the rate of Management Fee will require Shareholders’ approval by way of Special Resolution.

It is not the intention of the Directors to impose a Redemption Charge in normal circumstances. Should this policy change, Shareholders will be given at least one month’s prior written notice of the intention to charge or increase the Redemption Charge up to the specified permitted maximum as set out in the Prospectus.

For so long as the Company and the Funds are authorised in Hong Kong, no sales commissions, advertising or promotional expenses shall be charged to such Fund.

## **LIQUIDITY RISK MANAGEMENT**

The Manager has established a liquidity risk management policy which enables it, through the investment risk management team of the Investment Managers which is functionally independent from the Investment Managers’ portfolio investment team, to identify, monitor and manage the liquidity risks of the Company and to ensure the liquidity profile of the investments of each Fund will facilitate compliance with the Fund’s underlying obligations. Any deterioration in liquidity profile is communicated to the portfolio managers and the appropriate oversight committee.

Details of the redemption rights of Shareholders, including redemption rights of Shareholders in normal and exceptional circumstances and existing redemption arrangements are set out above or in the Prospectus. More particularly, the tools which may be used to manage liquidity risk include the following:

- (a) The Manager is entitled to limit the number of Shares which may be redeemed on any Dealing Day to 10% of the Net Asset Value of the relevant Fund. If such limitation is imposed, this would restrict the ability of a Shareholder to redeem in full the Shares he intends to redeem on a particular Dealing Day.
- (b) At the request or with the consent of the redeeming Shareholder, wishing to redeem Shares representing 5% or more of the Net Asset Value of a Fund on a single Dealing Day, a distribution in respect of redemptions may be made in specie at the discretion of the Directors. Unless the Shareholder requires the Directors to sell such investments, the redeeming Shareholder will receive redemption proceeds in the form of securities instead of in cash.
- (c) The Directors may, in respect of redemptions, adjust downward the Net Asset Value per Share (by deducting an anti-dilution levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund) where on any Dealing Day, the aggregate value of all redemption requests received exceeds the value of all applications for Shares. The Directors may, in respect of subscriptions, for any Fund, to adjust upward the Net Asset Value per Shares (by adding an anti-dilution levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund) where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the aggregate value of all redemption requests. In addition, the calculation of such prices and the amount of such adjustment may take into account any provision for the estimated market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the adjustment or

disposal of investments and to preserve the value of the underlying assets of the relevant Fund. For details, please refer to “Dilution Adjustment” under the section headed “Calculation of Net Asset Value” in the Prospectus. As a result of such adjustment, the Net Asset Value per Share will be higher or lower than the Net Asset Value per Share which otherwise would be if such adjustment has not been made.

- (d) A Fund may borrow up to 10% of its net assets on a temporary basis. There can be no assurance that the relevant Fund will be able to borrow on favourable term.
- (e) The Directors may, in consultation with the Depository, temporarily suspend the redemption of Shares in the Fund during certain circumstances as set out in the section headed “Temporary Suspension of Redemptions” of the Prospectus. During such period of suspension, Shareholders would not be able to redeem their investments in the relevant Fund.

## **OVERVIEW OF RISK MANAGEMENT POLICIES AND PROCEDURES IN RELATION TO FDIS**

The following sections provide a summary of the risk management policy and procedures concerning the Funds’ investment in FDIs. Further information in relation to such policies and procedures (including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Funds) is available from the Hong Kong Representative on request.

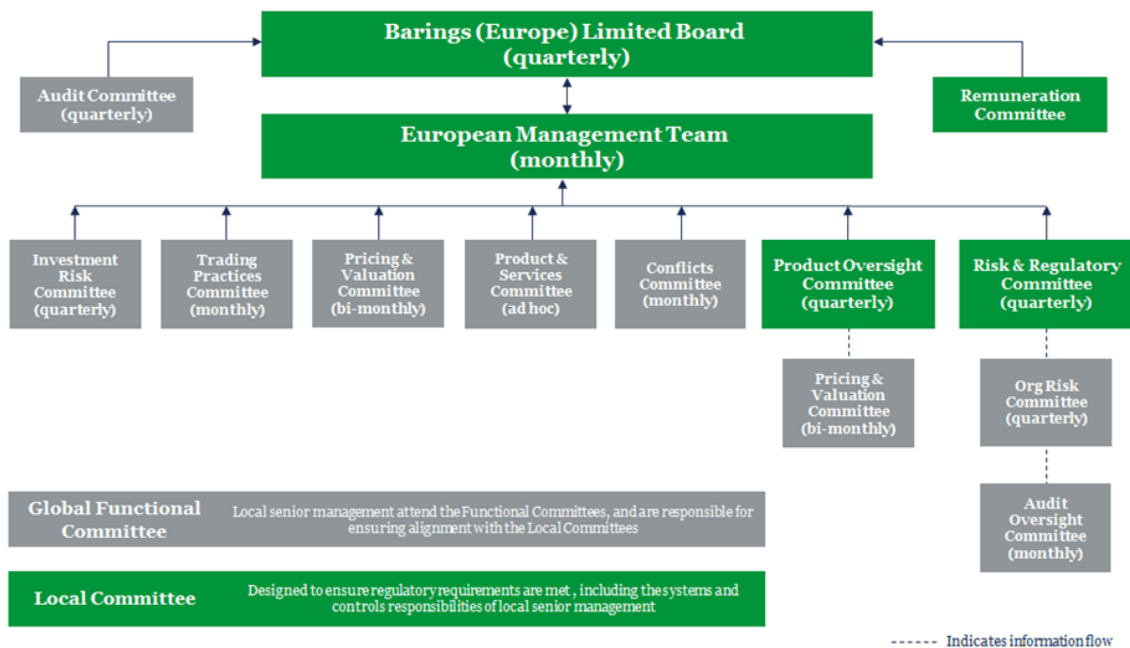
### **Overview**

The Manager has delegated the investment management of each Fund to the Investment Manager who will also carry out the permanent risk management function on behalf of the Funds. As the Board of Directors of the Manager remain responsible for these delegated responsibilities, the Manager take all reasonable measures to ensure that these delegate duties are carried out in compliance with applicable rules and guidelines and are appropriately monitored and measured. The Investment Manager monitors, measures and manages the investment in and use of FDIs by the Funds having regard to the Manager’s internal risk management policies and procedures.

Each Fund has a number of specific risks. The risks associated with each Fund are monitored and reviewed on the following levels and reported to the Board of the Manager:

- By the individual investment teams against their own strategies and limits and via departmental risk reviews.
- Within Barings Global Investment Services Department, Guideline Management and Transaction Reporting (GMTR) has primary responsibility for monitoring investment activity against client mandated guidelines and applicable regulatory rules. GMTR codes guidelines and regulations into the relevant systems (e.g., Bloomberg AIM; CDO Suite, thinkFolio Compliance). The compliance engine of the relevant systems provides pre-trade and/or post-trade monitoring functionality that is used as appropriate for the type of restriction and account being tested.
- By compliance monitoring to ensure appropriate controls are in place to ensure Funds are meeting all regulatory requirements.

Within Barings, there are committees and business areas whose responsibilities involve identifying, measuring and managing the risk relevant to the Funds. Reporting lines for the committees are below.



### **Controls and Systems Used to Manage FDIs Risk**

The individual investment teams are responsible for investing and managing the assets of the Funds, and work with Investment Risk team to take into consideration the risk of the assets as well as the overall risk characteristics of the Funds.

The Investment Risk team is responsible for the assessment of risk and the development and maintenance of the methods and procedures necessary to measure risk.

The Investment Risk team oversees the market risk of funds through the use of industry standard metrics such as tracking error, beta and stress analysis supplemented by internal investment guidelines (IIGs) monitoring where appropriate. Daily risk dashboards are monitored each morning by Investment Risk team using the previous day's closing Fund and benchmark positions.

If any exceptions are identified against any of the prescribed limits, they are validated by the Investment Risk team and then communicated to the relevant stakeholders (such as GMTR) for resolution.

The following methodologies will be used for risk measurement and monitoring of exposures (internal and where applicable regulatory limits have been set for these methodologies and exposures):

- Value at Risk;
- Leverage;
- Tracking Error; and
- OTC Counterparty exposure.

For Funds using the commitment approach to calculate global exposure (see Prospectus), the Investment Manager calculate and monitor leverage using both the commitment approach and sum of notional methodologies on a daily basis.

The Investment Manager will use back testing to assess the accuracy and quality of the VaR model by comparing the model generated VaR measures that it produced over time, versus actual observed gains and losses. The back testing program will be performed on a monthly basis using the clean back testing approach.

The GMTR (within Investment Operations) uses Barings' automated guideline management systems, Bloomberg AIM and thinkFolio Compliance, to evaluate proposed transactions on a pre-trade basis and

produces a daily post-trade compliance report on Fund positions. Rejected trades must be cleared through GMTR prior to execution.

The systems also generate daily exceptions reports relative to market movement identifying positions which have exceeded regulatory limits and/or investment restriction limits set out in the Funds' Prospectuses.

All exceptions are reviewed by the relevant investment team and GMTR to achieve an appropriate and timely resolution. Where necessary exceptions on complex rules are escalated to the Fund's Depositary to ensure appropriate application of regulatory rules and regulations and fund data.

Below are the key systems which provide risk monitoring and compliance and reporting:

- For Value at Risk and stress test reporting MSCI RiskMetrics is used.
- For the calculation of tracking error in equity based funds the risk model data and the analysis software is provided by MSCI or Axioma.
- For fixed income funds the calculation of tracking error and percentage contribution to tracking error the proprietary model developed by MSCI is used.
- For multi asset funds the Value at Risk of the funds is assessed using analysis from RiskMetrics.

#### **AVAILABILITY OF THE NET ASSET VALUE PER SHARE**

Except where the redemption of Shares of a Fund has been suspended, in the circumstances described in the Prospectus, the Net Asset Value per Share of each Class shall be available on the Barings website at [www.baring.com](http://www.baring.com) or any appropriate manner and will be updated on each Dealing Day. Such prices can also be ascertained from the offices of the Hong Kong Representative.

#### **REPORTS AND ACCOUNTS**

The audited accounts and a report on the Company and the unaudited semi-annual report will be available in English only. The Manager will notify Shareholders where the annual report and audited accounts can be obtained (in printed and electronic forms), and where the unaudited semi-annual accounts can be obtained (in printed and electronic forms) within the timeframe set out in the section headed "Reports and Accounts" in the Prospectus.

Once issued, copies of the latest annual and semi-annual accounts may also be obtained at the office of the Manager, Investment Manager and the Hong Kong Representative.

#### **WINDING UP OF THE COMPANY AND TERMINATION OF A FUND**

The Depositary shall not be bound (except in the case of final distribution) to distribute any moneys for the time being in its hands the amount of which is insufficient to pay the equivalent of US\$1.00 in respect of each Share.

#### **TAXATION IN HONG KONG**

The following is a summary of certain Hong Kong tax consequences of the purchase, ownership and disposal of Shares. The summary of Hong Kong taxation is of a general nature, is for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of the Shares. Potential investors in Shares should consult their own advisors as to the Hong Kong or other tax consequences of the purchase, ownership and disposal of Shares.

During such period as the Company is authorised by the SFC then, under present Hong Kong law and practice:—

- (a) The Company is not expected to be subject to Hong Kong tax in respect of any of its authorised activities;
- (b) No tax will be payable by Shareholders in Hong Kong in respect of any capital gains arising on a sale, redemption or other disposal of Shares in the Company, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong; and
- (c) No tax should generally be payable by Shareholders in Hong Kong in respect of dividends or other income distributions of the Company.

#### **OECD COMMON REPORTING STANDARD**

The Inland Revenue (Amendment) (No.3) Ordinance (the “Ordinance”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and to file such information with the Hong Kong Inland Revenue Department (“**IRD**”) who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, FIs may further collect information relating to residents of other jurisdictions.

By investing in the Company or the relevant Fund and/or continuing to invest in the Company or the relevant Fund through FIs in Hong Kong, investors acknowledge that they may be required to provide additional information to the relevant FI in order for the relevant FI to comply with AEOI. The investor’s information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Shareholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions.

Each Shareholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Company through FIs in Hong Kong.

#### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

As at the date of this Hong Kong Covering Document, Baring Asset Management Limited, the Investment Manager, has registered as a “sponsoring entity” and agreed to perform, on behalf of the sponsored investment entities (including the Company and/or its Funds), all due diligence, reporting and other relevant FATCA requirements. The Investment Manager has a GIIN of HU7DQI.00000.SP.826. The Company and/or each Fund will be classified as a “sponsored investment entity” and will be a non-reporting financial institution treated as a registered deemed-compliant foreign financial institution.

#### **KEY INVESTOR INFORMATION DOCUMENT**

Notwithstanding the references to the Key Investor Information Document or KIID in the Prospectus, the Key Investor Information Document is not intended to be, and shall not in any event be interpreted as, an offering document of the Company in Hong Kong and is not distributed to investors in Hong Kong.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be obtained or inspected free of charge at the offices of the Hong Kong Representative set out below:

- the Articles
- the Management Agreement
- the Depositary Agreement
- the Administration Agreement
- the Investment Management Agreement
- the agreement between the Hong Kong Representative and the Manager
- the latest annual and half yearly reports and accounts (the annual and half yearly reports are

available in English only)

Investors may also contact the Hong Kong Representative for information on the risk management of the Funds, the Investment Manager's best execution policy, the Investment Manager's proxy voting policy, Remuneration Policy, and details regarding the Depositary, including a description of its duties and any conflicts of interest that may arise, any safekeeping functions delegated by the depositary and an up to date list of such sub-custodians.

## **OTHER INFORMATION**

### **Hong Kong Representative**

Baring Asset Management (Asia) Limited  
*Registered address:*

Room 3401, 3409-3410 & 35/F  
Gloucester Tower  
15 Queen's Road Central  
Hong Kong

*Business address and contact details:*

35th Floor, Gloucester Tower  
15 Queen's Road Central  
Hong Kong

Telephone: 852-2841 1411  
Facsimile: 852-2845 9050

### **Legal Advisers as to matters of Hong Kong law**

Deacons  
5<sup>th</sup> Floor  
Alexandra House  
18 Chater Road  
Central  
Hong Kong

### **Directors of the Manager**

David Conway  
Barbara Healy  
Julian Swayne  
Alan Behen  
Paul Smyth

c/o Baring International Fund Managers  
(Ireland) Limited, 70 Sir John Rogerson's  
Quay  
Dublin 2, Ireland



# PROSPECTUS

## Barings Investment Funds plc

(an umbrella fund constituted as an investment company with variable capital under the laws of Ireland with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011), as amended.

The Directors of the Company, whose names appear under the heading "Directors of the Company" in the Directory section are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## Important Information

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

### Authorisation by the Central Bank of Ireland

The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as an "Undertaking for Collective Investment in Transferable Securities" ("UCITS") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) ("UCITS Regulations") and has been established as an umbrella fund with segregated liability between Funds and will comply with the Central Bank UCITS Regulations.

**Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

**Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

This Prospectus (which term shall include a reference to any Supplement herein or hereto) provides information about the Company and the Funds. Prospective investors are required as part of the Account Opening Form to confirm they have read and understood it. It contains information which prospective investors ought to know before investing in the Company and should be retained for future reference. Further copies may be obtained from the Company, the Manager, the Investment Manager or from a distributor. Copies of the most recent annual report and, if subsequently published, the semi-annual report of the Company are available free of charge on request.

Shares in the Company are offered only on the basis of the information contained in this Prospectus, the relevant Supplement, the Key Investor Information Document, the most recent annual report and, if subsequently published, the semi-annual report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation other than those contained in the Key Investor Information Document, this Prospectus, each relevant Supplement, the most recent annual report and, if subsequently published, the semi-annual report of the Company and, if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any such Shares other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy such Shares by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus or the relevant Supplements nor the issue of Shares shall, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Directors have taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion. The Directors accept responsibility accordingly. This Prospectus and any Supplements may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus and Supplements and the Prospectus/Supplements in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the Shares are sold, that in any action based upon disclosure in the Prospectus/Supplement in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

The Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the Company. Under the Articles, the assets and liabilities attributable to each Fund established by the Company, will be segregated by the Depositary. However, investors should note the risk factor "Segregated Liabilities Risk" under "Risk Considerations" below. A separate pool of assets will not be maintained for each Class. As of the date of this Prospectus, the Company is offering Shares in the Funds described in the most recent Supplement in force at the date of this Prospectus. The Directors may from time to time decide to offer, with the prior approval of the Central Bank, additional separate Funds and, with prior notice to and clearance from the Central Bank, additional Classes in existing Fund(s). In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and/or Classes, and/or a separate Supplement or addendum with respect to such Funds and/or Classes will be prepared. Such updated and amended Prospectus or new separate Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds.

Investors may, subject to applicable law, invest in any Fund offered by the Company. Investors should choose the Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek

independent advice in that regard. A separate pool of assets will be maintained for each Fund and will be invested in accordance with the investment policy applicable to the relevant Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Funds and Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Fund will be achieved. Investors should note that, if specified in a Fund's Supplement as applicable, a Redemption Charge of up to 1% of the Net Asset Value of the Shares being redeemed may be chargeable in respect of that Fund.

Shareholders should also note that a Fund may invest principally in FDI.

**Shareholders should note that some or all of the dividends, management fees and other fees and expenses of a Fund of the Company may be charged to capital where there is insufficient income available. Thus, on redemption of holdings, Shareholders may not receive back the full amount invested. The policy of paying dividends from, or charging fees and expenses to capital will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth.**

**Investors should be aware that the Directors may declare dividends out of capital in respect of certain Classes and that in the event that they do, the capital of such Classes will be eroded. Such distributions will be achieved by forgoing the potential for future capital growth and that this cycle may be continued until all capital in respect of the Shares is depleted. Distributions out of capital may result in the value of future returns being diminished. Shareholders should also be aware that the payment of distributions out of capital may have different tax implications for them compared to distributions of income and you are therefore recommended to seek tax advice in this regard. Investors should be aware that distributions out of capital are a type of capital reimbursement.**

## GENERAL NOTICE

Potential subscribers for Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares. Potential subscriber's attention is drawn to the risk factors described under the heading "Risk Considerations" within this Prospectus.

EACH PURCHASER OF SHARES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SHARES OR POSSESSES OR DISTRIBUTES THE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SHARES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE COMPANY, THE MANAGER, THE INVESTMENT MANAGER (OR ANY OF ITS AFFILIATES), THE DEPOSITARY OR THE ADMINISTRATOR SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

## US

THE SHARES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES REGULATORY AUTHORITY OR COMMISSION, NOR HAS ANY SUCH AUTHORITY OR COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SHARES HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY U.S. STATE OR FOREIGN SECURITIES LAWS. THE OFFERING OF SHARES CONTEMPLATED HEREIN (THE "OFFERING") WILL BE MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND THE REGULATIONS PROMULGATED THEREUNDER FOR AN OFFER AND SALE OF SECURITIES THAT DOES NOT INVOLVE A PUBLIC OFFERING. THERE WILL BE NO PUBLIC MARKET FOR THE SHARES. THE SHARES ARE BEING OFFERED ONLY TO "ACCREDITED INVESTORS" AS SUCH TERM IS DEFINED IN REGULATION D UNDER THE 1933 ACT AND EACH U.S. PURCHASER OF SHARES OFFERED HEREBY MUST BE AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF REGULATION D. EACH UNITED STATES PERSON WILL ALSO BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT IS ACQUIRING THE SHARES PURCHASED BY IT FOR INVESTMENT AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION.

THE COMPANY WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"), IN RELIANCE UPON AN EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED IN SECTION 3(C)(7) THEREOF, WHICH REQUIRES THAT EACH UNITED STATES PERSON BE A "QUALIFIED PURCHASER" AS DEFINED IN THE 1940 ACT AND THAT THE ISSUER DOES NOT MAKE OR PROPOSE TO MAKE A PUBLIC OFFERING OF ITS SECURITIES. ACCORDINGLY, EACH UNITED STATES PERSON MAY BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT MEETS THE QUALIFICATIONS OF A "QUALIFIED PURCHASER." THE COMPANY WILL BE SUBJECT TO SIGNIFICANTLY LESS REGULATION AND SUPERVISION THAN REGISTERED INVESTMENT COMPANIES.

WHILE THE FUNDS MAY TRADE COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") AS A COMMODITY POOL OPERATOR ("CPO") UNDER CFTC RULE 4.13(A)(3). THEREFORE, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A CFTC COMPLIANT DISCLOSURE DOCUMENT OR CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF THE CFTC RULES. THE FUNDS DO, HOWEVER, INTEND TO PROVIDE INVESTORS WITH ANNUAL AUDITED FINANCIAL STATEMENTS. TO THE EXTENT A FUND IN THE FUTURE MAY NOT RELY ON THE RULE 4.13(A)(3) EXEMPTION, IT WILL COMPLY WITH APPLICABLE CFTC RULES AND REGULATIONS OR RELY ON AN APPROPRIATE EXEMPTION FROM SUCH RULES AND REGULATIONS.

THE CFTC EXEMPTION RULES REQUIRE, AMONG OTHER THINGS, THAT EACH PROSPECTIVE INVESTOR SATISFY CERTAIN SOPHISTICATION CRITERIA, OR OTHERWISE BE AN ELIGIBLE INVESTOR SPECIFIED IN THE RULE. SUCH RULES ALSO REQUIRE THAT SHARES BE EXEMPT FROM REGISTRATION UNDER THE 1933 ACT AND BE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES. THIS PROSPECTUS HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.

THE SHARES HELD BY UNITED STATES PERSONS WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE 1933 ACT AND APPLICABLE U.S. STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. ACCORDINGLY, UNITED STATES PERSONS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE

FINANCIAL RISKS AND LACK OF LIQUIDITY OF AN INVESTMENT IN THE COMPANY FOR AN INDEFINITE PERIOD OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE SHARES, NO SUCH MARKET IS EXPECTED TO DEVELOP IN THE FUTURE AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE SHARES UNDER THE 1933 ACT OR ANY U.S. STATE SECURITIES LAWS. INVESTMENT IN THE COMPANY INVOLVES CERTAIN SIGNIFICANT INVESTMENT RISKS, INCLUDING LOSS OF AN INVESTOR'S ENTIRE VALUE OF INVESTMENT OR OTHER AMOUNT OF CAPITAL.

INVESTORS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS PROSPECTUS AND TO REVIEW, IN PARTICULAR, THE SPECIAL CONSIDERATIONS SET FORTH UNDER THE HEADING "RISK CONSIDERATIONS" HEREIN.

THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), IMPOSES CERTAIN LIMITATIONS ON THE INVESTMENT BY CERTAIN PENSION AND OTHER EMPLOYEE BENEFIT PLANS IN INVESTMENTS SUCH AS THE COMPANY. THEREFORE, ANY PENSION OR OTHER EMPLOYEE BENEFIT PLAN CONSIDERING AN INVESTMENT IN THE COMPANY SHOULD CONSULT ITS OWN COUNSEL AS TO THE LEGAL EFFECTS OF SUCH INVESTMENT. NOTHING SET FORTH IN THIS PROSPECTUS, TOGETHER WITH ANY AMENDMENTS AND SUPPLEMENTS AND ANY OTHER INFORMATION (WHETHER PROVIDED ORALLY OR IN WRITING) CONSTITUTES A RECOMMENDATION THAT ANY PERSON TAKE OR REFRAIN FROM TAKING ANY COURSE OF ACTION WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION §2510.3-21(B)(1). THIS PROSPECTUS, TOGETHER WITH ANY AMENDMENTS AND SUPPLEMENTS AND ANY OTHER INFORMATION THAT MAY BE FURNISHED TO PROSPECTIVE INVESTORS BY THE COMPANY, CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE UNITED STATES FEDERAL SECURITIES LAWS. FORWARD-LOOKING STATEMENTS ARE THOSE THAT PREDICT OR DESCRIBE FUTURE EVENTS OR TRENDS AND THAT DO NOT RELATE SOLELY TO HISTORICAL MATTERS. FOR EXAMPLE, FORWARD-LOOKING STATEMENTS MAY PREDICT FUTURE ECONOMIC PERFORMANCE, DESCRIBE PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS AND MAKE PROJECTIONS OF REVENUE, INVESTMENT RETURNS OR OTHER FINANCIAL ITEMS. A PROSPECTIVE INVESTOR CAN GENERALLY IDENTIFY FORWARD-LOOKING STATEMENTS AS STATEMENTS CONTAINING THE WORDS "WILL," "BELIEVE," "EXPECT," "ANTICIPATE," "INTEND," "CONTEMPLATE," "ESTIMATE," "ASSUME" OR OTHER SIMILAR EXPRESSIONS. SUCH FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, BECAUSE THE MATTERS THEY DESCRIBE ARE SUBJECT TO KNOWN (AND UNKNOWN) RISKS, UNCERTAINTIES AND OTHER UNPREDICTABLE FACTORS, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF SUCH FORWARD-LOOKING STATEMENTS. MANY RELEVANT RISKS ARE DESCRIBED UNDER THE HEADING "RISK CONSIDERATIONS" HEREIN, AND A PROSPECTIVE INVESTOR SHOULD CONSIDER THE IMPORTANT FACTORS LISTED THEREIN AS SUCH PROSPECTIVE INVESTOR READS THIS PROSPECTUS AND CONSIDERS AN INVESTMENT IN THE COMPANY.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER AND SALE OF SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY UNITED STATES STATE OR OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, AN ADVERTISEMENT, AND THE OFFERING CONTEMPLATED IN THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE SHARES. THIS PROSPECTUS IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS TO WHOM IT IS TRANSMITTED IN CONNECTION WITH THIS OFFERING.

## **JAPAN**

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED PURSUANT TO ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE LAW OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED) AND, ACCORDINGLY, NONE OF THE SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT, OF ANY JAPANESE PERSON OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO ANY JAPANESE PERSON EXCEPT UNDER CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND GUIDELINES PROMULGATED BY THE RELEVANT JAPANESE GOVERNMENTAL AND REGULATORY AUTHORITIES AND IN EFFECT AT THE RELEVANT TIME FOR THIS PURPOSE, A "JAPANESE PERSON" MEANS ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANISED UNDER THE LAWS OF JAPAN.

## **UK**

THE COMPANY IS A RECOGNISED COLLECTIVE INVESTMENT SCHEME FOR THE PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") OF THE UNITED KINGDOM. THIS PROSPECTUS WILL BE DISTRIBUTED IN THE UNITED KINGDOM BY OR ON BEHALF OF THE MANAGER AND IS APPROVED BY BARING ASSET MANAGEMENT LIMITED (THE "INVESTMENT MANAGER"), WHICH IS AUTHORISED AND REGULATED BY

THE FINANCIAL CONDUCT AUTHORITY ("FCA") FOR THE PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA).

## Directory

### **MANAGER**

*Baring International Fund Managers  
(Ireland) Limited*

Registered Office:  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **DIRECTORS OF THE COMPANY**

Alan Behen  
David Conway  
Barbara Healy  
Paul Smyth  
Julian Swayne

### **INVESTMENT MANAGER**

*Baring Asset Management Limited*  
20 Old Bailey  
London EC4M 7BF  
UK

### **DEPOSITARY**

*Northern Trust Fiduciary Services (Ireland) Limited*  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **ADMINISTRATOR AND REGISTRAR**

*Northern Trust International Fund Administration  
Services (Ireland) Limited*

Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **LEGAL ADVISERS**

#### **IRISH LAW**

*Matheson*  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **AUDITORS**

*PricewaterhouseCoopers*  
Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **SPONSORING BROKER**

*Matheson*  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **REGISTERED OFFICE OF THE COMPANY**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **COMPANY SECRETARY**

*Matsack Trust Limited*  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

Please refer to the section "Manager, Investment Manager, Depositary, Administrator and Registrar" within this Prospectus for more details.

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## Definitions

“Accounting Date”	30 April of each year by reference to which annual accounts for the Company are prepared or such other date as the Directors may from time to time decide.
“Accounting Period”	a period ending on an Accounting Date and commencing on the day following expiry of the last Accounting Period.
“Account Opening Form”	any initial application to be completed by investors as prescribed by the Company from time to time.
“Act”	the Companies Act 2014 and every amendment or re-enactment of the same.
“Administrator”	Northern Trust International Fund Administration Services (Ireland) Limited or any other person or persons for the time being duly appointed by the Manager as administrator of the Company in succession thereto with the prior approval of the Central Bank.
“Administration Agreement”	the Administration Services Agreement made between the Company, the Manager and the Administrator, as may be amended from time to time.
“Articles”	the Articles of Association of the Company.
“AUD”, “Australian Dollar”	refers to the currency of Australia.
“Base Currency”	the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.
“Benchmark Regulation”	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
“Bond Connect”	the initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China.
“Business Day”	in relation to a Fund any day other than Saturday or Sunday on which banks in both Ireland and the UK are open for business, or as otherwise specified in the Supplement for the relevant Fund.
“CAD”, “Canadian Dollar”	refers to the currency of Canada.
“CCDC”	the China Central Depository & Clearing Co., Ltd.
“CD”, “CDs”	Certificates of Deposit.
“Central Bank”	the Central Bank of Ireland or any successor entity.
“Central Bank UCITS Regulations”	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities)) Regulations 2019 as may be amended, constituted or substituted from time to time and any notices or guidance issued by the Central Bank pursuant thereto for the time being in force.
“CHF” or “Swiss Franc”	refers to the currency of Switzerland.
“China Interbank Bond Market”	the Mainland China interbank bond markets.
“CIBM Initiative”	the regime launched in February 2016 for foreign institutional investors to invest in the China Interbank Bond Market.

“Class”, “Classes”	a particular division of Shares in a Fund.
“Class Currency”	the currency in which a Class is designated.
“CMU”	the Central Moneymarkets Unit, an organization established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services.
“Collection Account”	the account operated by the Administrator in respect of which all subscription monies are received and from which all redemption and distribution proceeds are paid as described under the heading “Collection Accounts”.
“Company”	Barings Investment Funds plc.
“CSRC”	the China Securities Regulatory Commission.
“Data Protection Legislation”	(i) the Data Protection Acts 1988 and 2003 or any other legislation or regulations implementing Directive 95/46/EC, (ii) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (iii) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any consequential national data protection legislation and (iv) any guidance and/or codes of practice issued by the Irish Data Protection Commissioner or other relevant supervisory authority, including without limitation the European Data Protection Board.
“Dealing Day”	(i) each Business Day (unless the determination of the Net Asset Value of the Fund has been suspended for the reasons specified in the Prospectus), or  (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight.
“Declaration”	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D of the Taxes Act.
“Depositary”	Northern Trust Fiduciary Services (Ireland) Limited or any other person or persons for the time being duly appointed as depositary of the Company in succession thereto with the prior approval of the Central Bank.
“Depositary Agreement”	the depositary agreement made between the Company and the Depositary as amended.
“Directors”	the directors of the Company or any duly authorised committee or delegate thereof.
“EMIR”	European Market Infrastructure Regulation on FDIs, central counterparties and trade repositories which imposes requirements on all types and sizes of entities that enter into any form of FDI, including those not involved in financial services and also establishes common organisational, conduct of business and prudential standards for central counterparties (CCPs) and trade repositories.
“ESMA Guidelines”	the European Securities and Markets Authority’s Final report - Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411).
“Euro”, “€”, “EUR”	the currency of certain member states of the European Union.
“Euronext Dublin”	the Irish Stock Exchange trading as Euronext Dublin.
“European Economic Area (EEA)”	the countries which are members of the EEA.

“Exempt Investor”	Irish Residents who are permitted (whether by legislation or by express concession of the Irish Revenue Commissioners to hold Shares in the Company without requiring the Company to deduct or account for Irish tax as more fully described in the section of the Prospectus entitled “Taxation”.
“FCA”	the Financial Conduct Authority of the United Kingdom.
“FDI”	a financial derivative instrument, which is a contract between two or more parties whose value is derived from one or more underlying assets.
“FSMA”	the Financial Services and Markets Act, 2000 of the United Kingdom.
“Fund”, “Funds”	a sub-fund of the Company the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the approval of the Central Bank.
“GITA”	the German Investment Tax Act ( <i>Investmentsteuergesetz</i> ), as may be amended.
“Global Exchange Market”	the global exchange market of Euronext Dublin.
“Hedged Class”	the relevant Classes which have been indicated as hedged classes in the relevant Supplement and in respect of which currency hedging will be implemented.
“Hong Kong Dollar”, “HKD”	the currency of Hong Kong.
“HMRC”	Her Majesty’s Revenue & Customs in the United Kingdom.
“Investment Grade”	a rating which is “BBB-” or higher from the rating agency Standard & Poor’s or Fitch, “Baa3” or higher from the Moody’s Investor Services, or the equivalent rating of another internationally recognised rating agency.
“Investment Management Agreement”	the investment management agreement between the Manager and Baring Asset Management Limited as amended.
“Investment Manager”	Baring Asset Management Limited or any other person or persons for the time being duly appointed as investment manager of the Company in succession thereto in accordance with the requirements of the Central Bank.
“Investor Money Regulations”	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.
“Ireland”	the Republic of Ireland.
“Irish Resident”	unless otherwise determined by the Manager, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below.
“Irish Revenue Commissioners”	the Irish authority responsible for taxation and customs duties.
“Key Investor Information Documents”	the key investor information documents which are available in relation to each available Class in the Funds.
“Manager”	Baring International Fund Managers (Ireland) Limited or any other person or persons for the time being duly appointed as manager of the Company in succession thereto in accordance with the requirements of the Central Bank.

“Management Agreement”	the management agreement made between the Company and the Manager as amended.
“Member State”	a member state of the European Union.
“MENA”	the region of the Middle East and North Africa.
“Minimum Holding”	the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.
“Minimum Investment”	such amount in respect of initial and/or subsequent subscriptions as may be specified in the relevant Supplement or as the Directors may determine and notify to investors.
“Minimum Net Asset Value”	US\$50 million or its equivalent, at or below which level, the Directors shall be entitled to terminate the Company or a Fund.
“Money Market Instruments”	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time. Examples of such Money Market Instruments include certificates, deposits and listed short-term fixed and floating rate securities (including government and corporate notes and bonds).
“Net Asset Value”, “NAV”	the net asset value of a Fund or a relevant Class, as the case may be, determined in accordance with the principles set out in the section “Calculation of Net Asset Value” within this Prospectus.
“NZD”, “New Zealand Dollar”	refers to the currency of New Zealand.
“OECD”	the Organisation for Economic Co-operation and Development. The thirty-six following countries are members of the OECD as of the date of this Prospectus: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.
“Official List”	the list of securities or shares admitted to the official list and trading on the Global Exchange Market of Euronext Dublin and published daily.
“Ordinary Resolution”	a resolution proposed as such at a meeting of Shareholders of the Company, a Fund or, as the case may require, Shareholders of a particular Class convened and held in accordance with the provisions of the Articles and passed as such at such meeting by a simple majority of the total number of votes cast for and against such resolution.
“PRC”, “Mainland China”	the People’s Republic of China excluding Hong Kong, Macau and Taiwan for the purpose of this Prospectus.
“Preliminary Charge”	a percentage of the Net Asset Value per Share as specified in this Prospectus or such higher amount as may be approved by a Special Resolution.
“Privacy Statement”	the privacy statement adopted by the Company and the Manager in respect of the Company, as amended from time to time. The current version is available via the website <a href="http://www.barings.com">www.barings.com</a> .
“Prospectus”	this document as may be amended, supplemented or modified from time to time.
“QFI”	qualified foreign investor(s) approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time, including qualified foreign institutional investors (QFII) and RMB qualified foreign institutional investors (RQFII).

“QFI Regulations”	the measures issued by the relevant authorities in the PRC with respect to the QFI, as may be amended.
“Redemption Charge”	a percentage of the Net Asset Value per Share as specified in the relevant Supplement or such higher amount as may be approved by a Special Resolution.
“Recognised Exchange”	any regulated stock exchange or market on which the Company may invest. A list of those stock exchanges and markets is contained in this Prospectus and the Articles.
“Regulations”	the UCITS Regulations and the Central Bank UCITS Regulations.
“Renminbi”, “RMB”	the currency of the PRC.
“Rouble”	refers to the currency of Russia.
“SEK”, “Swedish Krona”	refers to the currency of Sweden.
“Semi-Annual Accounting Date”	31 October in each year.
“Settlement Date”	three Business Days following the relevant Dealing Day.
“SHCH”	the Shanghai Clearing House, a financial market infrastructure approved and directed by the People’s Bank of China, is a qualified central counterparty accepted by People’s Bank of China and also one of the central securities depositories in Mainland China.
“SFTR”	Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
“Share”, “Shares”	a participating share or save as otherwise provided in this Prospectus, a fraction of a participating share not less than one thousandth of a Share in the capital of the Company attributable to a particular Class.
“Shareholder”	a person who is registered as a holder of Shares in the Register of Shareholders for the time being kept by or on behalf of the Company.
“Specified US Person”	i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section

6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

“Special Resolution”	a resolution proposed as such at a meeting of Shareholders of the Company, a Fund, or as the case may require, Shareholders of a particular Class, convened and held in accordance with the Act and passed at such meeting by a majority consisting of 75% or more of the total number of votes cast for and against such resolution.
“Sterling”, “pence”, “GBP”, “£”	the currency of the United Kingdom.
“Sub-Investment Grade”	a rating which is "BB+" or lower from the ratings agency Standard & Poor's or Fitch, “Ba1” or lower from Moody's Investor Services, or the equivalent rating of another internationally recognised rating agency.
“Subscription Form”	the subscription form to be completed by an investor or Shareholder in the Company in such form as prescribed by the Company from time to time.
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Class.
“Swiss Franc”, “CHF”	the currency of Switzerland.
“TCA 1997”, “Taxes Act”	the Irish Taxes Consolidation Act 1997, as amended from time to time.
“Transferable Securities”	shares in companies and other securities equivalent to shares in companies; bonds and other form of securitised debt; or any other negotiable securities which carry the right to acquire such transferable securities by subscription or exchange other than techniques and investments for efficient portfolio management.
“UCITS”	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations.
“UCITS Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations.
“UCITS Regulations”	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time.
“United States”, “US”, “U.S.”	the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
“United States Person”	any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organised in or under the laws of the United States, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the United States Securities Act of 1933 (as amended).
“Unrated Security”	fixed income securities that have not been rated by an internationally recognised credit rating agency such as Moody's, Standard & Poor's or Fitch. Unrated securities are not necessarily of lower quality than rated securities, but they may not be attractive to as many buyers, may be less liquid than comparable rated securities and involve the risk that the Investment Manager may not be able to accurately evaluate the security's comparative credit rating.
“US Dollar”, “USD”, “US\$”	the currency of the United States of America.

“Valuation Day”	the Dealing Day, unless specified otherwise in the relevant Supplement for a Fund
“Valuation Point”	12 noon (Irish time) on every Dealing Day unless specified otherwise in the relevant Supplement for a Fund. The Manager may change the Valuation Point of a Fund upon giving reasonable advance notice to Shareholder’s provided that in any event, dealing will always be on a forward pricing basis.



## Introduction

The Company is an investment company with variable capital incorporated in Ireland on 18 October 2004 under registration number 392526 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in its Memorandum and Articles of Association, is the collective investment of capital raised from the public in transferable securities and/or in other liquid financial assets in accordance with the UCITS Regulations operating on the principle of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles provide that the Company may offer separate Funds. Each Fund will have a distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of the Funds set out below. Information specific to a Fund will be set out in each Supplement.

<b>Funds of the Company</b>
Barings China Select Fund*
Barings Dynamic Absolute Return Fund*
Barings European Opportunities Fund
Barings Frontier Markets Fund*
Barings Global Dividend Champions Fund
Barings Global Flexible Allocation Fund
Barings Europe Select Fund
Barings German Growth Fund
Barings Global Equity Allocation Fund
Barings China A-Share Fund

\* This Fund is closed to further subscription and application will be made to the Central Bank for its withdrawal of approval in due course.

With the prior approval of the Central Bank, the Company from time to time may create an additional Fund or Funds, the investment policies and objectives for which shall be outlined in a Supplement, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus, whether or not it is contained therein as one document. In addition, the Company may create additional Classes within a Fund to accommodate different charges and/or fees and/or brokerage arrangements provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of any such additional Class.

The Articles provide for the creation of separate Funds and the assets and liabilities shall be allocated to each Fund in the following manner:

- (a) for each Fund, the Company shall keep separate records in which all transactions relating to the relevant Fund shall be recorded and to which the proceeds from the issue of each Class of Share (exclusive of the Preliminary Charge) and the assets and liabilities and income and expenditure attributable to each Fund shall be applied;
- (b) any asset derived from another asset of a Fund shall be applied in the records of the relevant Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such liability shall be allocated to that Fund;
- (d) in circumstances in which an asset or liability is not clearly attributable to a particular Fund or Funds, the Directors shall have the discretion to determine the basis upon which assets or liabilities shall be allocated between Funds and from time to time subject to the approval of the Depositary to vary such allocations save where the asset or liability is allocated between all Funds pro-rata to their Net Asset Value at the time of allocation; and
- (e) where hedging strategies are used in relation to a Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Fund as a whole but the gains/losses on the costs of the relevant financial instruments will accrue solely to the relevant Class.

The Company has been established as an umbrella company with segregated liability between Funds. As a result, neither the Company nor any Director, receiver, examiner, liquidator or other person shall apply, nor be obliged to apply, the assets of any one Fund in satisfaction of any liability incurred on behalf or attributable to any other Fund. In addition, although each Fund is not a separate legal person: (i) the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, between the Funds as apply at law in respect of companies; (ii) the property of a Fund is subject to orders of the court as if the Fund were a separate legal person; and (iii) each Fund may be wound-up as if it were a separate legal person, provided always that the appointment of a liquidator and the powers, rights, duties and responsibilities of the liquidator shall be confined to the Fund which is being wound-up.



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## Investment Policies: General

The Funds will invest in transferable securities and/or other liquid assets listed or traded on Recognised Exchanges and, to the extent specified in the relevant Supplement, in units/shares of other investment funds, all in accordance with the investment restrictions described in Appendix I – Investment Restrictions.

In addition, and to the extent only that the Investment Manager deems consistent with the investment policies of the Funds, the Funds may utilise for the purposes of efficient portfolio management, the investment techniques and instruments described in Appendix III – Efficient Portfolio Management. Such investment techniques and instruments may include FDIs. To the extent only that the Investment Manager deems consistent with the investment policies of the Funds, and in accordance with the requirements of the Central Bank, the Funds may also utilise FDIs for investment purposes. The Investment Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to FDIs, and details of this process have been provided to the Central Bank. The Investment Manager will not utilise FDIs which have not been included in the risk management process until such time as a revised risk management process has been filed with the Central Bank.

Investors' attention is drawn to the fact that the portfolio for each Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include cash, deposits and short-term paper including treasury bills, CDs and bankers' acceptances and short-term money market instruments. The Directors do not expect to retain substantial amounts of assets in this form except if they consider such investments to be in the best interests of Shareholders.

Where the investment policy of a Fund requires a particular percentage of that Fund to be invested in a specific type or range of investments, such requirement will not apply under extraordinary market conditions, in which circumstances investment may be made into asset classes other than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. Examples of extraordinary market conditions include economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions. During such periods, a Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term Money Market Instruments or have substantial holdings in cash and cash equivalents.

Each Fund may invest in other collective investment schemes. The Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and each relevant Supplement. The closed ended collective investment schemes in which the Funds may invest shall include, without limitation, closed ended collective investment schemes listed or traded on the New York Stock Exchange, Euronext Dublin and the London Stock Exchange. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this Company. A Fund may only invest in another Fund of this Company if the Fund in which it is investing does not itself hold Shares in any other Fund of this Company. Any Fund that is invested in another Fund of this Company will be invested in a Class for which no management or investment management fee is charged. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

A Fund may also seek exposure to some or all of the assets referred to in the investment policy section of each Fund by obtaining exposure to financial indices, such as through futures or swaps on financial indices. The indices selected by the Investment Manager will meet the requirements for financial indices as laid out in the Central Bank UCITS Regulations, in particular they shall represent an adequate benchmark for the markets to which they refer, be published in an appropriate manner, and are independently managed from the management of the Fund. The equity and debt indices selected will offer exposure to transferable securities listed or traded on Recognised Exchanges listed from time to time under "RECOGNISED EXCHANGES" in Appendix II of the Prospectus. Exposure of the Fund to commodity indices will offer exposure to commodity indices which meet with the requirements of and have, where necessary, been cleared by the Central Bank.

The relevant indices in the Funds are typically rebalanced on a monthly basis but can be rebalanced more or less frequently. The costs associated with gaining exposure to a financial index can be impacted by the frequency with which the relevant index is rebalanced. Details of any financial indices held by the Fund will be provided to Shareholders by the Investment Manager upon request and will be set out in the semi-annual and annual accounts of the Company. Where the weighting of a particular constituent in the index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation as a priority objective taking into account the interests of Shareholders and the relevant Fund.

A Fund may invest in China A shares, China B shares and/or domestic Chinese bonds provided that such investment is in accordance with the requirements of the Central Bank and the relevant regulatory authorities in the People's Republic of China. Unless otherwise specified in the relevant Supplement of a Fund, it is not intended that it will invest, whether directly or indirectly, more than 10% of its Net Asset Value in China A and China B shares and/or more than 10% of its Net Asset

Value in domestic Chinese bonds. Should this intention be changed, at least one month's prior notice will be given to shareholders of the relevant Fund and the Prospectus will be updated accordingly.

The investment objective and policies of a Fund are set out in the Supplement for that Fund. The investment objective of each Fund will not at any time be altered without the approval of an Ordinary Resolution. Changes to investment policies which are material in nature may only be made with the approval of an Ordinary Resolution to which the changes relate. A change would be material if, were it to be made, would alter significantly the asset type, credit quality, borrowing limits or risk profile of the relevant Fund. In the event of a change of investment objective and/or a material change in investment policy a reasonable notification period will be provided by the Manager and the Company will provide facilities to enable Shareholders to redeem their Shares prior to implementation of these changes.

There can be no assurance or guarantee that a Fund's investments will be successful or its investment objective will be achieved. Please refer to the "Risk Considerations" in this Prospectus for a discussion of those factors that should be considered when investing in that Fund.

## Benchmarks

The benchmarks of the Funds are:

Fund	Benchmark
Barings European Opportunities Fund	MSCI Europe Small Cap (Total Net Return) Index
Barings Global Dividend Champions Fund	MSCI World (Total Net Return) Index
Barings Global Flexible Allocation Fund	3-month EUR LIBOR
Barings Europe Select Fund	EMIX Smaller European Companies ex-UK (Total Net Return) Index
Barings German Growth Fund	HDAX® (Total Return) Index
Barings Global Equity Allocation Fund	MSCI All Country World (Total Net Return) Index
Barings China A-Share Fund	MSCI China A Onshore (Total Net Return) Index

Unless otherwise specified in the relevant Supplement, each Fund is actively managed and is not designed to track the benchmark as set out in the table above (the "**Benchmark**") so its performance may deviate materially from the Benchmark. Unless otherwise specified in the relevant Supplement, the Investment Manager has complete discretion in making investments and is not constrained by the Benchmark. Each Fund may invest significantly in instruments which are not included in the Benchmark. The Benchmark is used only for risk management and performance comparison purposes. The Investment Manager may consider, for example, issuer exposures, sector weights, country weights and tracking error in each case relative to the Benchmark but does not use the Benchmark as an investment limitation.

## Benchmark Regulation

The index used by Barings Global Equity Allocation Fund is provided by an administrator who is included in the register referred to in the Benchmark Regulation. Investors should note that, in accordance with the requirements of the Benchmark Regulation, the Company and the Manager have adopted an index contingency plan to set out the actions which the Company and the Manager would take in the event that the index used by Barings Global Equity Allocation Fund materially changes or ceases to be provided (the "**Index Contingency Plan**"). Actions taken by the Company and the Manager on the foot of the Index Contingency Plan may result in changes to the investment objective or investment policy of Barings Global Equity Allocation Fund and any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus.

## Efficient Portfolio Management

Each Fund may employ various investment techniques for efficient portfolio management (including warrants, exchange traded futures and options, forward currency contracts, swap agreements, contracts for differences, index-linked notes and share and commodity index futures contracts) and hedging purposes as described under "Efficient Portfolio Management" in Appendix III of the Prospectus and within the limits set out by the Central Bank. Investors should also refer to the section entitled "Risk Considerations" for the risks associated with the use of efficient portfolio management techniques, which include counterparty risk and conflict of interest risk. There can be no assurance that the Investment Manager will be successful in employing these techniques.

## Use of FDIs

Investors should note that the Funds may engage in transactions in FDIs principally for efficient portfolio management, investment and/or for hedging purposes subject to the limits laid down by the Central Bank.

FDIs may be used (i) for hedging purposes and/or (ii) for investment purposes in accordance with the requirements of the Central Bank. For example, a Fund may use FDIs (which will be based only on underlying assets or sectors which are permitted under the investment policy of a Fund) (i) to hedge a currency exposure, (ii) as a substitute for taking a position

in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure, (iii) to tailor a Fund's interest rate exposure to the Investment Manager's outlook for interest rates, and/or (iv) to gain an exposure to the composition and performance of a particular index which are consistent with the investment objective and policies of the Fund.

The Investment Manager may decide not to use any of these instruments or strategies. In addition, the Investment Manager may decide to use instruments other than those listed below as provided in the risk management process filed with the Central Bank, in accordance with the requirements of the Central Bank.

Certain Funds (as detailed below in the 'FDI Eligibility Table') may, in addition to the investment techniques permitted for efficient portfolio management and hedging purposes as described in Appendix III – Efficient Portfolio Management, make substantial use of FDIs to meet their investment strategies. Subject to the investment restrictions as set forth in Appendix I of the Prospectus, such Funds may engage in transactions in the types of FDIs classified as eligible in the table below.

FDI Eligibility Table

<b>FDI Type Eligibility</b>	<b>Futures</b>	<b>Options</b>	<b>Forward Currency Contracts</b>	<b>Non- deliverable forwards</b>	<b>Total Return Swaps</b>	<b>Warrants</b>	<b>Interest rate swaps</b>	<b>Credit Default Swaps</b>	<b>Contracts for differences</b>	<b>Credit Linked Notes</b>
<b>Barings European Opportunities Fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
<b>Barings Global Dividend Champions Fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
<b>Barings Global Flexible Allocation Fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
<b>Barings Europe Select Fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
<b>Barings German Growth Fund</b>	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
<b>Barings Global Equity Allocation Fund</b>	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No
<b>Barings China A-Share Fund</b>	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No

### Futures and Options

Where eligible, certain Funds may use security, index, currency and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Where eligible, certain Funds may use options on equity indices, futures, swaps and currencies. A call option (which may be covered or uncovered) on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option (which may be covered or uncovered) is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. An option is uncovered where the party writing the option does not hold the underlying security which may be purchased (called) or sold (put) pursuant to the option.

Futures and options, as set out above, may be used by certain Funds to hedge interest rate risk, to balance duration, and to synthetically create exposure to certain securities. The underlying assets for futures and options shall be instruments in which the Fund can invest directly in accordance with its investment objective and policy i.e. transferable securities, collective investment schemes (including ETFs), money market instruments, stock or commodity indices, foreign exchange rates and currencies.

### Swaps

Where eligible, certain Funds may use swap agreements (including total return swaps and contracts for difference) with respect to currencies, interest rates and securities.

In respect of currencies, a Fund may utilise currency swap contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow a Fund to manage its exposures to currencies in which it holds investment. For these instruments the Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, a Fund may utilise interest rate swap contracts where the Fund may exchange floating interest rate cash flows for fixed interest rate cash flows or fixed interest rate cash flows for floating interest rate cash flows. These contracts allow a Fund to manage its interest rate exposures. For these instruments the Fund's return is based on the movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices, a Fund may utilise total return swap contracts where the Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of an equity or fixed income instrument or a securities index or fixed cash flow based on total return of an equity or fixed income instrument or a securities index for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indexes. For these instruments the Fund's return is based on the movement of interest rates relative to the return on the relevant security or index. Details in respect of the counterparties to such swap contracts are set out below.

A Fund may also use credit default swaps ("CDS"). CDS are swap contracts which are designed to transfer the credit exposure between counterparties. CDS may be used by a Fund *inter alia* to hedge against a specific country risk. The buyer of a CDS receives credit protection while the seller of a CDS effectively guarantees the creditworthiness of the underlying fixed income instrument. By doing so, the risk of default on the underlying fixed income instrument is transferred from the holder of the fixed income instrument to the seller of the CDS.

The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund. Subject to compliance with those conditions, the Investment Manager has full discretion as to the appointment of counterparties when entering into a swap in furtherance of the Fund's investment objective and policies. It is not possible to comprehensively list all the counterparties as they have not, as of the date of issue of the Prospectus, been selected and they may change from time to time.

The underlying assets for swaps shall be instruments in which a Fund can invest directly in accordance with its investment objective and policy.

### Currency Forward Contracts

Currency forward contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Euro for a certain amount of US Dollars - at a future date. The date (which may be any agreed-upon fixed

number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Currency forward contracts may be bought or sold in either deliverable or non-deliverable form.

A Fund may also utilise non-deliverable forwards. A non-deliverable forward is a bilateral financial futures contract on an exchange rate between a strong currency and an emerging currency. At maturity, there will be no delivery of the emerging currency; instead there is a cash settlement of the contract's financial result in the strong currency.

#### Convertible Instruments

Convertible instruments, (meaning convertible bonds, mandatory convertible bonds, convertible preferred stock and equity linked notes), are ordinary long-term debt obligations of the issuer convertible at a stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible instruments tends to decline as interest rates increase and, conversely, to increase as interest rates decline.

Convertible instruments are securities which have the right to convert into a fixed number of shares. Convertible instruments therefore have debt and equity like features. When the equity value of the convertible is low, the convertible's value behaves like a debt instrument. As the equity value goes up, the convertible's value behaves more like equity. Positions in convertible instruments may embed options (details of which are set out above) but will not create material leverage.

#### Credit Linked Notes

Credit linked notes are a form of funded FDI whose cash flow is dependent upon an event which is linked to an event such as a default, or change in spreads or a rating change.

#### Warrants

Warrants are used to gain investment exposure to a particular asset class. A warrant is an FDI that confers the right, but not the obligation, to buy or sell a security at a certain price before expiration. A Fund may purchase warrants to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security. Investment in warrants will not exceed 10% of the Net Asset Value of a Fund.

#### Total Return Swaps

The Funds may engage in total return swaps up to the maximum exposure limits set out below. The Investment Manager anticipates that a Fund's exposure to total return swaps is likely to remain within the limits specified in the table below.

<b>Fund Name</b>	<b>Expected exposure calculated using the sum of the notional as a % of the Net Asset Value of the Fund</b>	<b>Maximum exposure calculated using the sum of the notional as a % of the Net Asset Value of the Fund</b>
<b>Barings European Opportunities Fund</b>	0%-10%	25%
<b>Barings Global Dividend Champions Fund</b>	0%-10%	100%
<b>Barings Global Flexible Allocation Fund</b>	0%-100%	200%
<b>Barings Europe Select Fund</b>	0%-10%	25%
<b>Barings German Growth Fund</b>	0%-10%	25%

#### FDI Risk Management

The Investment Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and details of this process have been provided to the Central Bank. The Funds will not use FDIs which have not been listed in the Investment Manager's risk management process until such time as a revised risk management process has been filed with the Central Bank.

The use of FDIs (whether for hedging and/or for investment purposes) may expose a Fund to the risks as described in the "Risk Considerations" section below. Position exposure to underlying assets of FDIs (other than index based FDIs) (whether for hedging purposes and/or for investment purposes), when combined with positions resulting from direct investments, will not exceed the investment limits set out in Appendix I – Investment Restrictions.

Save as otherwise specified in the relevant Supplement, the Funds will use the commitment approach to calculate their global exposure, as described in detail in the risk management process of the Investment Manager. In no circumstances will the global exposure of a Fund using the commitment approach exceed 100% of its Net Asset Value.



## Currency Hedging

The Manager may from time to time in its sole discretion, and without notice to the Shareholders, issue Hedged Classes which are denominated in a currency other than the Base Currency of a Fund. Unless otherwise stated in the relevant Supplement, Hedged Classes are available in the following currencies, provided that for each Fund, no Hedged Class is available in the Base Currency of a Fund: AUD, CHF, RMB, GBP, USD, SEK, CAD, NZD, EUR and HKD.

The foreign currency exposure of such Classes will usually be hedged into the Base Currency. Although hedging strategies may not necessarily be used in relation to each Class within a Fund (e.g., Class with a Class Currency that is the same as the Base Currency), the financial instruments used to implement such strategies shall be assets/liabilities of the relevant Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. The Investment Manager will limit hedging to the extent of the Hedged Class Shares' currency exposure and the Investment Manager shall seek to ensure such hedging shall not exceed 105% of the Net Asset Value of each relevant Class and shall not be below 95% of the Net Asset Value attributable to the relevant Class. The Investment Manager will monitor hedging in order to ensure that such hedging is close to 100% and will review such hedging with a view to ensuring that positions materially in excess of or below 100% of the Net Asset Value of the relevant Class are not carried over from month to month. Over-hedged and under-hedged positions may arise due factors outside of the control of the Company. Counterparty exposure in respect of foreign exchange hedging shall at all times comply with the requirements of the UCITS Regulations and the Central Bank. Classes denominated in a currency other than the Base Currency are generally not expected to be leveraged as a result of hedging strategies and Class hedging transactions shall not be used for speculative purposes. The currency exposure of a Fund arising from the assets held by a Fund and also any currency transactions entered into by a Fund (other than with respect to a Class) will not be allocated to separate Classes and will be allocated pro rata to all Classes of such Fund. Where currency hedging transactions are entered into in respect of a Class (regardless of whether such exposure is attributable to transactions entered into at the Class or Fund level), the currency exposure arising from such transactions will be for the benefit of that Class only and may not be combined with or offset against the currency exposure arising from transactions entered into in respect of other Class. The audited financial statements of each Fund will indicate how hedging transactions have been utilised.

### Currency Agents

The Investment Manager may appoint a third party to act as the currency agent (the "Currency Agent") on behalf of the Investment Manager. The Currency Agent(s) will implement a currency hedging programme, instructed by the Investment Manager, at the portfolio and/or the Hedged Class level. The Investment Manager may also elect to perform the hedging functions itself or appoint other parties to act as the Currency Agent(s) in the future.

### Listing of Shares

The Directors may determine to apply to have certain Shares admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. Investors should contact the Investment Manager to determine which classes in a Fund are available for subscription and/or listed on Euronext Dublin at any particular time.

The Directors do not anticipate that an active secondary market will develop in any listed Shares in a Fund admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. The launch and listing of various Classes in a Fund may occur at different times and therefore, at the time of the launch of a Class, the pool of assets to which such Class relates may have commenced trading. For further information in this regard, the most recent interim and annual reports of the Company will be made available to potential investors upon request.

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## Risk Considerations

There can be no assurance that a Fund's investments will be successful or that the investment objectives of a Fund will be achieved. **A Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.**

An investment in Shares of a Fund does not constitute a complete investment programme. Investors may wish to complement an investment in a Fund with other types of investments. **An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The difference at any one time between the sale and redemption price of shares in a Fund means that the investment should be viewed as medium to long term.

Whilst some risks will be more relevant to certain Funds, investors should ensure that they understand all the risks discussed in this Prospectus, insofar as they may relate to that Fund. In addition, the relevant Supplement provides more information on the specific risks associated with individual Funds, where relevant.

Investors should read all the Risk Considerations to determine applicability to a specific Fund in which the investor intends to invest.

The following Risk Considerations detail particular risks associated with an investment in the Company, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the Company or an individual Fund.

### GENERAL RISK

#### **Charges Deducted from Capital**

Each Fund, with the exception of Barings Global Dividend Champions Fund, normally pays its management fee and other fees and expenses out of income. However, where insufficient income is available, the Manager may pay some or all of its management fee and other fees and expenses out of capital and out of both realised and unrealised capital gains less realised and unrealised capital losses. Where the management fee and other fees and expenses are deducted from a Fund's capital rather than income generated by the relevant Fund this may constrain growth and could erode capital, as the capital of the relevant Fund available for investment in the future and for capital growth may be reduced, although this may also result in income being increased for distribution of dividends.

In respect of Barings Global Dividend Champions Fund, some or all of the dividends, management fee and other fees and expenses of the Fund may be paid out of capital. Where dividends or fees are deducted from the Fund's capital rather than income generated by the Fund this may constrain capital growth and could erode capital. Thus, on redemption of holdings, Shareholders may not receive back the full amount invested. The policy of charging dividends, fees and expenses to capital will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth. As dividends, fees and expenses may be charged to capital, investors should note the greater risk of capital erosion given the lack of potential capital growth and the likelihood that due to capital erosion, the value of future returns in the Fund could be diminished. Accordingly, the distribution of dividends made during the lifetime of the Fund must be understood as a type of capital reimbursement. The rationale for the charging of dividends, fees and expenses in this manner is that it will have the effect of increasing the distributable income of the Fund.

The distribution amount and Net Asset Value of the Hedged Class may be adversely affected by differences in the interest rates of the reference currency of the Hedged Class and the Fund's Base Currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged Classes.

#### **Distributions out of Capital or Unrealised Capital Gains**

A Fund normally pays dividends out of surplus net income. However, the Manager may also distribute such part of any capital or capital gains less realised and unrealised capital losses as, in their opinion, is appropriate to maintain a satisfactory level of distribution. Payment of distributions out of unrealised capital gains amount to distribution out of capital under Hong Kong regulatory disclosure requirements and that payment of distributions under such circumstances amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of capital or unrealised capital gains as dividends (which means effectively paying dividend out of capital) may result in an immediate reduction of the Fund's Net Asset Value per Share. Distributions out of capital may have different tax implications to distributions of income and investors are encouraged to seek independent advice in this regard.

#### **Conflicts of Interest**

The Manager and delegates of the Manager which are associated companies of the Manager may deal in securities and other investments for the Company through or with any associated company of the Manager.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010, with the Depositary or associated company of the Depositary or invested in certificates of deposit or banking instruments issued by the Depositary or any associated company of the Depositary. Banking and similar transactions may also be undertaken with or through the Depositary or any other associated company of the Depositary.

There is no prohibition on dealings in the assets of a Fund by the Manager, the Investment Manager the Administrator, the Depositary or entities related to the Manager, the Investment Manager, the Administrator or the Depositary or to their respective officers, directors or executives, provided that the transaction is negotiated at arms length. Such transactions must be consistent with the best interests of the Shareholders.

There will be no obligation on the part of the Manager, the Investment Manager, the Administrator, the Depositary or entities related to the Manager, the Investment Manager, the Administrator or the Depositary or their respective officers, directors or executives to account to the Shareholders for any benefits so arising and any such benefits may be retained by the relevant party provided that:

- (i) a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Manager), as independent and competent certifies the price at which the transactions is effected is fair; or
- (ii) the execution of the transaction is on best terms on organised investment exchanges under their rules; and
- (iii) where the conditions set out in (i) or (ii) above are not practical, the Depositary (or in the case of a transaction involving the Depositary, the Manager) is satisfied that such transaction conforms with the principle that it is negotiated at arm's length and is in the best interest of the Shareholders.

The Investment Manager is acting for the Company in relation to this Prospectus and matters relating thereto and it or any of its associates may have an interest or position in Shares in the Company. It is not acting for, or advising, or treating as its customer, any other person (unless other arrangements apply between the Investment Manager and such person) in relation to investment in the Company and will not be responsible for providing to any such other person best execution or any other of the protections afforded to its customers.

### **Counterparty Risk**

Counterparty risk, otherwise known as default risk, is the risk that an organisation does not pay out on a bond or other trade or transaction when it is supposed to. If a counterparty fails to honour its obligations in a timely manner and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights.

### **Credit Risk – General**

Funds may be exposed to a credit / default risk of issuers of debt securities that the Fund may invest in. When a Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

### **Currency Risk**

The underlying investments of the Fund may be denominated in currencies other than the Base Currency of the Fund. Also, a Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. The Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

Unless the Class is specifically described as a Hedged Class, no steps are taken to mitigate the effects of exchange rate fluctuations between the currency of denomination of the Shares and the Base Currency.

### **Cyber Security Risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption.

Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Administrator's ability to calculate its NAV; impediments to trading for the relevant Funds' portfolio; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security

or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs.

Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Company invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **Fund Termination Risk**

In the event of the early termination of a Fund, the Company would have to distribute to the Shareholders their pro rata interest in the assets of the Fund. It is possible that at the time of such a sale or distribution, certain investments held by the Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organisational expenses with regard to the Fund that had not yet become fully amortised would be debited against the Fund's capital at that time. The circumstances under which the Fund may be terminated are set out in the Prospectus under the heading "Winding Up of the Company and Termination of a Fund".

### **Inflation Risk**

A Fund's assets or income from a Fund's investments may be worth less in real terms in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio will decline unless it grows by more than the rate of inflation.

### **Investment in Europe - European Sovereign Debt Crisis**

Some of the Funds may invest substantially in Europe. In light of the fiscal conditions and concerns on sovereign debt of certain European countries, the Eurozone crisis continue to raise uncertainty with some or no clarity on an enduring solution. Any adverse events, such as the downgrading of the credit rating of a European country, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant Member States from the Eurozone, or any combination of the above or other economic or political events may have a negative impact on the value of the Funds. In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, a Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks associated with investments in Europe.

If certain countries cease to use Euro as their local currency, the transition by an Member State away from the Euro or the dissolution of the Euro may require the redenomination of some, or all, Euro-denominated sovereign debt, corporate debt and securities (including equity securities). This may have an adverse impact on the liquidity of a Fund's Euro-denominated assets and on the performance of the Fund which hold such assets. A Eurozone break-up or exit from the Euro might also lead to additional performance, legal and operational risks to the Fund and may cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an exiting Member State.

While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, there are concerns that these measures may not have the desired effect and the future stability and growth of Europe remains uncertain. If a crisis occurs, economic recovery may take some time and future growth will be affected. The performance and value of the Funds may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that may adversely affect the performance and value of the Funds. It is also possible that a large number of investors could decide to redeem their investments in the Fund at the same time. Investors also need to bear in mind that the events in Europe may spread to other parts of the world, affecting the global financial system and other local economies, and ultimately adversely affecting the performance and value of a Fund.

### **Volatility and Liquidity Risk**

The debt instruments in which a Fund invests may not be traded on an active secondary market. In addition debt instruments in certain markets may be subject to a higher volatility and lower liquidity when compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and a Fund may incur significant trading costs. Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the size of a transaction would represent a relatively large proportion of the average trading volume in that security or if the relevant market is illiquid (as is the case with many privately negotiated FDIs, structured products etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Further information on how the Investment Manager manages Liquidity Risk can be found under the heading "Liquidity Risk Management" below.

### **Market Disruption Risk**

The Fund may be exposed to the risk of incurring large losses in the event of disrupted markets. Disruptions may include the suspension or limit on trading of a financial exchange and disruptions in one market sector can have an adverse affect on other market sectors. If this happens, the risk of loss to a Fund can be increased because many positions may become illiquid, making them difficult to sell. Finance available to a Fund may also be reduced which can make it more difficult for a Fund to trade.

### **Potential Implications of an Epidemic and/or a Pandemic**

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, beginning in late 2019, an outbreak of a highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

Epidemics and pandemics can seriously disrupt the global economy and markets. The outbreak of pandemics such as COVID-19, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the countries in which a Fund may invest and global commercial activity and thereby adversely affect the performance of a Fund's investments. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund's investments, or a Fund's ability to source new investments or to realise its investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the Investment Manager's operations and the operations of the Investment Manager's and the Company's service providers.

Any outbreak of disease epidemics may result in the closure of the Investment Manager's and/or an investment's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to an investment's business, (b) disruption of regional or global trade markets and/or the availability of capital or economic decline. Such outbreaks of disease may have an adverse impact on a Fund's value and/or a Fund's investments.

### **No Investment Guarantee**

Investment in a Fund is not of the same nature as a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in a Fund is subject to fluctuations in value and you may get back less than you invest.

### **Risks related to the Exit of the UK from the EU**

On 23 June 2016, the UK held a referendum to decide on its membership in the EU. The resulting vote was to leave the EU. The UK subsequently withdrew from the EU on 31 January 2020. The negotiation of the UK's continuing relationship with the EU is likely to take a number of years.

On 24 December 2020, the UK and the EU announced their agreement on a Trade and Cooperation Agreement (the "TCA"). The UK parliament passed the legislation to approve the treaty on 30 December 2020. As of the date of this Prospectus, the EU is yet to complete the formal processes for signing the TCA. The TCA was provisionally applied from 1 January 2021 and therefore a temporary period of "no deal" following the transition period was avoided. The conclusion of the TCA provides a structure for EU-UK cooperation in the future. It does not necessarily create a permanent set of rules, but is a basis for an evolving relationship, with scope for increasing divergence or closer cooperation which may vary between different areas. The TCA mainly covers trade in goods and services, with provisions on intellectual property, energy, transparency, regulatory practices, public procurement and a level playing field. It also includes sections on aviation, digital trade, road transport, social security and visas, fisheries, and law enforcement and judicial cooperation on criminal matters. It is accompanied by a number of ancillary Joint Declarations, including on financial services, tax, state aid and subsidies, transport and data protection. One such Joint Declaration sets out the intention of the EU and the UK to agree a memorandum of understanding by March 2021 on cooperation on financial services to help preserve financial stability, market integrity and the protection of investors and consumers.

Until the terms stemming from the TCA (and Joint Declarations) are clearer, it is not possible to determine the full impact that the UK's departure from the EU and/or any related matters may have on a Fund or its investments, including, in each case, the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents.

This introduces significant uncertainty in the business, legal and political environment and risks ("Brexite Risks") including short and long-term market volatility and currency volatility, macroeconomic risk to the UK and European economies, impetus for the break-up of the UK and related political and economic stresses, impetus for further disintegration of the EU and related political stresses (including those related to sentiment against cross-border capital movements), legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations in view of the expected steps to be taken pursuant to or in contemplation of Article 50 of the Treaty on European Union and

negotiations undertaken under Article 218 of the Treaty on the Functioning of the European Union, and the unavailability of timely information as to expected legal, tax and other regimes.

The uncertainty surrounding the UK's relationship with the EU and its withdrawal as a member state of the EU may adversely impact a Fund and its Investments (in particular those that relate to companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK).

There can be no assurance that the Brexit Risks will not alter significantly the attractiveness of an investment in a Fund including as a result of the potential for capital losses, delays, legal and regulatory risk and general uncertainty. Brexit Risks also include the potential for prejudice to financial services businesses that are conducting business in the EU and which are based in the UK, disruption to regulatory regimes related to the operations of the Company, the Manager, the Investment Manager and other advisers and service providers to the Company. As such, it may be necessary for the Manager, the Investment Manager, the Distributor or service providers to restructure their arrangements with the Company.

### **Suspension of Trading**

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. The government or the regulators may also implement policies that may affect the financial markets. A suspension could render it impossible for the Investment Manager or an underlying fund manager to liquidate positions and thereby expose a Fund to losses and may have a negative impact on the Fund.



## Taxation

Any change in the taxation legislation or the interpretation thereof in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Fund, and consequently the value of the Fund's investments in the affected jurisdiction, the Fund's ability to achieve its investment objective and/or to alter the post-tax returns to Shareholders.

A Fund may be subject to withholding or other taxes on income and/or gains arising from its investments. Certain investments may themselves be subject to similar taxes on the underlying investments that they hold. Any investment in either developed or emerging markets, may be subject to new taxes or the rate of tax applicable to any income arising or capital gains may increase or decrease as a result of any prospective or retrospective change in applicable laws, rules or regulations or the interpretation thereof. It is possible that a Fund may or may not be able to benefit from relief under a double tax agreement between Ireland and the country where an investment is resident for tax purposes.

Certain countries may have a tax regime that is less well defined, may be subject to unpredictable change and may permit retroactive taxation thus the Funds could become subject to a local tax liability that had not reasonably been anticipated. Such uncertainty could necessitate significant provisions being made by any relevant Fund in the net asset value per Share calculations for foreign taxes while it could also result in a Fund incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made.

Consequently, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, a Fund pays taxes relating to previous years, any related costs will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to a Fund at the point the decision to accrue the liability in the Fund's accounts is made.

As a result of the situations referred to above, any provisions made by the Funds in respect of the potential taxation of and returns from investments held at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors in a Fund may be advantaged or disadvantaged when they subscribe or redeem their Shares in the Fund.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Company. Please refer to the section headed "Taxation" of the Prospectus.

## Foreign Account Tax Compliance Act

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service ("IRS"), with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") with respect to the implementation of FATCA (see section entitled "Other" within the "Taxation" section of the Prospectus for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Company) should generally not be required to apply 30% withholding tax. To the extent the Company however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Company may take any action in relation to a Shareholder's investment in the Company to redress such non-compliance and/or ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the Company. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds, and pursuant to applicable laws and regulations.

Shareholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting, the possible implication of FATCA on them and the Company and certification requirements associated with an investment in the Company.

## Common Reporting Standard

The OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in September 2017. Ireland has legislated to implement the CRS. As a result the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide

requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of its Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the Company.

### **Valuation Risk**

Valuation of a Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the calculation of the Net Asset Value of the Fund.

### **Investment in Collective Investment Schemes**

A Fund may invest in other collective investment schemes and therefore will be subject to the risks associated with the underlying collective investment schemes. A Fund does not have control of the investments of the underlying collective investment schemes and there is no assurance that the investment objective and strategy of the underlying collective investment schemes will be successfully achieved which may have a negative impact on the Net Asset Value of the Fund.

There may be additional costs involved when investing into these underlying collective investment schemes. There is also no guarantee that the underlying collective investment schemes will always have sufficient liquidity to meet the Fund's redemption requests as and when made.

### **Depository Risk**

Assets of the Company that are financial instruments/securities are held in custody by the Depository. Such assets of the Company will be identified in the Depository's books as belonging to the Company at all times and will be segregated from other assets of the Depository. The Depository will be liable for any loss of assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control the consequences of which would have been unavoidable despite reasonable efforts to the contrary. The Depository's liability will not be affected by the fact that it has entrusted to a third party/sub-custodian all or some of its custody tasks and the Depository will remain liable for the loss of such assets, even where the loss occurred at the level of the third party/sub-custodian. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depository is required to return identical assets or a corresponding amount to the Company without undue delay.

For non-custody assets such as cash, the Depository is not required to segregate these assets and is only required to verify the Company's ownership of such non-custody assets and to maintain a record of such assets. The Depository will only be liable for the loss of those assets if a loss is suffered as a result of its negligent or intentional failure to properly verify the Company's ownership of such non-custody assets. Cash of the Company is held with a third party bank on deposit. In the event of insolvency of the third party, in accordance with standard banking practice, the Company will rank as an unsecured creditor. The Depository, in such instance, may not be liable to return such cash.

In the event of insolvency of the Depository, Shareholders are exposed to the risk of the Depository not being able to fully meet its obligations to reconstitute in a short time frame all of the assets of the Company. No segregation applies to cash which means there is an increase in the risk of non-restitution in the case of insolvency. Shareholders may be exposed to the risk of insolvency of third party/sub-custodians in certain circumstances and may suffer loss as a result.

### **Marketing Outside the EU**

The Company is domiciled in Ireland and Shareholders should note that all the regulatory protections provided by their local regulatory authorities may not apply. In addition, the Funds will be registered in non-EU jurisdictions. As a result of such registrations, Shareholders should be made aware that the Funds may be subject to further restrictive regulatory regimes as detailed within Appendix I – Investment Restrictions. In such circumstances the Funds will abide by these more restrictive requirements, which may prevent the Funds from making the fullest possible use of the investment limits.

## **FUND SPECIFIC RISKS**

### **Hedged Classes**

Hedged Share Classes aim to mitigate the effect of fluctuations in the exchange rate of the currency of the relevant Hedged Share Class relative to the Base Currency of the Fund. The Manager aims to mitigate this risk by using financial instruments such as those described under the heading "Investment Policy: General – Efficient Portfolio Management", provided that such instruments shall not result in hedged positions exceeding 105% or falling below 95% of the Net Asset Value attributable to the relevant Class of the Fund.

Currency hedging also has potential downsides. Hedging techniques have transaction costs which are borne by the Hedged Share Class. In addition it is unlikely that the Manager will be able to achieve a perfect currency hedge, so there is no guarantee that a currency hedge will be entirely effective. Investors should also be aware that this strategy may

substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency in which assets of the Fund are denominated.

### **Liability of the Fund**

Shareholders of the relevant Hedged Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. However, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole.

### **RMB Hedged Share Class**

RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: onshore RMB (CNY) in Mainland China and offshore RMB (CNH) primarily in Hong Kong. Onshore RMB (CNY) is not freely convertible and is subject to exchange controls and certain requirements by the government of PRC. Offshore RMB (CNH), on the other hand, is freely tradable. The exchange rate used for the RMB Hedged Share Classes is the offshore RMB (CNH). The value of offshore RMB (CNH) could differ, perhaps significantly from that of the onshore RMB (CNY) due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions. Accordingly, RMB Hedged Share Classes may be exposed to greater foreign exchange risks. There is no assurance that RMB will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop.

### **Investment in Agricultural and Soft Commodities**

Natural events such as fire, drought, unseasonal rain, disease, flood, pests as well as human error and interruptions of water supply may have adverse impact on the agricultural and soft commodities markets. The agricultural and soft commodities markets may also fluctuate significantly with prices rising or falling sharply due to, for example, changing market supply and demand relationships.

### **Risks Relating to Investments in China**

Certain Funds may make investments that are tied economically to issuers from the PRC. Investing in the Chinese securities markets is subject to both emerging market risks as well as country specific risks. Political changes, restrictions on currency exchange, exchange monitoring, taxes, limitations on foreign capital investments and capital repatriation can also affect investment performance.

Investment in Chinese securities may involve certain custodial risks. For example, the evidence of title of exchange traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the relevant exchange. These arrangements of the depositories and registries may not be fully tested with regard to their efficiency, accuracy and security.

Investment in the PRC remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity. The PRC government's control of future movements in exchange rates and currency conversion may have an adverse impact on the operations and financial results of the companies in which a Fund invests. In addition, Chinese accounting standards may differ from international accounting standards. RMB is currently not a freely convertible currency and is subject to exchange control policies and restrictions. The value of the assets of a Fund as measured in the Base Currency of such Fund may be affected unfavourably by fluctuations in currency rates and exchange control regulations. There can be no assurance that the RMB will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in a Fund. Although offshore RMB ("CNH") and onshore RMB ("CNY") are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

Under the prevailing PRC tax policy, there are certain tax incentives available to PRC companies with foreign investments. However, there is a possibility that the tax laws, regulations and practice in the PRC may be subject to change and that such changes may have retrospective effect. There is no assurance that tax incentives currently offered to foreign companies will not be abolished in the future. In addition, by investing in Chinese securities including China A shares, China B shares, and Chinese domestic bonds (including indirectly through investment in other collective investment schemes or participation notes), a Fund may be subject to withholding and other taxes imposed in the PRC which cannot be eliminated by any applicable double taxation treaty and/or any applicable tax exemptions. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains and/or interest/dividends realised from investments of a Fund made via the Shanghai Hong Kong Stock Connect Scheme or the Shenzhen Hong Kong Stock Connect Scheme (together the "Connect Schemes"), the QFI regime, the CIBM Initiative and/or Bond Connect, or any other initiative which provides a Fund with access to the PRC financial markets and/or exposure to PRC issuers. There may not be specific written guidance by the PRC tax authorities on certain tax that may be payable in respect of trading in China Interbank Bond Market by eligible foreign institutional investors. Hence there may



be uncertainty as to a Fund's tax liabilities in respect of any investments in PRC securities. Any increased tax liabilities may adversely affect a Fund's Net Asset Value. Such uncertainty could necessitate tax provisions being made in the Net Asset Value per Share calculations for foreign taxes while it could also result in a Fund incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made. With the potential uncertainty concerning the tax treatment of investments in Chinese securities, the possibility of tax rules being changed and the possibility of taxes or tax liabilities being applied retroactively, any provisions for taxation made by the relevant Funds at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending on the position of the Chinese tax authorities in the future and the level of tax provisions (if any) proving to be either excessive or inadequate either when they subscribed or redeemed their Share in the relevant Funds. In the event that tax provisions are made, any shortfall between the provision and the actual tax liabilities, which will be debited from a Fund's assets, will adversely affect such Fund's Net Asset Value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Currently, foreign investors may only invest in China A shares, China domestic bonds and the PRC domestic securities market(s): (1) through the QFI regime; (2) through the Connect Schemes; (3) as a strategic investor under applicable PRC regulations; and/or (4) through the Foreign Access Regime (as defined below). Foreign investors may invest in China B shares directly. It is possible that there will be other means approved by the relevant regulators to permit direct investment in China A shares and/or Chinese domestic bonds in the future. Where consistent with and within a Fund's investment objective and strategy, it is anticipated that a Fund may obtain direct exposure to China A shares and/or Chinese domestic bonds via the applicable means set out above, subject to obtaining appropriate licences and/or registration where necessary. It may also be possible to obtain indirect exposure to China A shares, China B shares and/or domestic Chinese bonds through investment in other eligible collective investment schemes or participation notes.

#### Connect Schemes and Related Risks

The Connect Schemes are securities trading and clearing linked programmes developed by the Stock Exchange of Hong Kong ("SEHK"), Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE")/ Shenzhen Stock Exchange ("SZSE") (as the case may be) and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with the aim to achieve mutual stock market access between Mainland China and Hong Kong.

Under the Northbound Shanghai Trading Link, investors, through their Hong Kong brokers and a securities trading service company established by the SEHK, may be able to trade China A shares listed in the SSE ("SSE Securities"), subject to the rules of the Shanghai Hong Kong Stock Connect Scheme. SSE Securities, as of the date of this Prospectus, include shares listed on the SSE that are (a) constituent stocks of SSE 180 Index; (b) constituent stocks of SSE 380 Index; (c) China A shares listed on the SSE that are not constituent stocks of the SSE 180 Index or SSE 380 Index but which have corresponding China H shares accepted for listing and trading on SEHK, provided that: (i) they are not traded on the SSE in currencies other than RMB (ii) they are not under risk alert.

Similarly, under the Northbound Shenzhen Trading Link, through their Hong Kong brokers and a securities trading service company established by SEHK, Hong Kong and overseas investors may be able to trade China A shares listed in the SZSE ("SZSE Securities"), subject to the rules of the Shenzhen Hong Kong Stock Connect Scheme. SZSE Securities, as of the date of the Prospectus, include (a) all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and (b) China A shares listed on the SZSE which have corresponding China H shares accepted for listing and trading on SEHK, provided that: (i) they are not traded on the SZSE in currencies other than RMB (ii) they are not under risk alert or under delisting arrangement. At the initial stage of the Shenzhen Hong Kong Stock Connect, investors eligible to trade shares that are listed on the ChiNext Board under Northbound trading will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations, including each relevant Fund.

SEHK may include or exclude securities as SSE Securities/ SZSE Securities and may change the eligibility of shares for trading on the Northbound Shanghai Trading Link/ Northbound Shenzhen Trading Link (as the case may be). When a stock is recalled from the scope of eligible stocks for trading via the Connect Schemes, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of a Fund, for example, when a Fund wishes to purchase a stock which is recalled from the scope of eligible stocks.

It is contemplated that SEHK and SSE/SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary to ensure an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator(s) would be sought before a suspension is triggered. Where a suspension in the Northbound trading is affected, the ability of certain Funds to access the China A share market through Connect Schemes will be adversely affected.

Differences in trading days between the PRC stock markets and days on which the Connect Schemes operate may also result in a Fund being subject to risk of price fluctuation and may negatively impact the Net Asset Value of a Fund. Investors should also note that the relevant rules and regulations on Connect Schemes are subject to change which may have potential retrospective effect; additional rules and regulations relating to the Connect Schemes may also be promulgated in the future. The Connect Schemes are subject to quota limitations. Where a suspension in the trading through the

programme is effected, a Fund's ability to invest in China A shares or access the PRC market through the programme will be adversely affected. In such event, a Fund's ability to achieve its investment objective could be negatively affected.

The SSE Securities and SZSE Securities in respect of a Fund are held by the Depository in accounts in the Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities Clearing Company Limited ("HKSCC") as central securities depository in Hong Kong. HKSCC in turn holds the SSE Securities and SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Connect Schemes. While the relevant CSRC regulations and ChinaClear rules generally provide for the concept of a "nominee holder", Hong Kong and overseas investors (such as the Company and the Funds) would be recognised as having beneficial ownership in the SSE Securities and SZSE Securities. The precise nature and rights of a Fund as the beneficial owner of the SSE Securities and SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore, the exact nature and methods of enforcement of the rights and interests of a Fund under PRC law is uncertain. Further, how an investor, such as a relevant Fund, as the beneficial owner of SSE Securities and SZSE Securities under the stock connect structure, exercises and enforces its right in the PRC courts are yet to be tested. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it may not be possible to say with certainty if the SSE Securities and SZSE Securities will be regarded as held for the beneficial ownership of a Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Funds which invest in stocks listed on Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board may be subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board"). Stocks listed on SME Board and/or ChiNext Board may be overvalued and may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares. The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board. It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted. Investments in the SME Board and/or ChiNext Board may result in significant losses for a Fund and its investors.

Investments through the Connect Schemes are also subject to additional risks such as registration/default risk, regulatory risk and risks relating to other China specific investment requirements/rules/regulations (e.g. short swing profit rule and foreign holding restrictions), currency risks, possibility of more limited participation in corporate actions and shareholders' meeting, operational risk relating to the systems of market participants, risks relating to the requirement of front-end monitoring. As a result, a Fund's ability to access the China A share market (and hence to pursue its investment strategy) may be adversely affected and/or a Fund's Net Asset Value may be negatively impacted. It should also be noted that a Fund's investments through Northbound trading under Connect Scheme will not benefit from any local investor compensation schemes.

There are various rules and regulations relating to the operation of the Connect Schemes, including the trading arrangements, clearing, settlement and depository arrangements, investor and participant eligibility etc. Further information may be obtained via the following: [https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc\\_lang=en](https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en)

#### Foreign Access Regime (as defined below and related risks)

A Fund can invest in the China Interbank Bond Market via the CIBM Initiative, Bond Connect and subject to any other rules and regulations and administrative procedures as promulgated by the Mainland Chinese authorities ("Foreign Access Regime").

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent (as in CIBM Initiative) or offshore custody agent (as in Bond Connect) and such agent will carry out the relevant filings and account opening with the relevant authorities. There is no quota limitation. As such, relevant Funds may be subject to the risks of default or errors on the part of such agents.

The Foreign Access Regime rules and regulations are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, a Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, a Fund's ability to achieve its investment objective will be negatively affected.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of such securities to fluctuate significantly. A Fund investing in such securities is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such securities.

To the extent that a Fund transacts in the China Interbank Bond Market, a Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investment in the PRC bond market may also be subject to credit rating risks. The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may create difficulties for a Fund to correctly assess the credit quality and credit risk of its bond investment. Domestic Chinese bonds invested in by a Fund may be rated below Investment Grade or may not be rated by any rating agency of an international standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the Net Asset Value of a Fund which invests in such securities may be more volatile. Investors should therefore be aware that an investment in such a Fund is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

Investing in domestic Chinese bonds via CIBM Initiative and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations of these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, or recall any types of bond products from the scope of investable bonds, a Fund's ability to invest in domestic Chinese bonds will be adversely affected. In such event, a Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, such Fund may suffer substantial losses as a result.

The CIBM Initiatives require a Fund investing through such initiatives to appoint an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of the Fund or in the rare case where the custodian/agent itself is insolvent, the enforcement of the trading documents and against the underlying assets may be subject to delay and uncertainty. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks in favour of the Fund are ring-fenced from the proprietary assets of the custodian, the retrieval of custodian assets may be subject to various legal procedures that are time-consuming.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Under the Bond Connect, a trading order can only be executed with onshore market makers approved by the Chinese regulators as the counterparty. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose the Fund to settlement risks if its counterparty defaults and limit the Fund's ability to execute trades with different counterparties.

Debt securities purchased via Bond Connect will be held in the name of CMU. The Fund's ownership in those debt securities may not be reflected directly in record entry with CCDC/SHCH and will instead be reflected on the record of CMU. The Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the ownership rights on behalf of and for the benefit of the Fund. If the Fund wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there lacks judicial precedents in China whether such an action will be recognised and enforced by the Chinese courts.

#### QFI Regime and Related Risks

The QFI regime, which allows qualifying foreign investors to invest directly in certain securities in Mainland China, is governed by rules and regulations promulgated by the relevant authorities in Mainland China, including the CSRC, the State Administration of Foreign Exchange ("SAFE") and the People's Bank of China ("PBOC") and/or other relevant authorities. Investments through the QFI regime are required to be made through holders of QFI licence.

In the event that a Fund invests via the QFI regime, investors should note that a Fund's ability to make such investments or to fully implement or pursue its investment objective and strategy are subject to the applicable laws, rules and regulations (including the then prevailing exchange controls and other prevailing requirements of the PRC including rules on investment restrictions and repatriation and remittance of principal and profits) in the PRC, which are subject to change and any such changes may have potential retrospective effect. Any changes to the relevant rules may have a material adverse impact on Shareholders' investment in a Fund.

In addition, there can be no assurance that the QFI Regulations will not be abolished. A Fund, which invests in the PRC markets through the QFI regime, may be adversely affected as a result of such changes.

Where a Fund invests in China A shares or other securities in the PRC through the QFI regime, such securities will be held by local custodian(s) ("QFI Custodian") appointed by the QFI in accordance with QFI Regulations. According to the current QFI Regulations, a QFI is allowed to appoint multiple local custodians. The QFI Custodian may open one or more securities account(s) in the name of the QFI licence holder for the account of the relevant Fund in accordance with PRC laws and a Fund may be subject to custodial risk. If the QFI Custodian defaults, a Fund may suffer substantial losses. Cash deposited in the cash account of the relevant Fund with the QFI Custodian will not be segregated but will be a debt owing from the QFI Custodian to the relevant Fund as a depositor. Such cash will be co-mingled with cash belonging to

other clients of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the relevant Fund will not have any proprietary rights to the cash deposited in such cash account, and the relevant Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the QFI Custodian. The relevant Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Fund will suffer losses.

A Fund investing via the QFI regime may also incur losses due to a default, act or omission of the QFI Custodian or PRC brokers in the execution or settlement of any transaction or in the transfer of any funds or securities. In such event, a Fund investing via the QFI regime may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

Repatriations by QFIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. review on authenticity, submission of certain documents in respect of the repatriation etc.). Completion of the repatriation process may be subject to delay. There is no assurance that QFI Regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation may impact on the relevant Fund's ability to meet redemption requests. In extreme circumstances, the relevant Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

Further, the QFI licence of a QFI licence holder may be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the QFI licence holder or for any other reasons. A Fund may suffer losses if the approval of the QFI is being revoked/terminated or otherwise invalidated as a Fund may be prohibited from trading the relevant securities, or if any of the key operators or parties (including QFI Custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

There are rules and restrictions under QFI Regulations, including rules on remittance of principal, investment restrictions and repatriation of funds which will apply to the QFI licence holder as a whole and not simply apply to the investment made for the account of a Fund. As parties other than a Fund may also invest through the QFI licence holder, investors should be aware that violations of the QFI Regulations on investments arising out of activities of such other parties could result in the revocation of or other regulatory action in respect of the QFI licence holder as a whole. Hence, the ability of a Fund to make investments may be adversely affected by other funds or clients investing through the same QFI licence holder.

### **Investment in Closed-Ended Funds**

The ability to trade closed ended funds, including real estate investment trusts (REITs), in the secondary market can be more limited than other securities. The liquidity of closed ended funds including REITs, on the major stock exchanges is on average less liquid than securities quoted on, for example the S&P 500 or the FTSE 100.

### **Investment in Commodities/Natural Resources**

The value of commodities (which includes but is not limited to gold and natural resources) and the companies involved can be significantly affected (both negatively and positively) by world events, trade controls, worldwide competition, political and economic conditions, international energy conservation, the success of exploration projects, tax and other government regulations.

### **Approach to environmental, social and governance (“ESG”) integration and promoting ESG characteristics**

The Funds all integrate ESG into their investment process; in addition to ESG integration, some Funds promote ESG factors or characteristics within their investment policies. These Funds are highlighted below, as well as within the respective details for those Funds in the relevant Supplement.

#### ESG Integration

The Investment Manager integrates ESG information into the investment process across all asset classes. Through bottom-up, fundamental analysis, the Investment Manager seeks to gain a comprehensive understanding of the factors that influence the sustainability of investments. The Investment Manager considers ESG information alongside other crucial variables that may impact an investment's risks and returns over time. In particular, the Investment Manager considers ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, the Investment Manager continues to monitor each investment to ensure their thesis, including that on ESG matters, remains intact and that an investment's risk and return profile remains attractive relative to other opportunities available in the market. Sustainability risks that the Investment Manager may consider are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment, examples of which include physical environmental risks, transition risk (e.g. investee



company assets losing their financial value because of tightening of environmental legislation) or liability risk (e.g. risk of liability due to a breach of human/employee rights considering the jurisdiction of the investee company).

#### *Beyond ESG Integration – Promoting ESG characteristics*

All Funds integrate ESG into their investment process but the following Funds will also promote ESG by investing or seeking to positively influence business practices to improve ESG characteristics:

- Barings European Opportunities Fund
- Barings Global Dividend Champions Fund
- Barings Europe Select Fund

The way in which the Funds analyse and use ESG information may vary. The use of ESG information may affect a Fund's investment performance and, as such, may perform differently compared to similar collective investment schemes. In addition to the Investment Manager's in-house evaluation of ESG risks, it also has access to third-party resources that provide ESG information. In evaluating an investment, the Investment Manager is dependent upon information and data, which may be incomplete, inaccurate or unavailable. Neither the Fund, the Investment Manager, the Depositary nor the Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG information or the way in which it is implemented. Investor and societal sentiment towards ESG concepts and topics may also change over time, which may affect the demand for ESG-based investments and may also affect their performance.

#### **Investment in Small-Capitalisation / Mid-Capitalisation Companies**

The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general. Risks include economic risks, such as lack of product depth, limited geographical diversification and increased sensitivity to the business cycle. They also include organisational risk, such as concentration of management and shareholders and key-person dependence. Where smaller companies are listed on 'junior' sections of the stock exchange, they may be subject to a lighter regulatory environment. Furthermore, the shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

#### **Investment in Specific Countries, Regions or Sectors**

The Fund's investments are concentrated in specific industry sectors, instruments, countries or regions. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting a market in a country or region.

#### **Segregated Liability Risk**

The Company is an umbrella Fund with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to discharge that liability. In addition, any contract entered into by the Company will, by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to the assets of any of the Funds, other than the Fund in respect of which the contract was entered into. These provisions are binding on creditors and a liquidator in the event of insolvency. However, this will not prevent the application of any rule of law which would require the application of the assets of any Fund on the grounds of fraud or misrepresentation. In addition, these provisions have not been tested in other jurisdictions, and these remain a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owing to another Fund in a jurisdiction which would not recognise the principle of segregation of liability.

#### **Substantial Investment in the Middle East and North Africa ("MENA") region**

Some of the Funds will invest substantially in the MENA region. Investing in the securities markets in the MENA region is subject to the risks of investing in emerging markets generally and the risks specific to MENA markets. Investors in the Fund should be aware that investment in MENA markets may be affected by the political and economic situation in this MENA region. Thus a high degree of risk could adversely affect the value of the investments.

The quality, timing and reliability of official data published by the government and government agencies of MENA countries may not always be equivalent to that of developed countries.

In the MENA region, the marketability of quoted shares is limited by developed market standards. This is due to restricted opening hours of exchanges, a high proportion of retail versus institutional investors and a relatively high proportion of share ownership concentrated in the hands of a small number of investors and government or quasi-government investment funds. Trading volume is generally lower than on developed stock markets and equities are generally less liquid. The infrastructure for clearing, settlement, registration and depository services on the primary and secondary markets of MENA countries is in some cases less developed than in certain other markets and under certain circumstances this may result in the Fund experiencing delays in settling and/or registering transactions in the markets in which it invests particularly if the growth of foreign and domestic investment in the MENA countries places an undue burden on such investment infrastructure.

### **Tax Reporting**

Investors should also note that, given the wide range of instruments in which a Fund is able to invest, the level and nature of income generated by the Fund in different accounting periods could vary significantly. Consequently, depending on the tax status of investors and the place where they may be subject to tax, this could also impact on the manner in which their share of any income will need to be reported and taxed. Further information concerning the potential tax treatment of investors is provided under the heading "Taxation" in the Prospectus.

### **London Interbank Offered Rate (LIBOR) Reform**

On 27 July 2017, the Financial Conduct Authority announced that LIBOR will be phased out by 2021. Until then, Funds may continue to invest in instruments that reference LIBOR due to favourable liquidity or pricing. In advance of 2021, it is anticipated that a transition mechanism will be determined by the industry that will allow existing instruments and contracts that make reference to LIBOR to reference a new rate. Nonetheless, the termination of LIBOR presents risks to the Fund(s). It is not possible to identify exhaustively what those risks are at this point, but they include the risk that a suitable transition mechanism may not be found or may not be suitable for the Fund(s). In addition, any reference rate to replace LIBOR and any pricing adjustments imposed unilaterally, by a regulator or by counterparties, may not be suitable for the Fund(s), which could result in additional costs being incurred to close out positions and place replacement trades.

### **EQUITY RISKS**

#### **Investment in Equities**

A Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. When the equity markets are extremely volatile a Fund's Net Asset Value may fluctuate substantially.

#### **Equity-Related Securities**

A Fund may invest in equity-related securities such as structured notes, participation notes or equity-linked notes. These are usually issued by a broker, an investment bank or a company and are therefore subject to the risk of insolvency or default of the issuer. If there is no active market in these instruments, this may lead to liquidity risk. Further, investment in equity-linked securities may lead to dilution of performance of a Fund when compared to the other funds which invest directly in similar underlying assets due to fees embedded in the notes. The aforesaid circumstances may adversely affect the net asset value per share of a Fund.

#### **Convertible Bonds**

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments. A Fund will not invest extensively in debt securities convertible into equities.

### **FIXED INCOME SECURITIES RISKS**

#### **Investment in Fixed Income Securities**

Investment in bonds or fixed income securities is subject to liquidity, interest rate and credit risks (i.e. the risk of default). The value of a bond will usually fall if an issuer defaults.

Fixed income securities are often rated by credit rating agencies. Credit ratings indicate the probability that an issuer will fail to make timely payment of capital and / or interest that is due to be paid to investors under the terms of the security i.e. the risk of default. Certain credit rating agencies are designated by the U.S. Securities and Exchange Commission as Nationally Recognized Statistical Rating Organizations (NRSROs). Each NRSRO has an alpha or alphanumeric scale that expresses their ratings. An example of an NRSRO is Standard and Poor's, their rating scale (expressed here in

increasing order of default risk) is; AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C. The identifier D is also used, in order to signify that a security has already defaulted.

A Fund may in accordance with its investment policy only be permitted to invest in securities / investments of a certain credit rating. Credit ratings may however not always be an accurate or reliable measure of the strength of the securities / investments being invested in. Credit ratings assigned by rating agencies are also subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. Where such credit ratings prove inaccurate or unreliable, losses may be incurred by any Fund which has invested in such securities / investments.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### **Credit Risk – Fixed Income**

A Fund may invest in fixed income securities which have low credit status which may represent a higher credit risk than funds which do not invest in such securities. Investment in securities issued by corporations may also represent a higher credit risk than investment in securities issued by governments.

There can be no assurance that the issuers of fixed income securities in which a Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in or payments due on such securities or instruments.

### **Interest Rate Risk**

The fixed income instruments in which a Fund may invest are subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

### **Downgrading Risk**

The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

### **Risks Associated with Investment in Sub-Investment Grade and/or Unrated Debt Securities**

A Fund may invest in debt securities rated Sub-Investment Grade and/or unrated. Such securities are generally subject to greater credit risk or risk of loss of principal and interest due to an issuer's inability to meet principal and interest obligations than higher-rated debt securities. The risk of loss due to default by such issuers is significantly greater because Sub-Investment Grade securities generally are unsecured and are lower in the hierarchy of creditors.

Sub-Investment Grade debt securities and unrated debt securities may also be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the financial markets generally and less secondary market liquidity. The market value of Sub-Investment Grade securities tends to go up and down more quickly than Investment Grade corporate debt instruments tends to reflect individual corporate developments to a greater extent than that of higher rated instruments which react primarily to fluctuations in the general level of interest rates.

As a result, where the Fund invests in such instruments its ability to achieve its investment objective may depend to a greater extent on the Investment Manager's judgement concerning the creditworthiness of issuers than funds which invest in higher-rated instruments. The Investment Manager will consider both credit risk and market risk in making investment decisions for the Fund.

To the extent that a default occurs with respect to any Sub-Investment Grade securities and a Fund sells or otherwise disposes of its exposure of such an instrument, it is likely that the proceeds will be less than the unpaid principal and interest. Even if such instruments are held to maturity, recovery by the Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for Sub-Investment Grade debt instruments and/or unrated debt instruments may be concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such instruments is subject to lower liquidity, and is more volatile than, the secondary market for higher-rated instruments. In addition, market trading volume for high yield instruments is generally lower and the secondary market for such instruments could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer.

There are fewer investors in Sub-Investment Grade securities and it may be harder to sell such securities. Market quotations may not be available for high yield debt securities, and judgment plays a greater role in valuing high yield corporate debt securities than is the case for securities for which more external sources for quotations and last sale information is available.

### **Investment in Asset-Backed Securities and Mortgage-Backed Securities**

A Fund may invest in asset-backed securities and/or mortgage-backed securities, which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. An asset-backed security is a security whose value and income payments are derived from and collateralised (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can include common payments from credit cards, auto loans, and mortgage loans, to esoteric cash flows from aircraft leases, royalty payments and movie revenues.

The value and the quality of such securities depends on the value and the quality of the underlying assets against which such securities are backed.

Issuers of asset-backed and mortgage-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Changes in interest rates may have a significant effect on investments in asset-backed securities and mortgage-backed securities. The return on, for example, holdings of mortgage-backed securities can reduce if the owners of the underlying mortgages repay their mortgages sooner than anticipated when interest rates go down. Investment in asset backed and mortgage-backed securities are often subject to extension and prepayment risks, which are both a type of interest rate risk and risks that the payment obligations relating to the underlying assets are not met which may adversely impact the returns of the securities. Like mortgage-backed securities, asset-backed securities generally decrease in value when interest rates increase.

### **Sovereign Debt Risk**

The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

A government entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the government entity's policy towards the International Monetary Fund and the political constraints to which a government entity may be subject. Government entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. Such commitments may be conditioned on a government entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the government entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

## **EMERGING MARKETS RISKS**

### **Investment in Emerging Markets (and/or Frontier Markets)**

A Fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. High market volatility and potential settlement difficulties in certain markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of a Fund. Currency conversion and repatriation of investment income, capital and proceeds of a sale by a Fund may be limited or require governmental consents. A Fund could be adversely affected by delay in, or refusal to grant, any such approval for repatriation of Funds or by any official intervention affecting the process of settlement of transactions. Stock exchanges and other such clearing infrastructure may lack liquidity and robust procedures and may be susceptible to interference.

#### ***Political, Social and Economic Instability***

Some countries have a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on a Fund's investments in those countries. Developing countries can be subject to a higher than



usual risk of political change, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries and thus a Fund's investments in those countries. Furthermore, it may be difficult for a Fund to obtain effective enforcement of its rights in certain developing countries.

#### Market Liquidity and Foreign Investment Infrastructure

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that the purchase and sale of holdings may take longer. Volatility of prices can be greater than in the developed world. This may result in considerable volatility in the value of a Fund and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which could have an adverse effect on the value of a Fund and therefore the Net Asset Value.

In certain developing countries, portfolio investment by foreign investors such as the Funds may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to the Funds of attractive investment opportunities.

#### Corporate Disclosure, Accounting and Regulatory Standards

Companies in developing countries are generally not subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in the developed world. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies in most developing countries than in countries with more advanced securities markets. As a result, there may be less information available publicly to investors in developing country securities; such information as is available may be less reliable.

#### Availability and Reliability of Official Data

Less statistical data is available in relation to the securities markets of developing countries relative to the securities markets in, for example, the United Kingdom; such data as is available may be less reliable.

#### Legal Risk

Many laws in developing countries are new and largely untested. As a result a Fund may be subject to a number of risks, including but not limited to inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of established avenues for legal redress and a lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain countries in which assets of a Fund are invested.

#### Taxation

Taxation of dividends, interest and capital gains received by foreign investors varies among developing countries and, in some cases, is comparatively high. In addition, certain developing countries are amongst those countries that have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund investing in such a country could in the future become subject to a local tax liability that could not have been reasonably anticipated. Such uncertainty could necessitate significant provisions for foreign taxes being made by a Fund in its Net Asset Value calculations. The making and potential impact of such provisions is considered further under the "General Risks - Taxation" section of the Prospectus.

#### Settlement and Custody Risk

As the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, there is an increased risk of the assets of a Fund which are traded in such markets being lost through fraud, negligence, oversight or catastrophe such as a fire. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Funds may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce its right against third parties. As these Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of such Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability.

Risks include but are not limited to:

- a non-true delivery versus payment settlement, which could increase the credit risk with the counterparty. Delivery versus payment is a settlement system that stipulates that cash payment must be made prior to or simultaneously with the delivery of the security;
- a physical market (as opposed to electronic book keeping of records) and, as a consequence, the circulation of forged securities;
- poor information in regards to corporate actions;
- registration process that impacts the availability of the securities;
- lack of appropriate legal/fiscal infrastructure advices;

- lack of compensation/risk fund with a central depository.

### **Substantial Investment in Russia**

A Fund may invest substantially in Russia. Investments in companies organised in or who principally do business in Russia pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and shareholders of a Fund. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions. Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of a Fund's shares an individual must travel to the company's registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that a Fund could lose their registration through fraud, negligence, oversight or catastrophe such as a fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate a Fund in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, a Fund may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, a Fund may find it impossible to enforce its right against third parties.

### Synthetic Products

Some Russian and other equity and debt instruments may be subject to restrictions on ownership by foreign investors and on repatriation of payments of capital and income and principal and interest on such instruments. In the light of these restrictions, a Fund may enter into contracts with counterparties who themselves have an on-shore presence in the relevant country or who have arrangements in place with on-shore entities in such countries such that they are not subject, or are not intended to be subject, to the restrictions on foreign ownership and repatriation. Under such contracts, a Fund will make a principal payment or payments to the relevant counterparty, the return of which (together with any gain thereon), is linked to and dependent upon inter alia, the capital and/or income payments on or sales proceeds of the equity instrument or the interest and/or principal payments on the debt instrument as well as to the relevant rates of exchange prevailing between any relevant currencies. A Fund will endeavour to contract with counterparties which are reputable financial institutions. In such circumstances, the counterparty risk lies with each party with whom a Fund contracts for the purpose of making investments (the counterparty) and, where relevant, the entity in the relevant country with whom the counterparty has made arrangements to ensure an on-shore presence in the relevant country. A Fund may not be entitled to assert any rights against the entity in Russia with whom it does not have a contractual relationship. A Fund may not be able to procure that the counterparty asserts its own rights, if any, against the on-shore entity in Russia with whom it has made arrangements. In the event of the counterparty's insolvency a Fund will only rank as an unsecured creditor. In the event of the insolvency of any entity in any relevant country with whom a Fund does not have a direct contractual relationship, it is likely that a Fund will lose its entire investment. The effect of the synthetic products structure, and in particular the ability of a Fund's counterparty to invest efficiently in the relevant country from abroad, is subject to interpretation by the relevant authorities as well as to changes in the relevant laws and regulations. As a result, a Fund may not get back all or any part of its investment in the synthetic products in which it invests or may find proceeds of its investment not repatriable.

### The Banking System

The banking systems in Russia and in most other countries in the region are still developing. Companies within Russia are subject to risks of insolvency of a bank due, inter alia, to under capitalisation, concentrated debtor risk, inefficient and inexperienced management and the effect of inefficiency and fraud on bank transfers. In addition, banks have not developed the infrastructure to channel domestic savings to companies in need of finance which therefore can experience difficulty in obtaining working capital.

## **FDI TECHNIQUES AND INSTRUMENTS RISKS**

### **Investment in FDIs**

Investments of a Fund may be composed of securities with varying degrees of volatility and may comprise of FDIs from time to time. Since FDIs may be geared instruments, their use may result in greater fluctuations of the net asset value of the Fund concerned. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDIs may lead to a high risk of significant loss by the Fund.

A Fund may use FDIs for efficient portfolio management including attempting to hedge or reduce the overall risk of its investments or, if disclosed in relation to any Fund, FDIs may be used as part of the principal investment policies and strategies. Such strategies might be unsuccessful and incur losses for the Fund, due to market conditions. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in FDIs are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of FDIs involves special risks, including: 1. dependence on the Investment Manager's ability to accurately predict movements in the price of the underlying security; 2. imperfect correlation between the movements in securities or currency on which an FDI contract is based and movements in the securities or currencies in the relevant Fund; 3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Fund to liquidate an FDI at an

advantageous price; 4. due to the degree of leverage inherent in FDIs, a relatively small price movement in a contract may result in an immediate and substantial loss to a Fund; and 5. Possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Fund's assets may be segregated to cover its obligations.

### **Credit Linked Securities**

A credit linked security is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. The note pays coupons (interest) and there is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

Credit linked notes, structured notes, equity-linked notes, total return notes and participation notes as referenced above comprise transferable securities of the issuer and are typically used as a substitute for direct investment in a security or group of securities (e.g. equities, debt securities, basket of equities, basket of debt securities). In practice the Fund will purchase such instruments from an issuer and their value is linked to the underlying security or group of securities. The issuers of such instruments will generally be investment banks and companies and it should be noted that the Fund's counterparty exposure in relation to these instruments will be to the issuer of these instruments. However, it will also have an economic exposure to the underlying securities themselves. Such structured products involve special types of risk, including credit risk, interest rate risk, counterparty risk and liquidity risk details of which are set out in the "Risk Considerations" section of the Prospectus.

### **Forward Foreign Exchange Transactions**

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis, and therefore have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of an unrealised profit.

### **Futures Contracts**

A futures contract is a standardised contract between two parties to exchange a specified asset of standardized quantity and quality at a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date. The contracts are normally traded on a futures exchange. The amount of loss (as well as profit) is unlimited.

For example, where the underlying specified asset is a commodity, the futures contract may be illiquid because certain commodity exchanges limit fluctuations in certain future contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to affect trades at or within the limit.

A Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions and bear the risk of counterparty default. A Fund may be invested in certain futures contracts which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of insolvency or bankruptcy.

### **Hedging Techniques**

A Fund may use a variety of financial instruments, such as options, interest rate swaps, futures and forward contracts, etc to seek to hedge against declines in the values of the Fund's positions as a result of changes in currency exchange rates, equity markets, market interest rates and other events. Hedging against a decline in the value of a Fund's positions will not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but it does establish other positions designed to gain from those same developments, thus reducing the decline in the Fund's value. However, such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value in the Fund's positions anticipated as a result of such a change. In addition, it may not be possible to hedge against certain changes or events at all or the Investment Manager may choose not to. Furthermore, there is no guarantee that a Fund's use of FDIs for hedging will be entirely effective and in adverse situations, where the use of FDIs becomes ineffective, a Fund may suffer significant loss.

### **Leverage Risk**

When a Fund purchases a security the risk to the Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps or options, the Fund's liability may be unlimited until the position is closed.

### **High Leverage Risk**

Where a Fund may have a net leveraged exposure of more than 100% of the NAV of the Fund, this will further magnify any potential negative impact of any change in the value of the underlying asset on the Fund and also increase the volatility of the Fund's price and may lead to significant losses.

### **Over the Counter (OTC) Transactions**

An OTC transaction takes place when a financial instrument is traded directly between two parties rather than through a Recognised Exchange. Where the Fund acquires securities through an OTC transaction, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity.

#### *Absence of Regulation*

In general, there is less regulation and supervision of OTC transactions than for transactions entered into on stock exchanges. In addition, many of the protections afforded to participants on some stock exchanges might not be available in connection with OTC transactions.

#### *Counterparty Default*

A Fund may also have credit exposure to counterparties by virtue of positions in swap agreements, repurchase transactions, forward exchange rate and other FDI contracts held by the Fund. OTC transactions are executed in accordance with an agreed terms and conditions drawn up between the Fund and the counterparty. If the counterparty experiences credit issues and therefore defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, or lose income, and/or incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures a Fund may implement to reduce counterparty risk, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### **Options**

Transactions in options may also carry a high degree of risk. For purchased positions the risk to the option holder is limited to the purchase cost of establishing the position. Out of the Money (OTM) positions will see the value of the options position decrease, especially as the position nears expiry.

### **Swap Agreements**

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to strategies, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by the Fund. The Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Fund.

### **Risks Associated with Securities Financing Transactions**

Entering into total-return swaps create several risks for the Company and its investors. The relevant Fund is exposed to the risk that a counterparty to a securities financing transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Operational Risk linked to Management of Collateral".

## **Taxation**

Where a Fund invests in FDIs, the issues described in the “General Risks - Taxation” section may also apply to any change in the taxation legislation or interpretation thereof of the governing law of the FDI, the FDI counterparty, the market(s) comprising the underlying exposure(s) of the FDI or the markets where a Fund is registered or marketed.

## **Legal Risks**

OTC FDIs are generally entered into pursuant to contracts based on the standards set by the International Swaps and Derivatives Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

## **Operational Risk linked to Management of Collateral**

The use of OTC FDIs and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

The management of operational risk is established through policies set by the risk committee of the Investment Manager. These policies set standards for the high level assessment of risk and, monitoring and reporting of risk within the business and analysis of reported operational risk events.

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## **Borrowings**

Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings.

Under the UCITS Regulations, the Funds may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its Net Asset Value and except as otherwise permitted under the UCITS Regulations. The Funds may acquire foreign currency by means of a back-to-back loan agreement. Where a Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the Company shall ensure that excess is treated as borrowing for the purposes of the UCITS Regulations.

Subject to the provisions of the UCITS Regulations and the Central Bank UCITS Regulations, the Company may, from time to time, where collateral is required to be provided by a Fund to a relevant counterparty in respect of FDI transactions, pledge investments of the relevant Fund equal in value to the relevant amount of required collateral, to the relevant FDI counterparty.

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## **Charges and Expenses**

The following fees and expenses are applicable to each Fund.

### **Fund Charges and Expenses**

#### Manager

The Manager is entitled to receive as remuneration for its services management fees as set out in the relevant Fund's Supplement. The management fee payable will be a percentage of the Net Asset Value of each Class and will be accrued daily and be paid monthly in arrears.

The Manager may appoint third party distributors in jurisdictions where the Funds are registered for public distribution or privately placed. Such third party distributors shall be compensated for their fees and expenses out of the management fee, Preliminary Charge or Redemption Charge.

In relation to investment by a Fund in a collective investment scheme managed (i) directly or by delegation by the Manager or (ii) managed by another company with which the Manager is linked by common management and control or by a direct or indirect holding of more than 10% of the capital or voting rights of such company (collectively referred to as “Related Funds”), the following conditions will apply:



- (a) no subscription, conversion or redemption fees on account of the Fund's investment in the Related Fund may be charged;
- (b) no management fee may be charged by the Related Fund; and
- (c) where a commission (including a related commission) is received by the Manager or Investment Manager by virtue of their investment in the Related Fund, the commission must be repaid into the property of the relevant Fund.

#### Investment Management

The Manager will discharge the fees and expenses of the Investment Manager for the discretionary management of the assets of the Company out of its management fee.

#### Administration, Depositary and Operating Fee

The Manager is also entitled to receive an administration, depositary and operating expenses fee (the "Administration, Depositary and Operating Fee") as set out in the relevant Fund's Supplement. The Administration, Depositary and Operating Fee payable will be a percentage of the Net Asset Value of each Class and will be accrued daily and be paid monthly in arrears. The Manager will pay the aggregate fees and expenses of the Administrator and Depositary, in addition to certain other fees and ongoing expenses such as ordinary fees and expenses payable to the Directors, the fees payable to permanent representatives and other agents of each Fund; the fees and expenses of each Fund's auditors and legal advisers; sub-custodian fees, expenses and direct transaction handling charges at normal commercial rates; fees or expenses involved (including the fees and expenses of paying agents) in registering and maintaining the registration of a Fund with any governmental agency or stock exchange in Ireland and in any other country; expenses in respect of portfolio and share class currency hedging; reporting and publishing expenses, including the costs of printing, preparing, advertising and distributing prospectuses, Key Investor Information Documents, explanatory memoranda, periodical reports or registration statements; and the costs of reports to Shareholders of the Fund.

The Administration, Depositary and Operating Fee does not include any other expenses including, but not limited to withholding tax, stamp duty or other taxes on the investments of the Fund (including fees of professional agents associated with processing and reclaiming such taxes); commissions and brokerage fees incurred with respect to the Fund's investments; interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings (including any liquidity facility entered into in respect of a Fund); any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company. Such expenses will generally be paid out of the Net Asset Value of the relevant Fund.

Expenses will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated by the Directors to all Funds pro rata to the Net Asset Value of the relevant Funds.

#### Paying Agents

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or distributions may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to or from the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Fund and (b) redemption and/or distribution monies payable by such intermediate entity to the relevant Shareholder.

#### Directors

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors and may be entitled to special remuneration if called upon to perform any special or extra services to the Company. The Directors shall be reimbursed all reasonable travel, hotel and other expenses properly incurred in connection with the business of the Company or the discharge of their duties.

#### Commissions/Brokerage

The Manager and any duly appointed delegate of the Manager is entitled under the Management Agreement to charge commissions and/or brokerage on transactions effected by them as agents for the Company.

Where the Manager or any duly appointed delegate of the Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Fund, the

rebated commission shall be paid to the Fund. The Fund will generally pay brokerage at customary institutional brokerage rates. Transactions of the Fund may be entered into through associates of the Manager.

The Manager and its associates will not receive cash or other rebates from brokers or dealers in respect of transactions for the Fund. Execution of transactions for the Fund will be consistent with best execution standards.

#### Charges Deducted from Capital

Each Fund, with the exception of Barings Global Dividend Champions Fund, normally pays its management fee and other fees and expenses out of income. However, where insufficient income is available, the Manager may pay some or all of its management fee and other fees and expenses out of capital and out of both realised and unrealised capital gains less realised and unrealised capital losses.

In respect of Barings Global Dividend Champions Fund, some or all of the management fee and other fees and expenses of the Fund may be paid out of capital in order to maintain a satisfactory level of distributable income for the Fund.

#### **Shareholder fees**

The Directors reserve the right to impose, at their absolute discretion, a minimum transaction fee of US\$50 in respect of any application for Shares received from an investor, the value of which is less than the foreign currency equivalent of US\$500 or such other amounts as may be determined by the Directors from time to time. Similarly, in the event that the Company receives a request to redeem Shares with a value of less than US\$500 the Directors may, in their absolute discretion, impose a transaction fee of US\$50 to cover the costs of such redemption or such other amounts as may be determined by the Directors from time to time.

#### Preliminary Charge

A Preliminary Charge of up to 5% may be added to the Net Asset Value per Share and retained by the Company out of which the Manager may pay commission to authorised agents.

In respect of Class F Shares, Class I Shares and Class X Shares, the Directors will not impose a Preliminary Charge.

#### Redemption Charge

The Directors may deduct from the Net Asset Value per Share for the account of the appropriate Fund a Redemption Charge not exceeding 1% of such Net Asset Value per Share. The Directors may at their discretion waive, either wholly or partially, such Redemption Charge or differentiate between Shareholders as to the amount of such Redemption Charge, if any, within the permitted limit. Details of any such Redemption Charge will be set out in the relevant Supplement for a Fund. It is not the intention of the Directors to impose such a charge in normal circumstances. Should this policy change, the Shareholders will be given advance written notice of the intention to charge a Redemption Charge.

#### Conversion Charge

The Directors have the power to charge a conversion charge of up to 5% of the Net Asset Value per Share of the New Class. The Directors may differentiate between Shareholders as to the amount of such conversion charge.

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## **Calculation of Net Asset Value**

The Manager has delegated the determination of the Net Asset Value and the Net Asset Value per Share to the Administrator which shall be carried out in accordance with generally accepted accounting principles. In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Manager or the Company by reason of any error resulting from any inaccuracy in the information provided by any third party pricing service that the Administrator is directed to use by the Manager or the Investment Manager in accordance with the Company's valuation policy.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of financial data, opinions or advice furnished to it by the Manager or its delegates, the Investment Manager, or their agents and delegates including an external valuer, prime broker(s), market makers and/or independent third party pricing services. The Administrator may accept, use and rely on prices provided to it by the Manager or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the Company, the Manager, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Manager, its delegates, an external valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the Manager, the Company, or an external

valuer in accordance with the Manager's Valuation Policy. The Manager acknowledges and agrees that the Administrator has not been retained to act as an external valuer or independent valuation agent.

In the event that there is an error in the calculation of the Net Asset Value of the Company, a Fund, or Class which results in a Shareholder receiving proceeds from the Company, the Manager reserve the right to seek to recover from such Shareholder any excess amount recovered by them or to re-issue a contract note with the correct Net Asset Value of the Company, the Fund, or Class.

The Net Asset Value per Share is calculated by dividing the value of the assets of each Fund, less its liabilities, by the total number of Shares in issue as at that Dealing Day. The Net Asset Value per Share is the resulting sum adjusted to two decimal places (five up four down).

The method of establishing the Net Asset Value of any Fund is set out in the Articles and summarised below.

In respect of certain Funds where different Classes are available, the Net Asset Value of the Fund is calculated as summarised above, more particularly described in the Articles and is allocated between each Class in accordance with their respective values. The portion of the Net Asset Value attributable to the relevant Class is divided by the number of Shares of the relevant Class then in issue and the resultant amount is the Net Asset Value per Share of the relevant Class. The Company may add to the Net Asset Value per Share a Preliminary Charge, which will be retained by the Company and out of which the Manager may pay commission to authorised agents. It is the intention of the Directors that the Preliminary Charge should not, however, until further notice, exceed 5% of the Net Asset Value per Share.

In general, quoted investments are valued at their last traded price (or, if no last traded price is available, at mid-market prices) and unquoted investments are valued on the probable realisable value estimated with care and in good faith by the Directors or a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved by the Depositary. The Articles also provides that cash deposits and similar investments shall normally be valued at face value (together with accrued interest); certificates of deposit shall be valued by reference to the best bid price for certificates of deposit of like maturity, amount and credit risk on the relevant Dealing Day; and treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments of like maturity, amount and credit risk on the relevant Dealing Day. Collective investment schemes are valued, where appropriate, on the basis of the last published Net Asset Value per Share, or the last published bid price per Share excluding any preliminary charges. Interest and other income and liabilities are, where practicable, accrued from day-to-day. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotation, namely, the price at which a new forward contract of the same size and maturity could be undertaken or, if unavailable, at the settlement price as provided by the counterparty. FDIs traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Directors or a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved by the Depositary. OTC FDIs will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Depositary and who is independent of the counterparty (the "Counterparty Valuation"); or (ii) using an alternative valuation provided by the Manager or a competent person appointed by the Manager or the Directors and approved for the purpose by the Depositary (the "Alternative Valuation"). Where such Alternative Valuation method is used the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organization of Securities Commissions (IOSCO) and the Alternative Investment Management Association (AIMA) and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the value of any investment is not ascertainable as described above, the value shall be probable realisation value estimated by the Directors with care and in good faith or by a competent person approved for the purposes by the Depositary. If the Directors deem it necessary, a specific investment may be valued using an alternative method of valuation approved by the Depositary. The Articles also provide that notwithstanding the above, the Directors may with the consent of the Depositary, adjust the value of any investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof. A description of fair value pricing and the circumstances where it may be applied is set out below.

### **Fair Value Pricing**

Fair value pricing (FVP) may be defined as the application of the Directors' best estimate of the amount a Fund might receive on a sale, or expect to pay on a purchase, of one or more securities or even an entire portfolio of securities, at the time of the Fund's Valuation Point, with the intention of producing a fairer dealing price, thereby protecting ongoing, incoming and outgoing investors.

In the opinion of the Directors, where market conditions may be such that the last applicable real time quoted price or the Valuation Point does not capture the best reflection of the buying and selling price of a stock, FVP may be applied. Due to the time differences between the closing of the relevant securities exchanges and the time of the Fund's Valuation Point, a Fund may apply FVP on its investments more frequently than it does on other securities and on some Funds this may occur on a daily basis. The Directors have determined that movements in relevant indices or other appropriate market indicators, after the close of the securities exchanges, may demonstrate that market quotations are unreliable and may trigger fair value pricing for certain securities. Therefore the fair values assigned to a Fund's investments may not be the



quoted or published prices of the investments on their primary markets or exchanges. By fair valuing a security which is suspended from trading, for example, because of financial irregularities, or whose price may have been affected by significant events or by news after the last market pricing of the security, the Funds attempt to establish a price that they might reasonably expect to receive upon the current sale of that security. It may also be necessary to use FVP in the event of a market remaining closed unexpectedly due to a force majeure event.

Suspended securities may provide an exception to this general policy. When individual securities are suspended for trading, for example, because of financial irregularities, the Investment Manager will suggest what it believes to be a reasonable price for that security. This is normally, but not always, achieved by applying a percentage discount to the last traded price prior to suspension, and which will be justified to the Directors.

### **Dilution Adjustment**

The Articles allow the Directors, in respect of redemptions, to adjust downward the Net Asset Value per Share. The Articles also permit the Directors, in respect of subscriptions, for any Fund, to adjust upward the Net Asset Value per Shares. In addition, the calculation of such prices and the amount of such adjustment may take into account any provision for the estimated market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the adjustment or disposal of investments and to preserve the value of the underlying assets of the relevant Fund. The Directors intention is only to exercise this discretion to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net redemptions or subscriptions of Shares in the relevant Fund. In the case that such a valuation policy is adopted by the Directors, it will be applied consistently with respect to the Company and as appropriate, individual Funds for so long as the Company or individual Funds as the case may be, are operated on a going concern basis, and will also be adopted consistently throughout the various categories of assets of the Fund or Company.

The application of the foregoing pricing methodology will comply with the requirements of the Central Bank.

### **Availability of the Net Asset Value per Share**

Except where the redemption of Shares of a Fund has been suspended, in the circumstances described below, the Net Asset Value per Share of each Class shall be available on the Barings website at [www.baring.com](http://www.baring.com) and on the Euronext Dublin website at [www.ise.ie](http://www.ise.ie). Prices can also be ascertained from the offices of the Investment Manager and the Paying Agents.

Such information will relate to the Net Asset Value per Share for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Shares at that Net Asset Value per Share. In the case of listed Shares, the Net Asset Value per Share will also be notified to Euronext Dublin immediately upon calculation and shall be available on the website [www.ise.ie](http://www.ise.ie).

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## **Distribution Policy**

The distribution policy relating to the Funds is set out below save as otherwise specified in the relevant Supplement.

The Articles provide for the distribution in respect of each Accounting Period of surplus net income represented by the distributions and interest received for a Fund to the Shareholders of that relevant Fund, after charging expenses and various other items, as set out below, which are attributable to the income of that Fund. In the case of the Barings Global Dividend Champions Fund, when calculating the distributable amount, some or all of the fees and expenses may be deducted from capital rather than income. In addition, the Company may distribute to the Shareholders of the Fund such part of any capital gains less realised and unrealised capital losses attributable to the relevant Fund or Class as, in their opinion, is appropriate to maintain a satisfactory level of distribution. The Directors may at their discretion, declare additional dividend payment dates in respect of any Class.

Any distributions unclaimed after a period of six years from the date of declaration of such distribution will lapse and shall revert to the relevant Fund.

Subject to the Company's policy in relation to reinvestment of distributions (see "Reinvestment of Distributions" below), payment of distributions will be made by electronic transfer in the relevant currency of the relevant Class and sent at the risk of persons entitled thereto, to the account set out in the Account Opening Form. If investors wish to make any change in the payment instructions, such change must be by written notice to the Manager signed by the sole Shareholder or all joint Shareholders. Any charges incurred in making payment by electronic payment may be payable by the Shareholder. Payment may, however, be made in any other major currency if requested by the Shareholder, or Shareholders in the case of a joint holding, in writing to the Manager, but such payment will be arranged at the expense and risk of the Shareholders. Any payment of distributions made by bank transfer will be at the expense of the Shareholder.

Equalisation arrangements will be effected by the Directors with a view to ensuring that the level of distributions payable on any Class of Shares is not affected by the issue, conversion or redemption of Shares of that Class during the relevant Accounting Period.

#### Reinvestment of Income Distributions

The Manager will automatically re-invest any distribution entitlements in further Shares of the relevant Fund:

- (i) Unless instructions in writing to the contrary are received from the Shareholder at least 21 days prior to the relevant distribution date; or
- (ii) In all cases where the Shareholder's anti-money laundering documentation is incomplete or has not been completed to the satisfaction of the Administrator and/or the Shareholder has not provided an original Account Opening Form.

Further Shares will be issued on the date of distribution or, if that is not a Dealing Day, on the next following Dealing Day at a price calculated in the same way as for other issues of Shares but without incurring any Preliminary Charge. There is, however no minimum number of such further Shares which may be so subscribed and fractions of Shares will be issued if necessary. Shareholders may also when applying for Shares or subsequently, request the Manager in writing pay them all distributions to which they are entitled; every such request by a Shareholder will remain effective until countermanded in writing or, if earlier, the person making the request ceases to be a Shareholder.

Investors who are resident in the United Kingdom should note that all distributions made from the Company are assessable to United Kingdom income tax or corporation tax under Case V of Schedule D notwithstanding their reinvestment in further Shares in the Company (see Taxation - United Kingdom below). If distributions are paid to the Shareholder and are, for any reason, returned, the money will be held in a Collection Account until valid bank details are provided. Investors should note that, unless otherwise specified in a Supplement applicable to a particular Fund, both distribution Class Shares and accumulation Class Shares are available in respect of each Fund.

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## Subscription of Shares

Applications for Shares must be received by the Valuation Point on each Dealing Day. Shares will be issued at the Net Asset Value per Share applicable on the relevant Dealing Day. In the cases of Shares in a Class of which there are no Shares currently issued, Shares will be issued at the initial offer price of 100 in the currency of the relevant Class or other values as determined by the Directors.

For Shares in a Class of which there are no Shares currently issued, the initial offer period shall commence at 9.00 am (Irish time) on 8 March 2021 and end at 12 noon (Irish time) on 7 September 2021 or such other date and/or time as the Directors may agree and notify to the Central Bank.

Under the Articles, the Directors are given the exclusive right to effect for the account of the Company the issue of Shares of any Class and to create, with the consent of the Depositary and the Central Bank, new Classes and have absolute discretion to accept or reject in whole or in part any application for Shares.

#### Account Opening

Investors subscribing for Shares for the first time must complete the Account Opening Form and submit it to the Manager c/o the Administrator as set out in the Account Opening Form. The Account Opening Form may be obtained from the Manager or the Administrator. The signed original Account Opening Form together with supporting documentation in relation to anti-money laundering requirements must be received before the application will be accepted. If any of the details that are provided change, including your address, other contact details (e.g. telephone number, email address) or bank account details, please inform the Administrator immediately by letter at the address set out in the "Directory" section. Failure to do so may cause a delay in processing subscription or redemption orders.

Prospective investors should note that by completing the Account Opening Form they are providing the Company with personal information, which may constitute personal data within the meaning of the Data Protection Legislation. The personal data of prospective investors and registered Shareholders shall be processed in accordance with the Privacy Statement.

The Administrator may and will hold all or part of the data provided in accordance with applicable laws even after the investor has fully redeemed from the Fund.

By signing the Account Opening Form, prospective investors consent to the recording of telephone calls made to and received from investors by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

#### Application of Shares

Subscription of Shares may be made by submitting the completed Subscription Form to the Manager c/o the Administrator as set out in the Subscription Form. Investors can, with the agreement of the Manager and the Administrator, subscribe via electronic messaging services such as SWIFT. All requests received by the Manager will be treated as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Company. Completed Subscription Forms received by the Manager prior to 12 noon (Irish time) on a Dealing Day will be dealt with by reference to the Net Asset Value per Share determined as at the Valuation Point on that Dealing Day. Subscription requests received after 12 noon (Irish time) will be treated as having been received on the following Dealing Day.

Subscription monies in cleared funds must be received by the Settlement Date. Payment is normally due in the currency of the relevant Class of the relevant Fund. The Manager and the Company may accept payment in other currencies, but such payments will be converted into the currency of the relevant Class and only the proceeds of such conversion at the prevailing exchange rate (after deducting expenses relating to such conversion) will be applied by the Company towards payment of the subscription monies. The Manager and the Company have standing arrangements for subscription monies to be paid by electronic transfer as specified in the Subscription Form.

Payments by electronic transfer should quote the applicant's name, bank, bank account number, Fund name and confirmation note number (if one has already been issued). Any charges incurred in making payment by electronic transfer will be payable by the applicant.

A confirmation note will be sent to each successful applicant. If payment in full in cleared funds has not been received by the Settlement Date, the application may be refused and any allotment or transfer of Shares made on the basis thereof cancelled, or, alternatively, the Manager and the Company may treat the application as an application for such number of Shares as may be purchased or subscribed with such payment. The Company reserves the right, in the event of non-receipt of cleared funds by the due date and cancellation of a subscription, to charge the applicant for losses accruing. The Manager and the Company reserve the right to limit deals without prior receipt of cleared funds. In such an event the investor shall indemnify the Manager, the Administrator, the Depositary, the Company, the applicable distributor, the Investment Manager and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Form.

Shares will be issued in registered form. Registration of the Shares comprised in the application will normally be effected within twenty-one days of the Company receiving the relevant registration details. Ownership is recorded by an entry in the Share register and a personal account number is allocated to the investor which will be shown in a registration advice despatched within twenty-one days of the Company receiving the relevant registration details. The personal account number must be quoted in all communications relating to the relevant Fund.

The Company, the Manager, the Administrator or a distributor may, in their sole discretion, reject any subscription order for Shares in whole or in part for any or no reason, including in particular, where the Company or the Administrator, as appropriate, reasonably believes the subscription order may represent a pattern of excessive trading or market timing activity in respect of the Company. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

The Company shall have an absolute discretion to declare any Fund or Class closed to further subscriptions. Existing Shareholders of the relevant Fund or Class will be provided with prior notification of such closure and the Company shall also notify distributors and/or placing agents. The Company may invoke this discretion to close the Fund to further subscriptions where they are satisfied that it will be in the best interests of the Shareholders of a Fund, given the market conditions prevailing at the time. The Company will have the discretion to re-open the relevant Fund or Class for subscription on any Dealing Day and existing Shareholders will be given advance notification of such re-opening.

Shares may not be issued or sold by the Company during any period when the right of Shareholders to require the redemption of their Shares is suspended in the manner described under "Redemption of Shares". Applicants for Shares will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the end of such suspension. In such cases where the calculation of the Net Asset Value per Class is suspended, such suspension will be notified to the Central Bank (immediately and in any event within the same Business Day) and Euronext Dublin (if applicable) without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## Types of Shares

Shares will be issued in registered form. Share certificates will not be issued. Fractions of not less than one-thousandth of a Share may be issued. Application monies representing smaller fractions of a Share will not be returned to the applicant but will be retained as part of the relevant Fund's assets.

All Shares of each Class will rank *pari passu*. Details of the issues of Shares in the Funds, including the Minimum Investment / Minimum Holding (inclusive of any Preliminary Charge) in respect of each Class, is set out in the relevant

Supplement. The Minimum Investment / Minimum Holding in respect of each Class may be waived at the discretion of the Manager.

### **In Specie Subscriptions**

The Articles permit the Directors to issue Shares at the Net Asset Value per Share in consideration of in specie securities or other assets as approved by the Company which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. The costs associated with such in specie subscriptions shall be borne by the investor. The Directors may decline any request for in specie subscriptions at their discretion.

### **Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce a copy of a passport or identification card together with evidence of his/her address such as a copy of, a utility bill or bank statement and proof of tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a relevant third party as such term is defined in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2013 (as amended). This exception will only apply if the relevant third party referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations and satisfies other applicable conditions such as providing a letter of undertaking confirming that it has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Manager, the Administrator or the Company.

The details above are given by way of example only and in that regard the Manager and the Administrator each reserve the right to request any such information or documents as is necessary to comply with their obligations under anti-money laundering legislation at the time of application (and also during the business relationship) for Shares in the Company to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Manager and the Administrator each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP.

Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Manager, the Administrator or the Company may reject the application and subscription monies and return all subscription monies or compulsorily redeem such Shareholder's Shares. Further, no redemption proceeds will be paid until the Shareholder provides such information. None of the Manager, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. If an application is rejected in whole or in part, the Administrator may return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Manager or the Administrator will refuse to pay redemption proceeds if the original Account Opening Form has not been received by the Administrator. Any such redemption proceeds will be held in the Collection Account where the requisite information for verification purposes has not been produced by a Shareholder.

For existing shareholdings which are compulsorily redeemed the proceeds of redemption will be held in an Umbrella Cash Account until such time as the Manager or the Administrator have verified the Shareholder's identity to its satisfaction.

### **Umbrella Cash Accounts**

In circumstances where Shares have been compulsorily redeemed for failure to provide the information required for verification purposes, the proceeds of redemption will be held in an "Umbrella Cash Account" (as described hereafter) and therefore, investors should note that such proceeds shall be treated as an asset of the relevant Fund. An Umbrella Cash Account is an account opened in the name of the Depositary on behalf of the Company for the purpose of holding redemption proceeds due to an investor which cannot be transferred to the relevant investor. The relevant investor will rank as an unsecured creditor of the relevant Fund until such time as the Manager or the Administrator are satisfied that its anti-money laundering and counter terrorist financing procedures have been fully complied with, following which redemption proceeds will be released. Any such unclaimed monies following a termination of a Fund will also be held in an Umbrella Cash Account (see section headed "Winding up of Company and Termination of a Fund").

In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the relevant Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption proceeds which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled

to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

In the event of the insolvency of another Fund, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Fund or the Company would have sufficient funds to repay any unsecured creditors.

Accordingly, investors should ensure that all documentation required by the Manager or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Manager or Administrator when subscribing for Shares.

The Manager, the Administrator and the Company reserve the right to obtain any additional information or documents from investors, at any point during the business relationship with such investors and may not carry out a service for the investor until the additional information or documentation is obtained to the satisfaction of the Company. The Manager, the Administrator and the Company cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

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## Collection Accounts

The Administrator operates the Collection Account in accordance with the Central Bank's Investor Money Regulations for a number of collective investment schemes managed by the Manager. The Collection Account is held at a credit institution as prescribed by the Investor Money Regulations ("Relevant Bank") in the name of the Administrator and is designated as a "Collection Account" or "Coll a/c". All monies in the Collection Account will be held at the Relevant Bank on a segregated basis by the Administrator, in trust for the benefit of the investors and on behalf of, and at the risk of, the investors for whom such investor monies are being held. The Relevant Bank will hold the cash on the Administrator's behalf (for the benefit of the investors on behalf of whom such monies are being held) in an account separate from any money the Relevant Bank holds for the Administrator in its own right. In the event of the insolvency of the Relevant Bank, the Administrator should have a claim against the Relevant Bank on behalf of the investors for whom the monies in the Collection Account are being held. In the event of the insolvency of the Administrator, monies in the Collection Account would not form part of the Administrator's assets.

Any subscription monies which are received by the Administrator prior to investment in a Fund, will be held in a collection account and will not form part of the assets of the relevant fund until such monies are transferred from the Collection Account to the account of the relevant Fund.

Redemption proceeds will be paid into the Collection Account on the Settlement Date and distributions on the relevant distribution payment date, when they will no longer be considered an asset of the relevant Fund. Further, any conversion from one Fund or Class (the "Original Fund") into another Fund or Class (the "New Fund") will be deemed to be a redemption from the Original Fund and a subscription into the New Fund and the relevant proceeds will be held in the Collection Account until transferred to the New Fund.

No interest is payable by the Manager or the Administrator on monies credited to the Collection Account.

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## Redemption of Shares

Applications for the redemption of Shares of a Fund received by the Manager prior to 12 noon (Irish time) on a Dealing Day, will be dealt with by reference to the Net Asset Value per Share, as defined under "Calculation of Net Asset Value", applicable on the relevant Dealing Day. Redemption requests received after 12 noon (Irish time) will be treated as having been received on the following Dealing Day.

Requests for the redemption of Shares may be made to the Manager c/o the Administrator as set out in the Redemption Form. All instructions must be signed by the registered Shareholders or where a representative has been appointed following receipt of a completed power of attorney. All requests received by the Manager will be treated as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Manager. In addition, investors can, with the agreement of the Manager and the Administrator, redeem Shares via electronic messaging services such as SWIFT. Redemption requests can be processed on receipt of electronic instructions only where payment is made to the account of record.



Partial redemptions of holdings are permitted provided that this will not result in the Shareholder holding an amount which is less than the Minimum Holding. In cases where a Fund is temporarily suspended for redemptions, the redemption request will be processed until the next Dealing Day when the dealing is no longer suspended.

No redemption payments shall be made until the original Account Opening Form (and supporting documentation) has been received by the Manager. Shares also need to be fully registered and settled before redemption payments can be made.

The Manager and the Administrator will withhold payment of the proceeds of redemption and income on Shares and may automatically reinvest distribution entitlements until the original Account Opening Form has been received from the investor and where it is considered necessary or appropriate to carry out or complete identification procedures in relation to the Shareholder pursuant to a statutory, regulatory or European Union obligation.

Payment of redemption proceeds will be made in accordance with initial redemption payment instructions, as notified to the Manager, to the registered Shareholder or in favour of the joint registered Shareholders as appropriate. If investors wish to make any change in the redemption payment instructions, such change must be by written notice to the Manager signed by the sole registered Shareholder or all joint registered Shareholders. The Manager will be deemed to be authorised to act on any redemption instruction received from any person purporting to be the Shareholder and reciting the relevant account number.

Payment will normally be made by the Settlement Date (excluding non-Dealing Days and days when due to public holidays in the relevant country, payments in the relevant currency of the Class cannot be settled) or, if later, four Business Days after receipt by the Manager of a dealing confirmation submitted by the Shareholder, excluding days when due to public holidays in the relevant country, payments in the relevant currency cannot be settled. Delayed payment of redemption proceeds can occur where there is a delay in the settlement of the underlying securities in a particular Fund. Such delay will not exceed 10 Business Days from the date of receipt of the redemption request. Where all relevant documentation and information is held in respect of the Shareholder the proceeds will be paid to the bank account provided by the Shareholder. Where redemption proceeds are paid but are refused by the Shareholder's receiving bank, the monies will be returned to the Collection Account until valid bank details for the Shareholder are provided.

Subject as mentioned above, the amount due on the redemption of Shares will normally be paid in the relevant currency of the Class. Arrangements, however, can be made for Shareholders wishing to redeem their Shares to receive payment in currencies other than the relevant currency of the Class by electronic transfer. The cost of currency conversion and other administrative expenses will be charged to the Shareholder.

The Manager may, in its sole discretion, redeem some or all of the Shares of a Shareholder where the Shareholder has failed to pay subscription monies by the due date and may apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the Company, the Manager, the Investment Manager or any of their respective affiliates pursuant to the indemnity described under "Application of Shares" within the "Subscription of Shares" section.

### **Redemption Deferral Policy**

The Manager is entitled to limit the number of Shares which may be redeemed on any Dealing Day to 10% of the Net Asset Value of the relevant Fund (the "Redemption Deferral Policy"). The Redemption Deferral Policy will apply pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day, and in such event, the Manager will carry out such redemptions which, in aggregate, amount to 10% of the Net Asset Value of the relevant Fund. Where the Manager decides to invoke this Redemption Deferral Policy, the excess amount above 10% of the Net Asset Value of the relevant Fund which has not been redeemed will be carried forward until the next Dealing Day and will be redeemed on the next Dealing Day (subject to a further operation of the Redemption Deferral Policy on the next Dealing Day). If requests for redemption are so carried forward, the Manager will give immediate notice to the Shareholders affected.

### **Temporary Suspension of Redemptions**

In addition, the Directors may at any time, in consultation with the Depositary, suspend temporarily the determination of the Net Asset Value of any Fund or attributable to a Class and the right of Shareholders to require the redemption of Shares of any Class and/or may delay the payment of any monies in respect of any such redemption during:

- (i) any period when any market on which a substantial part of the investments of the relevant Fund are quoted, listed or dealt is closed or when trading on such a market is limited or suspended;
- (ii) any period when dealings on any such market are restricted or suspended;
- (iii) the existence of any state of affairs as a result of which disposal of the investments of the relevant Fund cannot, in the opinion of the Directors, be effected normally or without seriously prejudicing the interests of Shareholders of that Class;
- (iv) any breakdown in the means of communication normally employed in determining the Net Asset Value of the relevant Fund or when, for any other reason, the value of any investments of the relevant Fund cannot be promptly and accurately ascertained;
- (v) any period during which the Depositary is unable to repatriate funds required for making payments due on redemption of Shares or during which the realisation of investments or the transfer of funds involved in such redemption cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;

- (vi) in contemplation of the winding up of the Company or the termination of a Fund; or
- (vii) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the relevant Fund or the Company; for example, upon receipt by the Company of a notice convening an extraordinary general meeting of the relevant Fund or the Company at which there shall be proposed an Ordinary Resolution to wind up the relevant Fund or the Company.

Shareholders who have requested redemptions of any Shares will be notified of any such suspension and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension will be notified to the Central Bank and Euronext Dublin immediately and in any event, where practicable within the same Business Day and other competent authorities in the Member States in which the Company is marketed. The Central Bank shall also be notified immediately upon the lifting of that temporary suspension. Where the temporary suspension has not been lifted within 21 working days, the Central Bank shall be updated on the expiration of the 21 working day period and each subsequent 21 working day period where the temporary suspension continues to apply.

## Liquidity Risk Management

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Company and to ensure the liquidity profile of the investments of each Fund will facilitate compliance with the Fund's underlying obligations. The Manager's liquidity risk management policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Funds. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Company.

In summary, the liquidity risk management policy monitors the profile of investments held by the Company and each Fund and ensures that such investments are appropriate to the redemption policy as stated under *Redemption of Shares* above, and will facilitate compliance with each Fund's underlying obligations. Further, the liquidity risk management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Company in exceptional and extraordinary circumstances.

The Manager seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are consistent. The investment strategy, liquidity profile and redemption policy of the Company will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the Manager's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the Manager shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of each Fund.

Details of the redemption rights of Shareholders, including redemption rights of Shareholders in normal and exceptional circumstances and existing redemption arrangements are set out above in this section.

## In Specie Redemptions

The Directors may at their discretion, satisfy any redemption request by in-specie distribution in circumstances where a Shareholder wishes to redeem Shares representing 5% or more of the Net Asset Value of a Fund, on a single Dealing Day and where the Shareholder either requests in specie distribution or has consented to such in specie redemption. Any such in specie redemption will be valued at the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer as the Directors may determine. The assets for distribution will be selected in consultation with and subject to the approval of the Depositary on such basis as the Directors deem equitable and so that there is no prejudice to the interests of remaining Shareholders. Where a redeeming Shareholder has elected or has consented to receive redemption proceeds by an in specie distribution of stock of Shares representing 5% or more of the Net Asset Value of any Fund, the Shares settled in-specie will not be included in the calculation of the percentage of the Shares for which redemption requests have been received for the purpose of determining whether the Redemption Deferral Policy may be invoked on a particular Dealing Day. Where a Shareholder has elected or consented to receive part or all of the redemption proceeds in-specie, the Directors shall advise the Shareholder that a Redemption Deferral Policy may operate if cash settlement is requested.

Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. The Shareholder may, however, require the Directors to sell such investments on their behalf and to pay them the proceeds of sale less any costs incurred in connection with such sale. The Directors may decline any request for in specie redemption at their discretion. Any distribution of assets in specie will not be materially prejudicial to the rights of the remaining Shareholders.

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## Compulsory Redemption of Shares

The Directors shall have the power (but shall not be under a duty) to impose such restrictions as it may think necessary for the purpose of ensuring that no Shares in any Fund are acquired or held by any person in breach of the law or any requirements of any country or governmental authority, including any foreign exchange control regulations or by a United

States Person or Japanese person (except in transactions exempt from the requirements of the United States Securities Act of 1933 (as amended) and applicable state securities laws) or by any person described in (a) to (f) below.

The Company may at any time give notice in writing for the redemption of, or request the transfer of, Shares held directly or beneficially by:

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares;
- (b) any United States Person;
- (c) any Japanese person;
- (d) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the Directors might result in the Company, the relevant Fund or its Shareholders incurring any liability to taxation or suffering pecuniary disadvantages which the Company, the relevant Fund or its Shareholders might not otherwise have incurred or suffered;
- (e) any Shareholder, on the basis of the circumstances of the Shareholder concerned, if it has reasonable grounds to believe that the Shareholder is engaging in any activity which might result in the Company, the relevant Fund or its Shareholders as a whole suffering any regulatory, pecuniary, legal, taxation or other material administrative disadvantage which the Company, the relevant Fund or its Shareholders as a whole might not otherwise have suffered; or
- (f) any person or persons holding Shares with a value less than the Minimum Holding.

The Company shall be entitled to give notice to such persons requiring him/her to transfer such Shares to a person who is qualified or entitled to own them or submit a request for redemption. If any such person upon whom such a notice is served as aforesaid does not within 30 days after such notice transfer such Shares or request the Company to purchase such Shares as aforesaid he shall be deemed forthwith upon the expiration of 30 days to have requested the Company to purchase his Shares and the Company shall be entitled to appoint any delegate to sign on his/her behalf such documents as may be required for the purposes of the purchase of the said Shares by the Company.

All of the Shares of any Class or any Fund may be redeemed:

- (a) on the giving by the Company of not less than four nor more than 12 weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

The Manager may resolve at its discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the subsequent termination of the Company or Fund.

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## Conversion of Shares

Unless otherwise specified in the relevant Supplement, Shareholders will be able to apply to convert on any Dealing Day all or part of their holding of Shares of any Class (the "Original Class") into Shares of another Class in the same Fund or in another Fund which are being offered at that time (the "New Class") by giving notice to the Manager in the manner set out under "Redemption of Shares". A conversion procedure is processed as a redemption from the Original Class followed by a subscription into the New Class. The general provisions and procedures relating to redemption set out under "Redemption of Shares" will apply equally to conversions.

The Manager has the discretion to reject any conversion requests subject to the availability of the New Class and to the compliance with any eligibility requirements and other specific conditions of the New Class (such as minimum subscription and holding amounts). No conversion will be made if it would result in the Shareholder holding an amount of either the Original Class or the New Class of a value which is less than the Minimum Holding for the relevant Class.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$N = \frac{P(R \times CF)}{S}$$

Where:

51878552.9



N	is the number of Shares of the New Class to be allotted
P	is the number of Shares of the Original Class to be converted
R	is the Net Asset Value per Share of the Original Class applicable to redemption requests received on the relevant Dealing Day
CF	is the currency conversion factor determined by the Directors as representing the effective rate of exchange on the relevant Dealing Day between the currencies of the Original Class and the New Class (where the currencies are different)
S	is the Net Asset Value per Share of the New Class applicable to subscription applications received on the relevant Dealing Day.

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## Transfer of Ownership of Shares

Shares in each Fund will be transferable by sending instruction in writing to the Manager c/o the Administrator. Such instruction should be signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided that the transfer does not result in the transferee holding a number of Shares of a value which is less than the Minimum Holding for that Fund. The Minimum Holding requirement for a transfer may be waived at the discretion of the Directors. The Company will not register the transfer of Shares or acknowledge the fact that a transfer has been made until such time as the transferor and the transferee have completed the Account Opening Form, have provided the Manager and the Company with such evidence of their identities as the Manager and Company may require for the purpose of complying with applicable money laundering prevention checks and the relevant documentation has been received by the Company or its delegate. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company and the Manager as having any title to or interest in the Shares registered in the names of such joint Shareholders. The Directors may decline any request for a transfer of Shares if they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Fund or Class or Shareholders as a whole.

Irish Resident Shareholders other than Exempt Investors must notify the Company in advance of any proposed transfer of Shares.

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## Manager, Investment Manager, Depositary, Administrator and Registrar

### Manager

Baring International Fund Managers (Ireland) Limited has been appointed by the Company to act as manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors.

The Manager was incorporated in Ireland as a private limited company on 16 July, 1990. The issued share capital of the Manager is £100,000, all of which has been paid up in full. The Company Secretary of the Manager and the Company is Matsack Trust Limited.

Each of the Directors is a director of the Manager.

The Management Agreement provides that the appointment of the Manager shall be determined by any party giving not less than three months' notice in writing to the other party.

The Management Agreement contains provisions governing the responsibilities of the Manager and providing for their indemnification in certain circumstances, subject to exclusions in the case of its wilful default, fraud or negligence.

The Manager is an indirect wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, a member of the MassMutual Financial Group. MassMutual Financial Group is a global, growth-oriented, diversified financial services organization providing life insurance, annuities, disability income insurance, long-term care insurance, retirement planning products, structured settlement annuities, trust services, money management, and other financial products and services.

In addition to managing the Company, the Manager also manages the following Irish domiciled funds: Barings Umbrella Fund plc, Barings Alpha Funds plc, Barings Currency Umbrella Fund, Barings Emerging Markets Umbrella Fund, Barings Global Opportunities Umbrella Fund, Barings Global Umbrella Fund, Barings International Umbrella Fund, Barings Korea

Feeder Fund, Barings Component Funds and Barings Global Investment Funds plc. Only the Company, Barings Global Umbrella Fund, Barings International Umbrella Fund and Barings Emerging Markets Umbrella Fund are recognised schemes for the purpose of the FSMA.

The Manager will at all times have due regard to its duties owed to each Fund managed by it (including each Fund within the Company) and if any conflict of interest should arise as between any of those Funds the Manager will have regard to its obligations under the Management Agreement and its obligation to act in the best interests of its clients in seeking to ensure that the conflict is resolved fairly.

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## Remuneration Policy

The Manager has put a remuneration policy in place (the “Remuneration Policy”) which is designed to ensure that its remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Funds. The Manager considers the Remuneration Policy to be appropriate to its size, internal operations, nature, scale and complexity and in line with the risk profile, risk appetite and the strategy of the Company and its Funds. The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff. The Manager is responsible for determining the categories of identified staff whose professional activities have a material impact on the risk profile of the Manager and the Funds. The board of directors of the Manager and those employees occupying pre-approved control functions on behalf of the Manager are currently in scope of the provisions of the Remuneration Policy. Details of the remuneration policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits are available at [www.baring.com/remuneration-policies](http://www.baring.com/remuneration-policies) and a paper copy will be made available to investors upon request.

In respect of any investment management delegates, the Manager requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines / Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines/UCITS Directive.

### Investment Manager

Under the terms of the Investment Management Agreement, the Manager has delegated the investment management of each Fund to the Investment Manager. The Investment Management Agreement provides that the appointment of the Investment Manager may be terminated by either party giving notice in writing to the other party and provides for the orderly transfer of the Investment Manager’s responsibilities in such circumstances. The Investment Manager provides asset management services in developed and emerging equity and bond markets on behalf of institutional and retail clients globally. The Investment Manager is authorised and regulated by the FCA. The Investment Manager is also promoter of the Company.

Subject to Central Bank approval, the Investment Manager may sub-delegate such investment management to other group companies. Disclosure of such sub-investment managers will be provided to Shareholders on request and details will also be provided in the periodic reports of the Company.

The Investment Manager and the service providers to the Company may in the course of their business have conflicts of interest with the Company. The Investment Manager will, however, have regard to its obligations to act in the best interest of its clients when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly. In relation to co-investment opportunities which arise between the Funds and the Investment Manager’s other clients, the Investment Manager will ensure that the Funds participate fairly in such investment opportunities and that these are fairly allocated.

### Depositary, Administrator and Registrar

#### Depositary

The Depositary of the Company is Northern Trust Fiduciary Services (Ireland) Limited.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 31 December 2018, the Northern Trust Group’s assets under custody and administration totalled in excess of US\$10.1 trillion.

Pursuant to the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) Northern Trust has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the services,

and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the Company's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates and a list of these sub-delegates is included at Appendix IX. Details regarding the Depositary, including a description of its duties and any conflicts of interest that may arise, any safekeeping functions delegated by the depositary and an up to date list of such sub-custodians will be made available to investors, free of charge, upon request.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations. The Depositary contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters for which the Depositary is liable pursuant to the UCITS Regulations or matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

#### Administrator and Registrar

Under the terms of the Administration Agreement, the Manager has appointed the Administrator as the administrator of the Company and to act as registrar. The Administration Agreement provides that the appointment of the Administrator may be terminated by any party giving not less than 24 months' notice in writing to the others. The Administrator, a company incorporated in Ireland on 15 June 1990, specialises in the administration of investment funds and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Funds as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company and the Company's books and accounts, liaising with the auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of Shares in the Company.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Company. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

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## Reports and Accounts

The Company's year-end is 30 April each year. Audited accounts and a report in relation to the Company will be produced within four months after the conclusion of each Accounting Period and hosted on the Manager's website at [www.barings.com](http://www.barings.com) and filed with Euronext Dublin. Unaudited semi-annual reports will also be produced within two months after the end of the six-month period ending on the Semi-Annual Accounting Date and hosted on the Manager's website at [www.barings.com](http://www.barings.com). Copies of the latest annual and semi-annual accounts may also be obtained at the registered office of the Company, the Manager and the Investment Manager.

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## Directors of the Company

The Directors of the Company are described below:

### **David Conway**

David Conway (resident in Ireland) is a company director and formerly a senior executive at Ulster Bank. He has extensive leadership experience across the investment management industry, including portfolio management, asset management, funds administration, custodial services, private client and wealth management. Mr Conway, who is Irish, held a variety of roles at Ulster Bank over a period of 26 years, most recently as Director, Ulster Bank Wealth Management Division. He is currently a Director of a number of collective investment schemes across a broad range of asset classes. Mr Conway holds an honours degree in Economics from Trinity College Dublin and is a Certified Investment Fund Director (CIFD).

### **Barbara Healy**

Barbara Healy (resident in Ireland) is a chartered accountant by profession and has over 25 years' experience in the asset management industry. Ms Healy was Global Head of Operations for JPMorgan Hedge Fund Services incorporating the role of Executive Director and Head of Technical Solutions EMEA and Asia. (2004 – 2009). During Ms Healy's tenure assets grew from \$5Bn to \$100Bn, positioning the firm as a top-tier service provider in the hedge fund administration market. Ms Healy previously ran operations for Tranaut Fund Administration Ltd. (2002-2004) which was subsequently acquired by JPMorgan, and before this was Director of Accounting for SEI Investments Europe. Ms Healy has also worked in fund accounting positions in Banker's Trust and Chase Manhattan Bank. Since 2009 she has been serving as an independent non-executive director to Irish and Cayman domiciled investment funds and hedge funds. Ms Healy holds a Bachelor of Commerce Degree (Honours) and a Post-Graduate Diploma in Professional Accounting from University College Dublin. She is a member of the Institute of Chartered Accountants in Ireland and is also a member of the Institute of Directors in Ireland. Ms Healy attended the High Performance Boards Corporate Governance Programme at IMD, Lausanne, Switzerland, 2011.

### **Julian Swayne**

Julian Swayne (resident of the United Kingdom) is the Chief Executive Officer of 'Barings' in Europe. He is responsible for the day-to-day general management of Barings' main UK operating entities. He previously served as the Chief Financial Officer International of 'Barings', having joined Baring Asset Management when it was formed in 1989. Mr Swayne became Finance Director in 1997 and then Chief Financial Officer International in 2016 when the new 'Barings' group was created. Prior to joining Baring Asset Management, he worked at Baring Brothers & Co. Previous to that, Mr Swayne was with London City based auditors Neville Russell. Mr Swayne holds a degree in Economics from Leicester University and qualified as a chartered accountant in 1985.

### **Alan Behen**

Alan Behen (resident in Ireland) is the Chief Executive Officer of the Manager. He is responsible for the day-to-day general management of Barings' Irish entities. He 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.

### **Paul Smyth**

Paul Smyth (resident in Ireland) is the Chief Investment Officer of the Manager. Paul joined the Manager in March 2019 and is responsible for the oversight of the investments team and their regulatory obligations. Paul has worked in the investment management industry since 2000, and joined from Aberdeen Standard Investments, where he was a senior member of the global client team, and was also responsible for managing multi-asset mandates.

With the exception of both Alan Behen and Paul Smyth, each of the above-named directors act in a non-executive capacity. The address of the Directors is the registered office of the Company.

# Taxation

## Ireland

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

### Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the Account Opening Form has been received by the Company confirming the Shareholder's non-resident status. The Declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### Taxation of Exempt Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("TCA"), the Company will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the Account Opening Form has been received by the Company confirming the Shareholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).

11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of Other Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### Distributions by the Company

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### Redemptions and Transfers of Shares

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.



A Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### 'Eighth Anniversary' Events

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

#### Share Exchanges

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Fund and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

#### **Stamp duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise.

#### **Gift and Inheritance tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

If the Company becomes liable to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share were to receive a distribution in respect of his/her Shares or to dispose (or deemed to have disposed) of his/her Shares in any way ("Chargeable Event"), the Manager shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax and/or where applicable, to appropriate, cancel or compulsorily redeem such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event if no such deduction, appropriation, cancellation or compulsory redemption has been made.

## **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development applies in Ireland. Under these measures, the Company is required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other Member States and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard regime was adopted by the EU Union in Directive 2014/107/EU. In Ireland, regulations implementing the OECD Common Reporting Standard came into effect on 31 December 2015.

## **Meaning of terms**

### Meaning of 'Residence' for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in Member States or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

### Meaning of 'Residence' for Individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

### Meaning of 'Ordinary Residence' for Individuals

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years



becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2020 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2023.

#### Meaning of 'Intermediary'

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

#### **Foreign taxes**

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

#### **United Kingdom ("UK")**

The statements below relate to Shareholders holding shares as an investment (as opposed to as a dealer).

#### The Company

The Company is a UCITS scheme established in Ireland so it is not resident in the UK for tax purposes. Accordingly, provided the Company does not exercise a trade within the UK or carry on a trade in the UK through a permanent establishment, the Company will not be subject to UK tax other than on certain types of UK source income and its liability to UK tax on UK source investment income will be limited to the amount of any UK tax withheld at source. Most UK source interest and dividends are not currently subject to any UK withholding tax.

It is not expected that the activities of the Company will be regarded as trading activities for the purposes of UK taxation. However, to the extent that trading activities are carried on in the UK the profits from such activities may in principle be liable to UK tax. Such trading profits will not however, based on the UK Finance Act 2003, be assessed to UK tax provided that the Company and Investment Manager meet certain conditions. The Directors, Manager and Investment Manager intend to conduct the respective affairs of the Company and the Investment Manager so that all those conditions are satisfied, so far as those conditions are within their respective control.

Each Share Class constitutes an offshore fund for the purposes of the UK's special tax regime for offshore funds in the Offshore Funds (Tax) Regulations 2009. Accordingly, the provisions of those regulations are relevant to the taxation of Shareholders in respect of income and gains.

A number of Share Classes have been certified by the UK tax authority (HM Revenue & Customs or "HMRC") as being "reporting funds" for UK tax purposes. Details of which Share Classes will seek reporting fund status are set out in the Fund Supplements attached to this Prospectus. The up-to-date list may also be viewed on the HMRC website at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

#### Shareholders

##### Income

Shareholders resident in the UK for tax purposes will generally be liable to UK income tax or corporation tax in respect of any distributions paid and any amounts reported to investors as "reportable income" in respect of shares held, subject to their personal circumstances.

This income will (except in the circumstances described below) be treated for UK tax purposes as either dividend or interest income for the purposes of income tax and corporation tax.

Where a dividend is paid or treated as paid to a UK resident individual and it falls within the individual's annual £5,000 dividend allowance, then income tax will not be payable on it. Above this, the tax rates applying to dividends will be 7.5%

for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. No tax credits are attached to dividends. Corporate Shareholders liable to corporation tax will generally be exempt from corporation tax on dividends.

However, if at any point during the annual accounting period of a Fund, it should fail to meet the qualifying investments test (broadly the Fund will fail this test at any time when the market value of its investments in interest-bearing and economically equivalent securities exceeds 60% of the market value of its total investments) then UK resident Shareholders should treat it as a bond fund as described below so that the dividends paid or reported will be interest for income tax purposes and corporate Shareholders should treat their holdings as loan relationships.

Where a dividend is paid or treated as paid to a UK individual, the amount will be treated as interest for UK tax purposes, and the taxpayer will benefit from a personal savings allowance that will exempt the first £1,000 of interest, including amounts taxable as interest, received or deemed to be received by UK resident individuals, from tax in the hands of basic rate taxpayers. The exempt amount will be reduced to £500 for higher rate taxpayers while additional rate taxpayers will not receive an allowance. Above this, UK individual taxpayers will be liable to income tax at 20% in the case of basic rate taxpayers, 40% in the case of higher rate taxpayers or 45% in the case of additional rate taxpayers. No tax credits are available to reduce these effective tax rates.

Corporate shareholders in a bond fund liable to corporation tax should account for their Shares (including any dividends received) on a fair value basis in accordance with the loan relationships tax regime.

### Gains

Where a Share Class has had reporting fund status (and, where relevant, previously distributing fund status) throughout the duration of the Shareholder's investment in that Share Class, any gain on the redemption, sale or other form of disposal of the investment (allowing for a deduction of any amounts reported as income but not actually distributed) will be subject to taxation as a capital gain.

For corporate investors, any amounts charged to tax under the loan relationships regime will not be treated for tax purposes as chargeable gains.

Where a Share Class has not had reporting fund status (and, where relevant, previously distributing fund status) throughout the duration of the Shareholder's investment in that Share Class, any gain on the redemption, sale or other form of disposal of the investment (including a deemed disposal on death) will be taxable at the time as income (and be known as an "offshore income gain").

### UK Anti-Avoidance Provisions

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is not anticipated that they will normally apply to investors in Shares. Any UK taxpaying Shareholder who (together with connected persons) holds over 25% of a Fund should take specific advice.

An individual Shareholder domiciled or deemed for UK tax purposes to be domiciled in the United Kingdom may be liable to UK Inheritance Tax on their Shares in the event of death or on making certain categories of lifetime transfer.

### **GITA**

As of 1 January 2018 the GITA is in effect. The new tax regime distinguishes between "investment funds" as defined in section 1 paragraph 2 of the GITA and "special-investment funds" as defined in section 26 of the GITA. All Funds of the Company should be treated as "investment funds" pursuant to the GITA and should not be subject to the "special-investment fund" tax regime.

Shareholders in the Funds may benefit from a partial tax exemption on all income received from the Funds (i.e. distributions, capital gains from a disposal / redemption of Shares and the annual "Vorabpauschale") depending on the categorisation of the relevant Fund as either an "equity fund" or a "mixed fund" under the GITA. The categorisation of a Fund as "equity fund" or "mixed fund" pursuant to the GITA depends on whether the Fund meets certain requirements defined by the GITA. As a rule, an "equity fund" must, pursuant to its investment conditions, be permanently invested in equity participations to more than 50% of its gross assets and a "mixed fund" must, pursuant to its investment conditions, be permanently invested in equity participations to at least 25% of its gross assets. Alternatively, the equity participation quota can be calculated by reference to the Net Asset Value. When calculating the equity participation quota, any loans raised by the Fund are deducted from the equity participations in proportion to the amount of equity participations in the total gross assets of the Fund. In addition the Fund may take into account the actual equity participation quotas published by its target investment funds on each valuation day. For this purpose, only equity participation quotas of target funds that have at least one valuation per week will be taken into consideration.

The classification of a Fund as "equity fund" or "mixed fund" pursuant to the GITA is set out in the relevant Supplement .

### **Other**

Very generally, pursuant to Sections 1471-1474 of the Code, as interpreted by U.S. Treasury Regulations, guidance from the IRS, intergovernmental agreements ("IGAs") and implementing non-U.S. laws and regulations, and subject to any further guidance (collectively, "FATCA"), to the extent a non-U.S. fund makes an investment which would generate U.S. source income, then certain U.S. source interest, dividends, and certain other payments relating to such investment, made to the non-U.S. fund will be subject to a 30% withholding tax unless, very generally, the non-U.S. fund (i) enters into a valid agreement with the Secretary of the U.S. Department of Treasury that obligates the non-U.S. fund to obtain and verify certain information from its investors and comply with annual reporting requirements with respect to certain direct and indirect U.S. investors, among other requirements, or (ii) satisfies the requirements of an applicable intergovernmental agreement (or otherwise qualifies for an exemption from the foregoing). In this respect, Ireland and the United States have entered into an IGA, under which the Company and each Fund may be required to obtain and provide to the Irish government certain information from its investors and meet certain other requirements. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law.

If the Company and each Fund comply with their obligations under the IGA and if Ireland complies with its obligations under the IGA, the Company and each Fund generally should not be subject to withholding under FATCA, although the Company or a Fund may be subject to withholding if a member of its "affiliated group" or a "related entity" fails to comply with FATCA. Withholding pursuant to FATCA may reduce returns to Shareholders.

Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

Any Shareholder that fails to provide a Fund with any information, documentation or certifications requested by the Fund to meet its obligations pursuant to FATCA may be subject to the 30% withholding tax with respect to the payments described above that are made to such Shareholder, and may be required to indemnify the Fund and the Company for other taxes and costs attributable to such Shareholder's failure. The Company and each Fund may disclose information provided by Shareholders to taxing authorities and other parties as necessary or appropriate to comply with FATCA or reduce withholding tax thereunder. Shareholders who fail to provide applicable information, documentation, or certifications may be subject to additional adverse consequences and may be subject to compulsory redemption from each Fund in which they have invested.

The requirements of FATCA are complex and remain unclear in certain respects and are potentially subject to material changes resulting from any future guidance. Shareholders are urged to consult their advisers about the requirements imposed on the Company, each Fund, and the Shareholders and the effect that any requirements may have on Shareholders.

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## Meetings of Shareholders

The Articles of Association contain detailed provisions for meetings of Shareholders generally and Shareholders of each particular Class. Meetings may be convened by the Manager or the holders of at least 10% in value of the Shares in issue or the Shares of the particular Class in issue, on not less than 21 days' notice. Notices of meetings will be sent to Shareholders or Shareholders of the particular Class. Shareholders may appoint proxies, who need not themselves be Shareholders. The quorum for a meeting will be Shareholders present in person or by proxy and holding or representing not less than 10% of the Shares (or Shares of the relevant Class) for the time being in issue. The quorum for a meeting to pass an Ordinary Resolution will be two Shareholders present in person or by proxy or, for an adjourned meeting, Shareholders present in person or by proxy whatever their number or the number of Shares held by them.

On a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote. On a poll every Shareholder present in person or by representative or proxy shall have one vote for every Share for which he is registered as the holder. Such voting rights may be amended in the same manner as any other provision of the Articles of Association.

A Special Resolution is a resolution proposed as such at a meeting of Shareholders at which a quorum is present and passed by a majority of 75% of the total number of votes cast.

The Articles of Association provide that a resolution which affects one Class only of Shares will be duly passed if passed at a separate meeting of the Shareholders of that Class; the resolution affects more than one Class of Share but does not give rise to a conflict of interests between the holders of the Shares of the respective Classes, the resolution will be duly passed if passed at a single meeting of the holders of the Shares of those Classes; if the resolution affects more than one Class of Share and gives or may give rise to a conflict of interests between the holders of Shares of the respective Classes,

the resolution will only be duly passed if, in lieu of being passed at a single meeting of the holders of the Shares of those Classes, it is passed at separate meetings of the holders of Shares of those Classes.

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## Winding up of the Company and Termination of a Fund

The Company will be wound up in accordance with the Articles:

- (a) by Ordinary Resolution of Shareholders if any time after the first anniversary of incorporation of the Company the Net Asset Value of the Company is equal to or less than the Minimum Net Asset Value; or
- (b) if within a period of three months from the date on which:
  - (i) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire;
  - (ii) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement; or
  - (iii) the Depositary ceases to be approved by the Central Bank to act as a depositary; no new Depositary has been appointed, the Directors shall instruct the Company Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an Ordinary Resolution to wind up the Company. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank. The Depositary has notified the Company of its desire to retire or ceases to be qualified to act as depositary or its appointment has been terminated and no new depositary has been appointed and the Shareholders resolve by ordinary resolution to wind up the Company;
- (c) by Special Resolution of a meeting of Shareholders passed at any time;
- (d) by Ordinary Resolution of Shareholders where the Shareholders resolve that the Company by reason of its liabilities cannot continue its business and that it be wound up.; or
- (e) should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company or terminate a Fund, they may determine to do so.

The Articles provides that upon the Company or any Fund being wound up the Depositary shall:

- (a) sell all investments held for the Company or the relevant Fund; and
- (b) distribute all net cash proceeds derived from the realisation of the assets of each Fund to the relevant Shareholders in proportion to their respective interests in the relevant Fund upon production of the Share certificate (if issued) or delivery of such form of request as the Depositary may require.

The Depositary shall be entitled to retain out of any monies in its hands as part of the property of the Company, full provision for all costs, charges, expenses, claims and demands.

Any unclaimed proceeds or monies which cannot be distributed to investors following a termination will be transferred to and held in the Umbrella Cash Account from the date of termination of a Fund. Any such unclaimed termination proceeds of a Fund held in the Umbrella Cash Account may be paid into court at the expiration of 12 months or, if unable, impractical or the Manager otherwise determines it to be inappropriate to do so (for whatever reason), may be paid to charity at the expiration of 3 years from the date of Fund termination, subject to the right of the Depositary to deduct therefrom any expense that it may incur in making such payment. During such period as unclaimed termination proceeds are held in the Umbrella Cash Account, Shareholders who are entitled to the relevant part of the unclaimed termination proceeds may make a claim to the Manager or the Administrator for payment of their entitlement and will be paid upon provision of all required information and/or documents as required by the Manager and/or the Administrator. Please also refer to the section headed "Collection Accounts" in this Prospectus.

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## Proxy Voting Policies and Procedures

The Company will vote proxies on the securities held by the Funds in accordance with the procedures of the Investment Manager. The Investment Manager has established a proxy voting policy which is overseen by the Investment Manager's proxy voting working group. The policy is designed to ensure that votes are cast in accordance with the best economic interest of the clients of the Investment Manager, such as the Funds. The Investment Manager uses the services of an independent third party service provider to provide proxy analysis, information on events requiring voting and vote recommendations, and also executes the voting decisions of the Investment Manager. The Investment Manager ordinarily

votes proxies according to the independent third party service provider's proxy voting recommendations. Proxies on all proposals are voted, except in those instances when the Investment Manager, with guidance from the proxy voting working group if desired, determines that the cost of voting those proxies outweighs the economic benefit to the Investment Manager's clients.

The Investment Manager's detailed proxy voting policy is available on request from the Investment Manager.

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## Best Execution

The Company relies on the execution policy of the Investment Manager. Best Execution is the term used to describe the objective of taking all sufficient steps to obtain the best possible result for each transaction carried out by the Investment Manager on the scheme property of the fund. In order to obtain the best possible result the Investment Manager takes into account a number of factors including price, both the explicit and implicit costs of trading, size and speed of execution and any other specific considerations relevant to that transaction.

The Investment Manager's detailed execution policy is available on request from the Investment Manager.

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## Inducements

In the course of providing portfolio management services, the Investment Manager is prohibited from accepting and retaining any fees, commission or monetary benefits, or accepting any non-monetary benefits (other than acceptable minor non-monetary benefits and research which is permitted), where these are paid or provided by any third party or a person acting on their behalf. The Investment Manager considers that:

- (a) information or documentation relating to a financial instrument or investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
- (b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the issuer, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- (c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (d) hospitality of a reasonable de minimis value, including food and drink during a business meeting or a conference, seminar or other training event specified in this clause;
- (e) research relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, which is:
  - produced prior to the issue being completed, by a person that is providing underwriting or placing services to the issuer on that issue; and
  - made available to prospective investors in the issue; and
- (f) research that is received during a trial period so that the Investment Manager may evaluate the research provider's research service in accordance with FCA rules

are regarded as acceptable minor non-monetary benefits as they are capable of enhancing the quality of the service provided by the Investment Manager to the Shareholders; of a scale and nature that it could not be judged to impair the Investment Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Shareholders; and reasonable, proportionate and of a scale that is unlikely to influence the Investment Manager's behaviour in any way that is detrimental to the interests of the Shareholders.

If the Investment Manager receives any such fees, commissions or monetary benefits, it will transfer these for the benefit of the relevant Fund and will inform the relevant Fund within the standard reporting.

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## General Information

The Company was incorporated in Ireland on 18 October 2004 as an investment company with variable capital with limited liability and segregated liability between funds under registration number 392526. The Company has established Baring Investments (Mauritius) Limited as a wholly owned subsidiary.

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Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 4 (3) of the Regulations of capital raised from the public and the Company operates on the principle of risk spreading.

The authorised share capital of the Company is 500,000,000,000 Shares of no par value and €2 divided into 2 redeemable non-participating shares of €1 each. Non-participating Shares do not entitle the holders thereof to any distribution and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit. There are 2 non-participating Shares currently in issue which were taken by the subscribers to the Company.

The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles, the general law of Ireland and the Act.

Any investor wishing to make a complaint regarding any aspect of the Company or its operations may do so directly to the Company or to the Investment Manager at the addresses as set out in the "Directory" section of this Prospectus.

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## Documents Available for Inspection

Copies of the following documents may be obtained from the Company free of charge and may also be inspected during usual business hours on a Business Day at the offices of the Investment Manager at the addresses set out in the "Directory" section of this Prospectus:

- (a) the Articles;
- (b) the Prospectus;
- (c) the Key Investor Information Documents; and
- (d) the annual and half yearly reports relating to the Company most recently prepared and published by the Company;

The most recently prepared annual report and any other audited information relating to the Company can also be obtained by prospective investors on request from the offices of the Manager or from the Paying Agents.



## Appendix I – Investment Restrictions

Investment may only be made as permitted by the Articles and the Regulations and is subject to any restrictions and limits set out in the Articles and the Regulations. The relevant provisions of the Regulations in respect of the investment restrictions applying to the Company and each Fund and to such further or other restrictions as may be imposed by the Directors are set out below. The Directors may from time to time impose such further or other investment restrictions as shall be compatible with or in the interest of the Shareholders, for example in order to comply with the laws and regulations of the countries where Shares of each Fund are placed. Any such further or other restrictions shall be set out in the relevant Supplement for a Fund and shall be in accordance with the Regulations.

### 1 Permitted Investments

Investments of a UCITS are confined to:

- 1.1 Transferable Securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money Market Instruments, other than those dealt on a regulated market.
- 1.4 Shares of UCITS.
- 1.5 Shares of alternative investment funds.
- 1.6 Deposits with credit institutions.
- 1.7 Derivatives

### 2 Investment Restrictions

- 2.1 A UCITS may invest no more than 10% of net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1.
- 2.2 A UCITS may invest no more than 10% of net assets in recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3 A UCITS may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% (as described in paragraph 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. (To avail of this provision, the prior approval of the Central Bank is required).
- 2.5 The limit of 10% (as described in paragraph 2.3) is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The Transferable Securities and Money Market Instruments referred to in paragraphs 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund. A Fund may not invest more than 20% of net assets in deposits made with the same credit institution. Deposits, or cash booked in accounts and held as ancillary liquidity, shall only be made with a credit institution, which is at

least one of the following categories: (i) a credit institution authorised in the EEA; (ii) a credit institution authorised within a signatory state (other than an EEA State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, the United Kingdom or the US); or (iii) a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

- 2.8 The risk exposure of a UCITS to a counterparty to an over-the-counter (“OTC”) derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised within Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in Transferable Securities or Money Market Instruments;
- deposits, and/or
- risk exposures arising from OTC derivatives transactions.

- 2.10 The limits referred to in paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

- 2.12 A UCITS may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members.

The individual issuers must be listed in the Prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People’s Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### 2.13 **Deposits**

Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:

- (a) 10% of the NAV of the UCITS; or
- (b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.

### 2.14 **Recently Issued Transferable Securities**

- (i) Subject to paragraph (ii) a Fund shall not invest any more than 10% of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.
- (ii) Paragraph (i) does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that:
  - (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and



- (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.

### **3 Investment in Collective Investment Schemes (“CIS”)**

- 3.1 A UCITS may not invest more than 20% of net assets in any one CIS. However, the Directors have determined that no more than 10% of the net assets of a Fund may be invested in CIS.
- 3.2 Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.
- 3.3 When a UCITS invests in the units/shares of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that UCITS management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units/shares of such other CIS.
- 3.4 The CIS are prohibited from investing more than 10% of net assets in other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the UCITS management company or investment manager by virtue of an investment in the units or shares of another CIS, this commission must be paid into the property of the UCITS.

### **4 Index Tracking UCITS**

- 4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5 General Provisions**

- 5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A UCITS may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the units of any single CIS;
  - (iv) 10% of the Money Market Instruments of any single issuing body.

**NOTE:** The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3 Paragraph 5.1 and 5.2 shall not be applicable to:
- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
  - (iv) Shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
  - (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.

- 5.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- Transferable Securities;
  - Money Market Instruments;
  - Units/shares of CIS; or
  - Derivatives.
- 5.8 A UCITS may hold ancillary liquid assets.

## **6 Financial Derivative Instruments (“FDIs”)**

- 6.1 The UCITS global exposure (as prescribed in the UCITS Regulations) relating to derivatives must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of derivatives, including embedded derivatives in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Regulations/Guidelines. (This provision does not apply in the case of index based derivatives provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
- 6.3 UCITS may invest in derivatives dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in derivatives are subject to the conditions and limits laid down by the Central Bank.

## **7 Country Specific Investment Restrictions**

Certain jurisdictions in which the Funds are registered apply additional requirements in respect of the Fund’s investment policies. Country specific registration information in relation to the Funds is hosted on the Manager’s website at [www.barings.com/fund-registration-matrix](http://www.barings.com/fund-registration-matrix). To the extent that a Fund is registered in any of these indicated jurisdictions, which can be confirmed on the above website, the following additional requirements and investment restrictions shall apply:

### **7.1 Investment restrictions applicable to Funds registered in Hong Kong:**

- 7.1.1 Where a Fund is authorised for public offer in Hong Kong, the Hong Kong Securities and Futures Commission (“**HKSFC**”) requires the Company to classify the Fund on the basis of its expected maximum net derivative exposure (“**NDE**”). The HKSFC requires the NDE to be calculated in accordance with the HKSFC’s “Code on Unit Trusts and Mutual Funds” and the requirements and guidance issued by the HKSFC, which may be updated from time to time. This requires the Company to convert all FDI acquired for investment purposes that would generate incremental leverage at the portfolio level of the Fund into their equivalent positions in the underlying assets. Applying these requirements, currently the NDE of a Fund authorised for public offer in Hong Kong is expected to be up to 50% of the Fund’s Net Asset Value but this level may be exceeded as permitted by the relevant Hong Kong regulatory requirements.
- 7.1.2 For the avoidance of doubt, complying with the HKSFC’s requirements to classify a Fund on the basis of its NDE does not amend the investment objectives or policies or otherwise impact the management of a Fund or its use of FDI, as the requirements are solely to measure a Fund’s expected use of FDI, as described above, using the HKSFC’s methodology.

### **7.2 Investment restrictions applicable to Funds registered in Korea:**

- 7.2.1 A Fund may invest no more than 40% of its Net Asset Value in Korean won-denominated securities.

**7.3 Investment restrictions applicable to Funds registered in Taiwan:**

- 7.3.1 Unless exempted by the Financial Supervisory Commission (the “**FSC**”), the risk exposure of the non-offset position in FDIs held by a Fund for increasing investment efficiency, may not at any time exceed 40% of a Fund's Net Asset Value; the total value of non-offset short FDI positions held for hedging purposes must not exceed the total market value of the corresponding securities held by a Fund.
- 7.3.2 The direct investments that a Fund is permitted to make in Mainland China are restricted to securities listed on the Mainland China exchanges or on the Mainland China Interbank Bond Market, and a Fund's holdings in such securities may not, at any time, exceed 20% (or such other percentage stipulated by the FSC from time to time) of a Fund's Net Asset Value.
- 7.3.3 The securities market of Taiwan may not constitute more than 50% of a Fund's Net Asset Value or such other percentage as the FSC may decide.

**Restrictions related to Funds with an equity focused strategy which are registered in Taiwan:**

- 7.3.4 The total investment in stocks must be more than 70% of the Fund's Net Asset Value.
- 7.3.5 Where the name of an equity Fund specifies investment in specific objects, areas, or markets, the investment by the Fund in these objects, areas, or markets must be more than 60% of the Fund's Net Asset Value.

**Restrictions related to Funds with a balanced / multi-asset strategy which are registered in Taiwan:**

- 7.3.6 Investments in equity, bonds, and other fixed-income securities must be more than 70% of the Fund's Net Asset Value, in which the investments in equity must be less than 90% and no less than 10% of the Fund's Net Asset Value.
- 7.3.7 Total investment amount in non-Investment Grade bonds must be no more than 30% of the Fund's Net Asset Value.

## Appendix II – Eligible Securities & Derivatives Markets

With the exception of permitted investments in unlisted securities, the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which are listed below.

For the purpose of the Company, a market shall be:

In relation to any investment which constitutes a transferable security or an exchange traded derivative:

(i) any country, stock exchange or market which is:

- located in any Member State of the EEA; or
- located in any of the following countries:

Australia  
Canada  
Japan  
Hong Kong  
New Zealand  
Switzerland  
United Kingdom  
United States of America; or

(ii) any country, stock exchange or market included in the following list:

Argentina	the stock exchange in Buenos Aires;
Bahrain	the stock exchange in Manama;
Bangladesh	the stock exchange in Dhaka and Chittagong;
Bosnia Herzegovina	the stock exchange in Sarajevo;
Botswana	the stock exchange in Gaborone;
Brazil	the stock exchange in Sao Paulo;
Bulgaria	the stock exchange in Sofia;
Chile	the stock exchange in Santiago and Valpariso;
China	the stock exchanges in Shanghai and Shenzhen;
Colombia	the stock exchange in Bolsa De Valores De Colombia;
Costa Rica	the stock exchange in San José;
Egypt	the stock exchanges in Cairo and Alexandria;
Estonia	the stock exchange in Tallinn;
Ghana	the stock exchange in Accra;
Hong Kong	the stock exchange in Hong Kong;
India	the stock exchange in Mumbai;
Israel	the stock exchanges in Tel Aviv and the MTS Israel;
Indonesia	the stock exchanges in Jakarta and Surabaya;
Jordan	the stock exchange in Amman;
Kazakhstan	the stock exchange in Almaty & Kazakhstan Stock Exchange;
Kenya	the stock exchange in Nairobi;
Kuwait	the stock exchange in Safat, Kuwait City;
Latvia	the stock exchange in Riga;
Lithuania	the stock exchange in Vilnius & NASDAQ OMX Vilnius;
Malaysia	the stock exchanges in Kuala Lumpur;
Mauritius	the stock exchanges in Port Louis;
Mexico	the stock exchange in Mexico City;
Morocco	the stock exchange in Casablanca;
Namibia	the stock exchange in Windhoek;
Nigeria	the stock exchange in Nigeria;
Oman	the stock exchange in Rawi;
Pakistan	the stock exchange in Karachi;
Panama	the stock exchange in Panama;
Peru	the stock exchange in Lima;
Philippines	the stock exchange in Manila;
Qatar	the stock exchange in Qatar;
Russia	the stock exchange in Moscow;
Saudi Arabia	the stock exchange in Riyadh;
Serbia	the stock exchanges in Belgrade;
Singapore	the stock exchange in Singapore;
South Africa	the stock exchange in Johannesburg;
South Korea	the stock exchange in Busan;

Sri Lanka	the stock exchange in Colombo;
Taiwan	the stock exchange in Taipei;
Tanzania	the stock exchange in Dar es Salaam;
Thailand	the stock exchanges in Bangkok;
Tunisia	the stock exchange in Tunis;
Turkey	the stock exchange in Istanbul;
United Arab Emirates	the stock exchanges in Abu Dhabi & Dubai;
Uganda	the stock exchange in Kampala;
Uruguay	the stock exchange in Montevideo;
Vietnam	the stock exchanges in Ho Chi Minh and Hanoi;
Zambia	the stock exchange in Lusaka;

(iii) any of the following exchanges or markets:

- the market organised by the International Capital Markets Association;
- the market conducted by the "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, Foreign currency and bullion);
- a market comprising dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission;
- a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;
- Derivative markets approved in a member state of the EEA and in the United Kingdom;
- NASDAQ; and
- the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan.
- the over-the-counter market in the United States of America regulated by the National Association of Securities Dealers Inc. (may also be described as: the over-the-counter market in the United States of America conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- the French Markets for Titres de Créances Négotiables (the over-the-counter markets in negotiable debt instruments);
- the KOSDAQ Market in South Korea
- the London International Financial Futures and Options Exchange (LIFFE);
- the Buenos Aires Futures and Options Exchange (Bolsa de Comercio de Buenos Aires) in Argentina;
- on the BM&FBovespa exchange in Brazil;
- on the Dalian Commodity Exchange, Shanghai Futures Exchange and Zhengzhou Commodity Exchange in China;
- on the, United Stock Exchange of India;
- the Derivatives Exchange in Malaysia;
- the Mexican Derivatives Exchange;
- on the South African Futures Exchange (SAFEX);
- the Singapore Exchange OTC Clearing (SGX Asia Clear);
- the Taiwan Futures Exchange;

- Turkish Derivatives Exchange (TURKDEX);
- the Thailand Futures Exchange PCL; and
- the China Interbank Bond Market.

The markets and exchanges described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

## Appendix III – Efficient Portfolio Management

This section of the Prospectus clarifies the instruments and/or strategies which the Company may use for efficient portfolio management purposes or short term investment purposes. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Fund.

Each of the Funds may use the techniques and instruments for efficient portfolio management which are set out below. The efficient portfolio management purposes for which the Company intends to employ FDIs and investment techniques described below are reduction of risk, reduction of cost and the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the general provisions of the UCITS Regulations. The Company may use various types of FDIs for these purposes, including, without limitation, warrants, exchange traded futures and options, forward currency contracts, swap agreements, contracts for differences, index-linked notes and share and commodity index futures contracts for these purposes.

Any direct operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct costs and fees will be paid to the relevant counterparty of the transaction. All of the revenues arising from the use of efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which any direct and indirect costs and fees are paid will be disclosed in the periodic reports of the Company and will indicate if these are parties related to the Manager, the Investment Manager or the Depositary.

Investors should note that the Company shall comply with the conditions and limits laid down from time to time by the Central Bank under the UCITS Regulations and set out below.

The Company shall file an appropriate risk management process with the Central Bank in advance of any use by a Fund of FDIs for efficient portfolio management purposes.

Information on the revenues generated under such transactions shall be disclosed in the annual and semi-annual reports of the Company, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the Manager, the Depositary or entities related to the Manager or Depositary.

Investors should consult the “Risk Considerations” section in this Prospectus for information on counterparty risk, credit risk and risks associated with securities financing transactions.

### Counterparty Procedures

The Investment Manager has an established governance committee that approves and monitors dealing and FDI counterparties in accordance with the provisions and requirements set forth within the firm's Global Counterparty Risk Management Policy.

Where a counterparty is downgraded to A2 or below (or comparable rating) by S&P, Fitch or Moody's, this shall result in a new credit assessment being conducted.

In respect of OTC FDIs all counterparties will be Investment Grade or which are, in the opinion of the Investment Manager, of similar credit status. The counterparties to such swap contracts will not have any discretion over the portfolio of a Fund or over the underlying exposures and counterparty approval will not be required for any portfolio transaction of a Fund.

The key criteria reviewed by the governance committee are the structure, management, financial strength, internal controls and general reputation of the counterparty in question, as well as the legal, regulatory and political environment in the relevant markets. These counterparties are then constantly monitored using information from share price movements and other market information. Counterparty exposure is recorded daily and monitored and reported to the governance committee.

A counterparty selected will be either an investment firm, authorised in accordance with the EU MiFID Directive (2004/39/EC) or a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve or an “Approved Credit Institution”. An Approved Credit Institution is:

- (i) a credit institution authorised in the EEA; or
- (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or



- (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

Each counterparty will also be subject to the following:

- (i) Best Execution – the counterparty is monitored and ranked by an established third party analytical system to optimise trading strategies
- (ii) Operational efficiency – the Investment Manager's dealers rank counterparties according to quality of their service.

For each trade, best execution overrides any other consideration and the Investment Manager is not permitted to direct trades.

Subject to the conditions and limits set out in the UCITS Regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for efficient portfolio management, i.e. to generate additional income for the Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stock lending agreement is an agreement under which title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. As of the date of this Prospectus, it is not proposed to use repurchase agreements, reverse repurchase agreements or engage in stock lending on behalf of any Fund. In the event that a Fund does propose to utilise such techniques and instruments, Shareholders will be notified and the Prospectus will be revised in accordance with the requirements of the Central Bank.

The Investment Manager will employ a risk management process in respect of each Fund which enables it to accurately measure, monitor and manage the various risk associated with FDIs.

### **Collateral Management**

In accordance with the requirements of the Central Bank the Investment Manager will employ a collateral management policy for and on behalf of the Company and each Fund in respect of collateral received in respect of OTC FDI transactions whether used for investment or for efficient portfolio management purposes and for repurchase agreements, reverse repurchase agreements and/or stocklending agreements.

The collateral management policy employed by the Investment Manager in respect of the Funds provides that cash and highly liquid assets which meet with the regulatory criteria (as disclosed in the risk management process) in respect of valuation, issue credit quality, correlation and collateral diversification will be permitted collateral for each proposed FDI transaction. The collateral received other than cash, will be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral will be valued daily at mark-to-market prices and daily variation margin will be used if the value of collateral falls below coverage requirements. Collateral received will be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty. Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. If the Fund's exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer. Furthermore, the Fund may be fully collateralised in different transferable securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member State belongs, as set out in the section headed "Investment Restrictions", provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's Net Asset Value.

The collateral policy operated by the Investment Manager will set appropriate levels of collateral required by the Investment Manager in respect of FDI transactions. The Investment Manager will also employ a clear haircut policy (i.e. a policy in which a pre-determined percentage will be subtracted from the market value of an asset that is being used as collateral) for each class of assets received as collateral taking account of the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy.

The Investment Manager on behalf of the relevant Fund shall not sell, pledge or re-invest any non-cash collateral received by the relevant Fund.

Non-cash collateral cannot be sold, pledged or re-invested and any cash collateral received for and on behalf of the Fund may be invested in any of the following:

- (i) deposits with relevant institutions (as defined in the Central Bank UCITS Regulations);
- (ii) high quality government bonds;
- (iii) reverse repurchase agreements provided that the transactions are with credit institutions (as defined in the Central Bank UCITS Regulations) and the UCITS is able to recall at any time the full amount of cash on an accrued basis;



- (iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral and may not be placed on deposit with the counterparty or a related entity.

In circumstances where a Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risk attached to the collateral. The liquidity stress testing policy shall be disclosed in the risk management process employed by the Investment Manager.

#### Valuation of Collateral

Collateral that is received by a Fund will be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place. The non-cash collateral received by a Fund will be at mark to market given the required liquid nature of the collateral.

#### Safe-Keeping of Collateral Received by a Fund

Collateral received by a Fund on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary of the Depositary. For other types of collateral arrangements, the collateral can be held by the Depositary, a duly appointed sub-depositary of the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

#### Posting of Collateral by a Fund

Collateral provided by a Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. Collateral may be transferred by a Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-depositary. In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the relevant Fund, such collateral must be safe-kept by the Depositary or its sub-depositary, however, subject to the requirements of SFTR, such assets may be subject to a right of re-use by the counterparty. Risks associated with re-use of collateral are set down in "*Risk Considerations: Operational Risk linked to Management of Collateral*".

## Appendix IV - The Depositary's Sub-Custodians

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to the Northern Trust Company, London branch, whom it has appointed as its global sub-custodian.

At the date of this prospectus, the Northern Trust Company, London branch, as global sub-custodian has appointed the local sub-custodians as listed below.

Jurisdiction	Subcustodian	Subcustodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Títulos e Valores Mobiliários S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A.,	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Côte d'Ivoire	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Nordea Bank Abp	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Eswatini (formerly Swaziland)	Standard Bank Eswatini Limited	
Finland	Nordea Bank Abp	
France	The Northern Trust Company	

<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank Abp	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	

<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	



# Barings China Select Fund

***This Fund has been closed to further subscriptions and an application will be made to the Central Bank for withdrawal of its approval in due course.***

## **Investment Objective and Policies**

The objective of the Fund is to achieve long-term capital growth in the value of assets by investing in companies which the Company believes will benefit from the economic growth and development of China. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities of companies quoted on Recognised Exchanges in China or Hong Kong or incorporated in China or Hong Kong, or which have a significant proportion of their assets or other interests in China or Hong Kong or in equities of companies elsewhere in the Asia Pacific ex – Japan region with the potential, in the opinion of the Investment Manager, to benefit from the development of China. For this purpose, total assets exclude cash and ancillary liquidities.

The Fund may also invest in ADRs and GDRs in order to gain exposure to equities issued by companies quoted or traded on Recognised Exchanges in China or elsewhere in the Asia Pacific ex Japan region. The Fund may also invest in structured notes, participation notes, equity-linked notes, similar financial instruments and FDIs where the underlying assets consists of securities issued by companies quoted on Recognised Exchanges in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on Recognised Exchanges in China. These instruments shall generally comprise transferable securities of the issuer, notwithstanding that their value is linked to an underlying equity or equity index. Only participation notes, structured notes and equity-linked notes which are liquid, unleveraged, “securitised” and capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be “transferable securities”. Investment in participation notes and structured notes as referenced above which are not listed or traded on a regulated market are restricted to 10% of the Net Asset Value of the Fund.

In identifying the companies in which the Fund will invest, the Investment Manager will look across the full market capitalisation range and may take opportunistic exposure in the Fund to smaller and medium sized companies in the region as investment conditions permit.

The Fund may invest in collective investment schemes (including exchange traded funds) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

With regard to investment in China, no more than 20% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Connect Schemes and/or through quotas approved under QFI Regulations (as further described in the section of the Prospectus entitled ‘Investment Policies; General’) or indirectly through investment in other eligible collective investment schemes or participation notes.

The Fund adheres to the investment restrictions required to qualify as “equity fund” pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

## *Strategy*

The Investment Manager believes that equity markets are inefficient (and do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company’s business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies’ includes analysis of their future financial performance as well as their business model and management style, while focusing on long-term earnings growth of three to five years to find investment opportunities.

The Investment Manager’s strategy favours companies with well-established or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the investment manager to offer funds which should exhibit lower volatility over time.

## *FDIs*

The Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging but they will not be used extensively for investment purposes. FDIs which may be used by the Fund are described in detail

under the heading “Investment in FDIs” in the Prospectus. When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs.

**Profile of a Typical Investor**

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).



# Barings Dynamic Absolute Return Fund

***This Fund has been closed to further subscriptions and an application will be made to the Central Bank for withdrawal of its approval in due course.***

## Valuation Point

The Valuation Point is 9.00 pm (Irish time) on each Dealing Day or such other time (as will be notified in advance to investors) as the Directors may determine in exceptional circumstances provided that the Valuation Point is after the dealing deadline. Applications for Shares must be received by 12 noon (Irish time) on each Dealing Day.

## Investment Objective and Policies

The investment objective of the Fund is to generate a positive absolute return, consisting of capital appreciation and income, in different market conditions over a rolling 3 year period with a medium level of volatility.

In order to achieve its investment objective, the Fund will invest in a diversified global portfolio of both physical and synthetic long positions and synthetic short positions in the asset classes listed below and will invest with no formal limitations on exposure to any specific asset class, country, sector or region including emerging markets.

The Fund will asset allocate across a range of asset classes which includes equities, debt, currencies, commodities, property, infrastructure, real assets (as described further below), Money Market Instruments and/or cash. The Fund may gain long market and/or economic exposure to asset classes including equities, debt, currencies, Money Market Instruments and/or cash either directly or indirectly through the use of FDIs, exchange traded funds ("ETFs"), exchange traded certificates ("ETCs") or collective investment schemes. The Fund may gain long exposure to asset classes including commodities, property, infrastructure and other real assets indirectly through the use of FDIs (in the case of commodities, FDIs on commodity indices), ETFs, ETCs, notes or collective investment schemes. The Fund may gain short exposure to all asset classes synthetically or indirectly through FDIs, ETFs, ETCs, notes or collective investment schemes. Long and synthetic short positions may be outright positions or relative value positions i.e. long one asset, short another related asset.

The net market exposure (sum of long and synthetic short positions of the portfolio) is expected on average to be positive as it is expected that long positions will be larger than synthetic short positions; however there may be periods when the net exposure is negative / short depending on market conditions. The gross sum of the notional value of the long positions is expected to be 100-500% of the Net Asset Value of the Fund. The gross sum of the notional value of the synthetic short positions is expected to be 0-500% of the Net Asset Value of the Fund. The net market exposure of the Fund will vary over time and higher gross sum of notional values of long or short positions are possible; for example the use of forward currency contracts or short dated interest rate contracts could increase these values.

Securities in which the Fund invests as described above (with the exception of any permitted investment in unlisted securities and OTC FDIs) will be quoted or traded on Recognised Exchanges. The Fund may also invest in American Depositary Receipts, Global Depositary Receipts and other equity-related securities including credit linked notes, structured notes, participation notes, equity linked notes and debt securities convertible into equities.

Investment in any such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. Such instruments are usually unleveraged although certain types may contain embedded leverage (see "Investment in FDIs" below). Investment in such products that are not listed or traded on a regulated market but which otherwise meet the above requirements of an eligible transferable security are restricted to 10% of the Net Asset Value of the Fund. Debt securities convertible into equities, which may also be referred to as convertible bonds, are debt securities that can be converted into a predetermined amount of the company's equity at certain times during its life.

Debt securities, as described below, may comprise securities issued or guaranteed by governments, supnationals, agencies and companies domiciled globally or listed or traded on an eligible market. Debt securities in which the Fund may invest include but are not limited to fixed and floating rate bonds (which may be rated by an internationally recognised credit rating agency such as Standard & Poor's, or may be unrated), inflation-protected bonds, debentures, credit-linked notes, structured notes, total return notes, participation notes, asset and mortgage-backed securities, securitised and unsecuritised loans, convertible bonds, certificates of deposit and commercial paper. There are no formal limits or restrictions on credit ratings, unrated securities, maturity or duration of the debt securities which may be held by the Fund. Debt securities are usually unleveraged although certain types may contain embedded leverage (see "Investment in FDIs" below).

The Fund may take indirect exposure to commodities and property through equity or debt securities of companies trading in commodities or property (direct investment in commodities or property is not permitted). The Fund may also take indirect exposure to commodities and property through investment in eligible collective investment schemes, debt or equity related

securities (such as structured notes, participation notes), ETCs (including exchange traded commodities), ETFs, closed ended funds (including real estate investment trusts) and FDIs (FDIs may only be used to obtain exposure to commodity indices). Any REITs or closed ended funds in which the Fund invests will be eligible transfer securities. In addition to commodities, property and infrastructure, real assets include global agricultural resources, intellectual property and tangible investments including power generation plants, toll roads and shipping. Exposure to real assets will be indirect, via the securities of companies, via eligible collective investment schemes, debt or equity related securities, ETCs, ETFs closed ended funds and FDIs, and offers diversification from traditional financial assets such as equities and bonds.

Exchange traded commodities are investment vehicles that track the performance of commodities, commodity indices and other investments, including but not limited to inter alia gold, silver, platinum, diamonds, palladium, uranium, coal, oil, gas, copper and crops. Exchange traded commodities are liquid securities issued by investment banks and brokers and are traded on a regulated exchange or market in the same way as an equity. Exchange traded commodities enable investors to gain indirect exposure to commodities, commodity indices and other investments without trading futures or taking physical delivery of assets. Exchange traded commodities may contain embedded leverage (see "Investment in FDIs" below).

With regard to investment in China, no more than 10% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Connect Schemes via the Shanghai Hong Kong Stock Connect scheme (as further described in the section of the Prospectus entitled 'Investment Policies; General') or indirectly through investment in other eligible collective investment schemes or participation notes.

The Fund may invest in cash and ancillary liquid instruments such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit for investment purposes, in order to generate investment returns, and for cash management purposes.

The Fund may use FDIs for efficient portfolio management and for investment purposes and details in relation to such FDIs and the context in which they are used are set out at "Investment in FDIs" below.

The Fund may invest either directly or indirectly in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund. Investment in collective investment schemes will include ETFs which are classified as collective investment schemes in accordance with the Central Bank's requirements. Investment in collective investment schemes will primarily be for the purposes of obtaining an indirect exposure, either long or short, to asset classes, regions, countries, factors or sectors, and in the case of investment in money market funds for cash management purposes. Investment in closed ended funds is not expected to be significant and up to 30% of the Net Asset Value of the Fund may be invested in closed ended funds.

The Fund is expected to have a medium volatility profile. However, the actual volatility may vary depending on market conditions and there is no assurance that the Fund will maintain its current level of volatility.

### *Strategy*

The Investment Manager will seek to actively allocate the Fund's portfolio of investments across the asset classes listed below to diversify returns, manage risk and achieve the investment objective. The asset allocation of the Fund will be adjusted dynamically in anticipation of and in response to changes in economic and market conditions; for example in response, or in anticipation of, publication of market statistics such as growth, inflation, interest rates or in response to global economic, financial and political market events. The asset allocation process is forward looking and for each asset class the Investment Manager will analyse each major economy considering the likely return, correlation and risk factors and asset classes are ranked based on this analysis. In addition to making investment decisions to allocate across asset classes as listed above, such as equities debt, currencies, allocations will also be made within each asset class based on sector, factor and security selection. Investments can be classified and analysed by their industry or sector for example the healthcare sector, technology sector, utilities sector. Investments can also be classified and analysed based on their characteristics or factors such as value, size, quality, volatility, growth, yield. Depending on the Investment Manager's opinion on markets at the time, based on analysis as detailed below, investments will be sought with varying characteristics such as value - companies or sectors that are cheap relative to the rest of the market when valued on criteria such as price to book value or price to earnings; size - companies that have a small market capitalisation relative to the rest of the market; quality - companies that have strong balance sheets or a track-record of consistent earnings; volatility - companies that have historically exhibited lower price variation than the rest of the market; growth - companies that deliver high levels of earnings growth relative to the rest of the market; yield - companies with a higher dividend yield than average. Appropriate long, short or relative value positions, i.e. long one asset, short another related asset, will be taken when the Investment Manager believes that market conditions are right for one or more of these characteristics to out-perform.

Investments within each asset class are then selected by analysing anticipated return potential and volatility to determine their attractiveness. Anticipated return potential and volatility are assessed using qualitative and quantitative fundamental analysis, and technical analysis of historic returns, volatility and valuations to estimate potential future returns, volatility and valuations. Fundamental analysis involves fundamental economic analysis of regional growth, inflation, monetary policy and economic activity indicators. It may include analysing aspects such as a company's market share and qualitative

analysis such as the quality of its management, and in the case of sectors, asset classes and markets qualitative aspects such as industry growth, competition, regulation and drivers for future growth (for example technological developments). Quantitative analysis involves analysing the financials of a company, sector, asset class or market such as analysing a company's financial statements (balance sheet, profit and loss account, cash flow statement) or statistics of a sector, asset class or market such as revenue, profitability, growth, as well as valuation metrics. Technical analysis includes analysis of historic data to identify trends in price movements of an investment.

The Investment Manager looks for investments which have a low correlation with other holdings, aiming to diversify returns and manage risk. Long positions will generally be taken where the Investment Manager expects an investment to increase in value, either outright or as part of a broader strategy, and therefore is expected to produce investment return on a stand-alone basis or relative to another investment. Synthetic short positions may be taken where the Investment Manager expects the value of an investment to decline either in absolute terms or relative to another investment as part of a pair or relative value strategy. Both long and short positions may also be taken to hedge or reduce risk. The Fund will make changes to its overall allocations to asset classes on a frequent basis, up to and including daily.

### *FDIs*

The Fund may invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging. FDIs may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position, where it may not be possible, or practical, to invest directly. FDIs may also be used to generate greater returns and generate leverage.

The following are FDIs that may be used by the Fund.

- Futures
- Options
- Total Return Swaps
- Contracts for Differences
- Credit default swaps (CDS)
- Interest rate swaps
- Forward currency contracts
- Non-deliverable forwards
- Warrants

The Fund may:

- sell or buy futures on equities, debt securities, currencies, interest rates and indices (including equity indices, debt security indices, eligible commodity indices, volatility indices). The Fund may buy or sell futures in order to hedge or increase exposure or to express an investment view on the direction of movement of the underlying.
- buy or sell options to hedge in order to reduce risk or to increase return. The Fund can buy or sell options on equities, debt securities, currencies and indices (including equity indices, debt security indices, eligible commodity indices, volatility indices). In order to reduce risk or to implement the investment strategy of the Fund options can be used to hedge or increase exposure to the underlying or to express an investment view on the direction of movement of the underlying.
- purchase total return swaps to hedge or increase exposure or to express an investment view on the direction of movement of the underlying which includes equities, debt securities and indices (including equity indices, debt security indices, eligible commodity indices, volatility indices.). Total return swaps can be used to provide long or short exposure to the underlying asset(s) or indices.
- Buy or sell contracts for differences in order to reduce risk or to increase return. Contracts for differences may provide exposure to individual equities, debt securities, baskets of securities or indices (provided such indices meet the requirements of the Central Bank).
- buy or sell credit default swaps (CDS) to gain exposure to or hedge against or reduce credit risk.
- invest in interest rate swaps which allow the Fund to manage its interest rate exposures, e.g. to increase or to hedge against or reduce interest rate risk arising from holding debt securities or to express investment views on the direction of interest rate movements. Interest rate swaps could include currency swaps to enable the Fund to manage its currency exposure in addition to the interest rate exposure and inflation swaps to manage its inflation exposure. Interest rate swaps allow the interest rate sensitivity of the Fund to be adjusted more quickly and efficiently than through bond and cash markets.
- invest in forward currency contracts and non-deliverable forwards to pursue a currency strategy to increase the Fund's return where specific currencies appear attractive. In this regard, forward currency contracts and non-deliverable forwards may be used to actively overlay currency views into the currency exposure of the Fund resulting from investing in foreign markets, i.e. by establishing positions in a currency different from the base currency of the Fund which are expected to generate a positive return. Such contracts may also be used to hedge against specific currency exposure. This will be consistent with the Fund's investment strategy.
- buy or sell warrants to hedge, in order to reduce risk, or to increase return.

The underlying exposure of the above FDIs will be consistent with the Fund's objective such as to equity and debt securities, interest rates, currencies, indices (including eligible commodity indices), collective investment schemes, ETFs and ETCs.

Investors are also referred to the heading "Investment in FDIs" in the Prospectus for a description of their commercial purpose.

As certain instruments in respect of which the Fund invests may contain an embedded FDI element, any leverage arising from investment in such instruments will be monitored, measured and managed in accordance with the risk management process in place for the Fund.

#### *Leverage and Value at Risk*

Where FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. A relatively small market movement may have a potentially larger impact on FDIs than on physical securities. Leveraged FDI positions can therefore increase fund volatility.

As the Fund will dynamically allocate across asset classes the gross sum of notionals will vary over time depending on the allocation to different investments and how exposure to each of these investments is accessed. For example, at times the Fund may invest higher proportions of its investments into equities and debt securities directly or via collective investment schemes (as detailed in "Investment Objective and Policies" above), leading to lower gross sum of notionals of the FDIs used, and at times the Fund may have a higher proportion of its investments via FDIs such as futures and swaps (as detailed in "Investment in FDIs" above), which would lead to higher gross sum of notionals of the FDIs used. The underlying exposure of any FDIs invested in will also impact the gross sum of notionals of the FDIs used. For example, the gross sum of notionals would generally be expected to be towards the lower end of the range where a higher proportion of any FDIs held are providing exposure to equities. Generally a lower level of leverage is required to generate the same risk and return profile for equities than for a lower risk asset class, such as debt securities or interest rates, where due to their lower volatility characteristics leverage may be engaged in order to generate the desired risk and return profile for the Fund. When leverage is calculated as the sum of the notionals of all the FDIs used, as prescribed by the Central Bank UCITS Regulations the level of the Fund's leverage is expected to vary between 0% and 1,000% of its Net Asset Value. Leverage may vary over time and higher leverage levels are possible, for example the use of forward currency contracts or short dated interest rate contracts could increase these values. In such circumstances, leverage, when calculated as the sum of notionals of all the FDIs used, is not expected to exceed 10,000% of the Fund's Net Asset Value at any one time. In accordance with the requirements of the Central Bank, the Fund is required to disclose leverage levels on the basis of the sum of the notionals used. Accordingly a figure for leverage based on this methodology may appear high and does not reflect any netting or hedging the Fund may have in place or reflect any offsetting risks within FDI which may reduce exposure or volatility.

In order to measure market risk volatility the Fund will use an absolute "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR cannot be greater than 4% of NAV. The VaR for the Fund will be calculated daily using the Monte Carlo approach, a one-tailed 95 per cent confidence level, a 5 business day holding period and a one year historical observation period with an 11 day half-life. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

#### *Financial Indices*

The Fund may use FDIs to obtain exposure to financial indices as described above in this "Investment in FDIs".

These indices include MSCI Indices (including the MSCI World, the MSCI Emerging Market Indices, country Indices, sector indices, factor indices, style indices and their sub-indices), FTSE Indices (including FTSE All-World, FTSE region and country indices, sector indices, factor indices, style indices and their sub-indices), Barclays indices (including Global Aggregate, Inflation linked, credit/corporate, securitised, high-yield), iBoxx (including global, high yield, emerging market, inflation linked and their sub-indices), and S&P Dow Jones Indices (including the Dow -Jones AIG Commodity Index), the Bloomberg family of commodity indices and other eligible commodity-related financial indices, Indices offered by other providers may also be used. Any indices will be cleared by the Central Bank or will meet its requirements.

#### *Total Return Swaps*

As set out under the heading "Investment in FDIs", the Fund may engage in total return swaps.

The Investment Manager does not anticipate that the Fund's exposure to total return swaps will exceed 1,000% of the Net Asset Value. The maximum exposure of the Fund in respect of total return swaps shall be 10,000% of the Net Asset Value. Higher levels of exposure in respect to total return swaps may be encountered, for example, where the Fund has higher allocations to foreign exchange or short dated interest rates and/or where exposures within the total return swaps are

netting or hedging other investments within the Fund. The collateral supporting will be valued daily at mark-to-market prices and daily variation margin used if the value of collateral falls below coverage requirements.

Investors should refer to the risk factors under the heading "Risk Considerations" of the Prospectus and note that all of the risk factors described therein may apply to the Fund. Due to the extent of FDI usage, as set out under the heading "Investment in FDIs" above, investors' attention is in particular directed to the risk factors under the heading "FDI Techniques and Instruments".

### **Profile of a Typical Investor**

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

### **Conversion of Shares**

Shareholders may not convert their Shares in the Fund into Shares of another Fund of the Company or convert Shares in other Funds of the Company into Shares of the Dynamic Absolute Return Fund. Conversions from one Share Class of the Fund to another Share Class of the Fund are permitted in accordance with the procedures set out in the Prospectus.

### **Establishment Cost**

The cost of establishing the Fund will be amortised over the first five accounting periods of the Fund, (or such other period as may be determined by the Manager) and in such a manner as the Manager in its absolute discretion deem fair and subject to such adjustment following the establishment of new Funds as the Manager may determine, for the purposes of NAV calculation. The amount remaining of the establishment expenses of the Fund as at 31 October 2017 was US\$45,432.65. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.



# Barings European Opportunities Fund

## Investment Objective and Policies

The Fund will seek to achieve long-term capital growth primarily through investment in the securities of smaller European companies.

The Fund will seek to achieve its investment objective by investing at least 75% of its total assets in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their economic activity in Europe or quoted or traded on the stock exchanges in Europe. For this purpose, total assets exclude cash and ancillary liquidities. Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe's listed companies. For the remainder of its total assets, the Fund may invest outside of Europe as well as in larger companies, and in fixed income and cash.

The Fund will invest at least 50% of the Fund's total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager's policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure. Further detail of the Investment Manager's Public Equity: ESG Integration & Active Engagement Policy for equity funds including the Fund is available on the Manager's website at [www.barings.com](http://www.barings.com).

Furthermore, the Fund may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy the Fund may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Fund may also invest up to 10% of its Net Asset Value in collective investment schemes.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### *Strategy*

The Investment Manager believes that equity markets are inefficient (and do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focusing on long-term earnings growth of three to five years to find investment opportunities. The Investment Manager values companies utilising proprietary valuation models that incorporate ESG analysis and macro considerations.

The Investment Manager's strategy favours companies with sustainable or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This is further strengthened through the incorporation of a dynamic and forward-looking approach to ESG analysis, with the aim to identify sustainable business practices. This empowers the Investment Manager to better assess both the potential risks facing the company and the opportunities presented to it, particularly those not apparent or included in traditional fundamental analysis. This facilitates the Fund's portfolio in exhibiting lower volatility over time while propagating better ESG practices. The Investment Manager believes that ESG integration, a focus on forward-looking dynamics and active engagement is key to unlocking long-term returns in equity investments.

### *FDIs*

The Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging.

FDIs may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position or where it may not be possible, or practical, to invest directly.

Forward currency contracts may be used to hedge against currency exposure arising within the Fund from investment activities in circumstances where securities are denominated in a different currency to the Base Currency of the Fund (i.e. EUR).

The following are FDIs that may be used by the Fund:

- Futures on equity securities and equity indices and currencies;
- Options, including equities and equity index options, options on futures;
- Forward currency contracts;
- Non-deliverable forwards
- Total Return Swaps
- Covered Warrants

The Fund may:

- sell or buy futures on equity indices, equities and currencies to manage exposure or hedge exposure of the underlying investments.
- buy or sell options on equities and equity indices in order to reduce risk or to implement the investment objective and policies of the Fund.
- invest in FDIs such as forward currency contracts and non-deliverable forwards to hedge against foreign currency exposure.
- purchase total return swaps to manage the Fund's exposure or to gain exposure for example, to certain equity securities or equity indices.
- Buy or sell covered warrants. Warrants are not envisaged as part of the Fund's investment strategy, but may be acquired incidentally through the purchase of equities.

The underlying exposure of the above FDIs will be individual equities, equity sectors, currencies, indices (including equity, fixed income, eligible commodity and hedge fund indices) in accordance with the requirements of the Central Bank, collective investment schemes and ETFs, and will be consistent with the Fund's objective.

Investors are also referred to the heading "Investment in FDIs" in the Prospectus for a description of their commercial purpose.

The Fund will employ a risk management process which enables it to measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As certain equity-related securities (as described in "Investment Objective and Policies" above) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities or structured notes, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund.

ETFs and ETCs in respect of which the Fund may invest, may be classified as transferable securities and may generate synthetic exposure to an index using a swap, or may use FDIs such as futures and options either for efficient portfolio management or for investment purposes. Therefore as these ETFs and ETCs may be classified as transferable securities that contain an embedded derivative element, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process of the Fund. The Fund will not use ETFs and ETCs classified as transferable securities with significant leverage or structured notes or other such instruments embedding leverage until provision for such instruments has been included in the risk management process of the Company and filed with the Central Bank.

### Profile of a Typical investor

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

### Available Share Classes

Share Class	A	I	X <sup>4</sup>
Management Fee	1.50%	0.75%	None
Administration, Depositary and Operating Fee	0.45% (Hedged Classes 0.4625%)	0.25% (Hedged Classes 0.2625%)	0.25%
Base Currency	EUR	EUR	EUR
Hedged Class Available	Class A CHF Hedged Acc	Class I CHF Hedged Acc Class I GBP Hedged Inc	-



<b>Unhedged Class Available</b>		Class A EUR Acc Class A EUR Inc Class A USD Acc	Class I EUR Acc Class I EUR Inc Class I GBP Inc Class I USD Acc	Class X EUR Acc Class X GBP Acc Class X JPY Acc Class X USD Acc
<b>Distribution Shares (Inc) dividend payment dates <sup>1</sup></b>		Paid annually not later than 31 July each year		
<b>Minimum Subscription and Holding Level <sup>2</sup></b>	<b>CHF Classes</b>	USD 5,000 <sup>3</sup>	USD 10,000,000 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 3,500	EUR 10,000,000	At Directors' discretion
	<b>GBP Classes</b>	-	GBP 10,000,000	At Directors' discretion
	<b>JPY Classes</b>	-	-	At Directors' discretion
	<b>USD Classes</b>	USD 5,000	USD 10,000,000	At Directors' discretion
<b>Subsequent Minimum Investment <sup>2</sup></b>	<b>CHF Classes</b>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 500	EUR 500	At Directors' discretion
	<b>GBP Classes</b>	-	GBP 500	At Directors' discretion
	<b>JPY Classes</b>	-	-	At Directors' discretion
	<b>USD Classes</b>	USD 500	USD 500	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

Class I GBP Inc and Class I GBP Hedged Inc are reporting funds for the purpose of United Kingdom taxation

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> CHF equivalent of the US\$ amounts specified.

<sup>4</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

# Barings Frontier Markets Fund

***This Fund has been closed to further subscriptions and an application will be made to the Central Bank for withdrawal of its approval in due course.***

## Investment Objective and Policies

The Fund will seek to achieve long-term capital growth primarily through investment in frontier markets.

The Fund will seek to identify investments through a combination of “top-down” and “bottom-up” investment analysis. The former is based on the analysis of major economic and political factors which might suggest that a particular geography or industry would be a rewarding area to invest in. Bottom-up investment relates to the analysis of particular companies, such as their profitability, cash flow, earnings and pricing power, and how these relate to the valuation of the investments. Qualitative and quantitative research is undertaken to identify those companies, industries and countries that the Investment Manager expects to produce above average investment performance.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets in frontier markets. The Fund will invest in a diversified portfolio of equities and equity related securities of companies incorporated in and/or exercising the predominant part of their economic activity in frontier market countries, or FDIs, collective investment schemes and equity related instruments providing exposure to such frontier markets companies. The Fund will invest across the market capitalization spectrum. For this purpose, total assets exclude cash and ancillary liquidities.

Up to 30% of the total assets of the Fund may be invested in, or provide exposure to:

- the equities and equity related securities of companies incorporated in and/or exercising the predominant part of their economic activity in countries not classified as frontier market countries,
- debt securities of issuers worldwide including frontier markets. The debt securities in which the Fund may invest may be fixed or floating rate, issued by governments, supranationals, agencies and companies. Debt securities may be rated Investment Grade or Sub-Investment Grade by Standard & Poor's (S&P) or another internationally recognized rating agency, or which are, in the opinion of the Manager, of similar credit status or may be unrated.
- cash and ancillary liquidities such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

For this purpose frontier markets are those markets not classified as developed markets or emerging markets by MSCI, such frontier markets may include, but are not limited to; Kuwait, Qatar, United Arab Emirates, Argentina, Nigeria, Pakistan, Bangladesh, Kazakhstan, Oman, Croatia, Slovenia, Kenya, Sri Lanka, Vietnam, Lebanon, Romania, Mauritius, Trinidad and Tobago, Jordan, Ukraine, Tunisia, Bahrain, Estonia, Serbia, Lithuania, Bulgaria, Botswana, Ghana and Saudi Arabia. These markets are subject to change. The Fund will only invest in securities that traded on markets and exchanges drawn from the list contained in Appendix II of the prospectus.

To gain exposure to frontier markets, and therefore to assist in achieving the investment objective of the Fund, the Fund, may also invest in ADRs, GDRs and other equity-related securities including but not limited to structured notes, participation notes, equity linked notes and debt securities convertible into equities. Investment in any such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. Such instruments are usually unleveraged, although certain types of notes may contain embedded leverage (see “Investment in FDIs” below). Investment in such products that are not listed or traded on a regulated market but which otherwise meet the above requirements of a transferable security are restricted to 10% of the Net Asset Value of the Fund.

A small proportion of the Fund's investment in listed equity and equity related securities of frontier market companies may be relatively illiquid due to smaller capitalisation or being in new markets. Such exposure will not affect the Manager's ability to meet requests for the redemption of Shares in the Fund. Subject to the Regulations the Fund may also invest, up to a maximum of 10% of its Net Asset Value, in the shares of companies which are not yet listed but are expected to obtain a stock market quotation within one year.

Investment may also be made in cash and ancillary liquidities such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

The Fund may invest in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund. Investment in collective investment schemes will include exchange traded funds (“ETFs”) which are classified as collective investment schemes in accordance with the Central Bank's requirements. Investment in collective investment schemes will primarily be for the purposes of obtaining an indirect exposure to frontier markets, and the use of money market funds for cash management purposes.

The Fund may use FDIs for efficient portfolio management and for investment purposes and details in relation to such FDIs and the context in which they may be used are set out in “Investment in FDIs” below.

The Fund is expected to have a high volatility profile. However, the actual volatility may be lower depending on market conditions.

The minimum investment amount of 70% as referenced above will not apply under extraordinary market conditions, in which circumstances investment may be made into asset classes other than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. Examples of extraordinary market conditions include economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### *Strategy*

The Investment Manager believes that equity markets are inefficient (and do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focusing on long-term earnings growth of three to five years to find investment opportunities.

The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the investment manager to offer funds which should exhibit lower volatility over time.

### *FDIs*

The Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging, although the use of FDIs will be relatively limited and will not be an integral part of the investment strategy.

FDIs may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position or where it may not be possible, or practical, to invest directly.

Forward currency contracts may be used to hedge against currency exposure arising within the Fund from investment activities in circumstances where securities are denominated in a different currency to the Base Currency of the Fund (i.e. USD).

The following are FDIs that may be used by the Fund:

- Futures on equity securities and equity indices and currencies;
- Options, including equities and equity index options, options on futures;
- Forward currency contracts;
- Non-deliverable forwards
- Total Return Swaps
- Covered Warrants

The Fund may:

- sell or buy exchange traded futures on equity indices, equities and currencies to manage exposure or hedge exposure of the underlying investments.
- buy or sell options on equities and equity indices in order to reduce risk or to implement the investment objective and policies of the Fund.
- invest in FDIs such as forward currency contracts and non-deliverable forwards to hedge against foreign currency exposure.
- purchase total return swaps to manage the Fund's exposure or to gain exposure for example, to certain equity securities or equity indices.
- Buy or sell covered warrants. Warrants are not envisaged as part of the Fund's investment strategy, but may be acquired incidentally through the purchase of equities.

The underlying exposure of the above FDIs will be individual equities, equity sectors, currencies, indices (including equity, fixed income, eligible commodity and hedge fund indices) in accordance with the requirements of the Central Bank, collective investment schemes and ETFs, and will be consistent with the Fund's objective.

Investors are also referred to the heading "Investment in FDIs" in the Prospectus for a description of their commercial purpose.

The Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As certain equity-related securities (as described in "Investment Objective and Policies" above) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities or structured notes, any leverage arising from investment in such instruments will be monitored, measured and managed in accordance with the risk management process in place for the Fund.

ETFs in respect of which the Fund may invest, may be classified as transferable securities and may generate synthetic exposure to an index using a swap, or may use FDIs such as futures and options either for efficient portfolio management or for investment purposes. Therefore as these ETFs may be classified as transferable securities that contain an embedded derivative element, any leverage arising from investment in such instruments will be monitored, measured and managed in accordance with the risk management process of the Fund. The Fund will not use ETFs classified as transferable securities with significant leverage or structured notes or other such instruments embedding leverage until provision for such instruments has been included in the risk management process of the Company and filed with the Central Bank.

### **Risk Considerations**

Investors should note that any risks that apply to emerging markets also apply to frontier markets. Investment in frontier markets tends to involve similar risks to those in emerging markets but to an even greater extent as they tend to be smaller, less developed and less accessible than emerging markets.

### **Profile of a Typical investor**

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

### **Dealing Day**

Each Business Day, other than where the Manager may have difficulties in obtaining reliable prices or liquidating securities such as any period on which the market(s) where a substantial portion of the investments of the Fund are quoted is closed, shall be a Dealing Day or such other day or days as the Directors may from time to time determine and notify in advance to investors provided that there shall be at least one Dealing Day per fortnight.

Any such Dealing Day not deemed to be a Business Day shall be posted on the Barings' website on [www.barings.com](http://www.barings.com) and shall also be available from the Administrator.

# Barings Global Dividend Champions Fund

## Investment Objective and Policies

The investment objective of the Fund is to generate income together with long-term capital growth through investment in the securities of companies worldwide.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equity and equity-related securities (as described further below) of companies worldwide. For this purpose, total assets exclude cash and ancillary liquidities.

In addition up to 30% of the total assets of the Fund may be invested in, or provide exposure to:

- debt securities of issuers worldwide. The debt securities in which the Fund may invest may be fixed or floating rate, issued by governments, supranationals, agencies and companies. Debt securities may be rated Investment Grade or Sub-Investment Grade by Standard & Poor's (S&P) or another internationally recognized rating agency, or which are, in the opinion of the Manager, of similar credit status or may be unrated. There are no limits or restrictions on credit rating, maturity or duration of any debt or equity-related security (such as debt securities convertible into equities) which may be held by the Fund however investment in Sub-Investment Grade debt securities and unrated debt securities together will not exceed 10% of the Net Asset Value of the Fund.
- cash and ancillary liquidities including deposits, treasury bills, government bonds or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

The Fund will invest at least 50% of the Fund's total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager's policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure. Further detail of the Investment Manager's Public Equity: ESG Integration & Active Engagement Policy for equity funds including the Fund is available on the Manager's website at [www.barings.com](http://www.barings.com).

Furthermore, the Fund may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

With regard to investment in China, no more than 20% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A shares and B shares. It is anticipated that this exposure will be obtained either directly through investment in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Connect Schemes and/or through the QFI Regulations via the Shanghai Hong Kong Stock Connect scheme (as further described in the section of the Prospectus entitled 'Investment Policies; General') or indirectly through investment in other eligible collective investment schemes or participation notes.

With the exception of permitted investment in unlisted securities, the Fund will only invest in securities that are listed or traded on markets and exchanges drawn from the list contained in Appendix II of the prospectus.

To assist in achieving the investment objective of the Fund, it may invest in American Depositary Receipts, Global Depositary Receipts and other equity-related securities including structured notes, participation notes, equity linked notes and debt securities convertible into equities. Credit linked notes, structured notes, equity-linked notes, total return notes and participation notes as referenced above comprise transferable securities of the issuer and are typically used as a substitute for direct investment in a security or group of securities (e.g. equities, debt securities, basket of equities, basket of debt securities). Investment in any such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. Such instruments are usually unleveraged although certain types may contain embedded leverage (see "Investment in FDIs" below). Investment in such products that are not listed or traded on a regulated market but which otherwise meet the above requirements of an eligible transferable security are restricted to 10% of the Net Asset Value of the Fund. Debt securities convertible into equities, which may also be referred to as convertible bonds, are debt securities that can be converted into a predetermined amount of the company's equity at certain times during its life.

The Fund may gain exposure to the asset classes described above, either directly and/or indirectly such as through the use of FDIs, and collective investment schemes including exchange traded funds (ETFs).

The Fund may use FDIs for investment purposes as well as for efficient portfolio management (see section headed "Investment in FDIs" below for a full description of the use of FDIs by the Fund).

As stated above, the Fund may invest either directly or indirectly in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund. Investment in collective investment schemes will include ETFs which are classified as collective investment schemes in accordance with the Central Bank's requirements. Investment in collective investment schemes will primarily be for the purposes of obtaining an indirect exposure to companies worldwide, and the use of money market funds for cash management purposes.

Subject to the Regulations the Fund may also invest, up to a maximum of 10% of its Net Asset Value, in the shares of companies which are not yet listed but are expected to obtain a stock market quotation within one year.

The minimum investment amount of 70% as referenced above will not apply under extraordinary market conditions, in which circumstances investment may be made into asset classes other than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. Examples of extraordinary market conditions include economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### *Strategy*

Dividend Champions are those companies identified by the Investment Manager which have the potential to deliver long term growth of both income and capital, these companies are identified using the approach detailed below. The Investment Manager will seek to identify suitable investments primarily through "fundamental" investment analysis. This relates to the analysis of companies, with specific attention paid to the cash flows and earnings which they can reasonably be expected to generate, in addition to the overall health of their financial profile. Fundamental analysis also includes an assessment of the attractiveness of an investment's valuation. Where appropriate, fundamental analysis may include analysis of a company's competitive landscape, its relative power versus its suppliers and customers, the threat from new entrants and disruptive forces, the ability for its customers to use substitute goods, and the likely drivers of future industry and company growth and profitability. In order to assess these factors, the Investment Manager may draw upon information obtained from company reports, accounts, presentations and other company filings, industry experts, discourse with company management, and other quantitative and qualitative data provided by internal or external sources. The Investment Manager also values companies utilising proprietary valuation models that incorporate ESG analysis and macro considerations.

The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This is further strengthened through the incorporation of a dynamic and forward-looking approach to ESG analysis, with the aim to identify sustainable business practices. This empowers the Investment Manager to better assess both the potential risks facing the company and the opportunities presented to it, particularly those not apparent or included in traditional fundamental analysis. This facilitates the Fund's portfolio in exhibiting lower volatility over time while propagating better ESG practices. The Investment Manager believes that ESG integration, a focus on forward-looking dynamics and active engagement is key to unlocking long-term returns in equity investments.

### *FDIs*

The Fund may invest in FDIs for investment purposes or for efficient portfolio management, which includes hedging, in accordance with the requirements of the Central Bank. The use of FDIs for investment purposes will be relatively limited.

FDIs may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position or where it may not be possible, or practical, to invest directly. They may also be used to help implement the investment objective and generate greater returns.

Forward currency contracts may be used to hedge against currency exposure arising within the Fund from investment activities in circumstances where securities are denominated in a different currency to the Base Currency of the Fund (i.e. USD).

The following are FDIs that may be used by the Fund:

- Futures on equity securities and equity indices and currencies (EPM or investment purposes);
- Options, including equities and equity index options, options on futures (EPM or investment purposes);
- Forward currency contracts (EPM);
- Non-deliverable forwards (EPM);
- Total Return Swaps (EPM and investment purposes);
- Warrants (acquired incidentally only)

The Fund may:

- buy or sell futures on equity indices, equities and currencies to manage exposure or hedge exposure of the underlying investments or to express an investment view on the direction of the underlying.
- buy or sell options on equities and equity indices in order to reduce risk or to implement the investment objective and policies of the Fund.
- sell short-dated put or call options over securities or indices held by the Fund in order to generate additional income.
- invest in FDIs such as forward currency contracts and non-deliverable forwards to hedge against foreign currency exposure.



- purchase total return swaps to manage the Fund's exposure or to gain exposure to certain equity securities or equity indices.
- Buy or sell warrants. Warrants are not envisaged as part of the Fund's investment strategy, but may be acquired incidentally through the purchase of equities.

The underlying exposure of the above FDIs will be individual equities, groups of equities, equity sectors, currencies, indices (including equity and fixed income indices) in accordance with the requirements of the Central Bank, collective investment schemes and ETFs, and will be consistent with the Fund's objective. Investors are also referred to the section of the Prospectus entitled "Investment in FDIs". The Fund will employ a risk management process which enables it to measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

The Fund is expected to have a medium volatility profile. However, the actual volatility may vary depending on market conditions and there is no assurance that the Fund will maintain its current level of volatility.

Where FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. A relatively small market movement may have a potentially larger impact on FDIs than on physical securities. Leveraged FDI positions can therefore increase fund volatility.

As certain instruments in respect of which the Fund invests may contain an embedded derivative element, for example structured notes, any leverage arising from investment in such instruments will be monitored, measured and managed in accordance with the risk management process in place for the Fund.

#### Financial Indices

The Fund may use FDIs to obtain exposure to financial indices as described above.

These indices include MSCI Indices (including the MSCI World, the MSCI Emerging Market Indices, country Indices and their sub-indices), FTSE Indices (including FTSE All-World, FTSE region and country indices) and S&P Dow Jones Indices. Indices offered by other providers may also be used. Any indices will be cleared by the Central Bank or will meet its requirements.

#### Profile of a Typical Investor

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

#### Available Share Classes

Share Class	A	F <sup>4</sup>	I	X <sup>5</sup>	
<b>Management Fee</b>	1.50%	0.30%	0.75%	None	
<b>Administration, Depository and Operating Fee</b>	0.10%	0.10%	0.10%	0.10%	
<b>Base Currency</b>	USD	USD	USD	USD	
<b>Unhedged Class Available</b>	Class A CHF Acc Class A CHF Inc Class A EUR Acc Class A EUR Inc Class A USD Acc Class A USD Inc	Class F CHF Acc Class F CHF Inc Class F EUR Acc Class F EUR Inc Class F GBP Acc Class F GBP Inc Class F USD Acc Class F USD Inc	Class I CHF Acc Class I CHF Inc Class I EUR Acc Class I EUR Inc Class I GBP Acc Class I GBP Inc Class I USD Acc Class I USD Inc	Class X EUR Acc Class X EUR Inc Class X GBP Acc Class X GBP Inc Class X USD Acc Class X USD Inc	
<b>Distribution Shares (Inc) dividend payment dates<sup>1</sup></b>	Paid quarterly no later than 31 January, 30 April, 31 July and 31 October in each year				
<b>Minimum Subscription and Holding Level<sup>2</sup></b>	<b>CHF Classes</b>	USD 5,000 <sup>3</sup>	USD 5,000,000	USD 10,000,000 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 3,500	EUR 5,000,000	EUR 10,000,000	At Directors' discretion
	<b>GBP Classes</b>	-	GBP 5,000,000	GBP 10,000,000	At Directors' discretion



	<b>USD Classes</b>	USD 5,000	USD 5,000,000	USD 10,000,000	At Directors' discretion
<b>Subsequent Minimum Investment<sup>2</sup></b>	<b>CHF Classes</b>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 500	EUR 500	EUR 500	At Directors' discretion
	<b>GBP Classes</b>	-	GBP 500	GBP 500	At Directors' discretion
	<b>USD Classes</b>	USD 500	USD 500	USD 500	At Directors' discretion

<sup>1</sup> Distributions may be paid out of capital and/or surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period. Distributions will be automatically re-invested in further Shares of the Fund unless the Shareholder specifically requests otherwise.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> CHF equivalent of the US\$ amounts specified.

<sup>4</sup> It is intended that Class F Shares are only available for subscription at the Manager's discretion when the Net Asset Value of the Class is less than approximately \$250m. The Manager may, at its discretion, re-open Class F Shares to new investors should the Net Asset Value of the Class subsequently fall below approximately \$250m (or in any other circumstance at its discretion). Shareholders who already hold shares in Class F at the time that Class F is closed to new subscriptions may continue to make subsequent subscriptions for as long as they hold shares in Class F.

<sup>5</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

# Barings Global Flexible Allocation Fund

## Investment Objective and Policies

The investment objective of the Fund is to generate a total return consisting of capital and income appreciation which exceeds European cash rates over the medium to long term.

The Fund will seek to achieve its investment objective by actively allocating across equities, fixed income, money market instruments and/or cash. Asset classes will be selected by assessing the risk and return profile of different asset classes based on characteristics such as estimated growth, inflation and an assessment of valuation. This analysis will be adjusted dynamically in anticipation of and in response to changes in economic and market conditions with the aim of maximising returns.

Investments within each asset class are then selected by analysing the profitability, cash flow, earnings and valuations to determine their attractiveness as investments. In this regard, the Investment Manager will seek to actively allocate the Fund's portfolio of investments across the asset classes listed below which it believes will offer the best opportunities at any given time. The Fund is not subject to any formal limitations on exposure to any specific asset class, country or region.

Equities and equity-related securities, as described below, may include but are not limited to securities quoted or traded on eligible stock exchanges and markets globally. The Fund may also invest in ADRs, GDRs and other equity-related securities including but not limited to structured notes, participation notes and equity linked notes.

Fixed income securities including the debt instruments, as described below, may comprise securities issued or guaranteed by governments, supranationals, agencies and companies domiciled globally or listed or traded on an eligible market. Debt securities in which the Fund may invest include but are not limited to fixed and floating rate bonds (which may be rated by an internationally recognised credit rating agency such as Standard & Poor's, or may be unrated), inflation-protected bonds, debentures, credit-linked notes, structured notes, total return notes, participation notes, asset and mortgage-backed securities, convertible bonds, certificates of deposit and commercial paper. There are no formal limits or restrictions on credit ratings, unrated securities, maturity or duration of the debt securities which may be held by the Fund.

Investment in any such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. Such instruments are usually unleveraged although certain types may contain embedded leverage (see "Investment in FDIs" below). Investment in such products that are not listed or traded on a regulated market but which otherwise meet the above requirements of an eligible transferable security are restricted to 10% of the Net Asset Value of the Fund.

The Fund may gain market and/or economic exposure to asset classes including equities, fixed income, currencies, Money Market Instruments and/or cash either directly and/or indirectly such as through the use of FDIs, exchange traded funds ("ETFs"), exchange traded certificates ("ETCs") or collective investment schemes.

The Fund may take indirect exposure to commodities and property through equity or debt securities of companies trading in commodities or property. The Fund may also take indirect exposure to commodities, property, hedge funds or private equity through investment in eligible collective investment schemes, debt or equity related securities (such as structured notes, participation notes), ETCs, ETFs, closed ended funds (including real estate investment trusts) and futures and options on eligible commodity derivative and hedge fund indices.

The Fund may use FDIs for efficient portfolio management and for investment purposes and details in relation to such FDIs and the context in which they are used are set out at "Investment in FDIs" below.

The Fund may invest either directly or indirectly in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund (including ETFs which are classified as collective investment schemes in accordance with the Central Bank's requirements). ETCs and ETFs which are not classified as collective investment schemes are treated as transferable securities.

The Fund is expected to have medium to high volatility profile. However, the actual volatility may be higher or lower depending on market conditions and there is no assurance that the Fund will maintain the current level of volatility.

## Strategy

The Investment Manager's investment process is designed to seek to identify the best investments to achieve the investment objective of the Fund while carefully managing the extent of risk exposure. The Investment Manager uses a dynamic approach to portfolio construction where the aggregate risk level of the portfolio and the types of diversifying holdings involved are adjusted as economic and market conditions change. The process is based on the Investment Manager's philosophy of what drives asset class returns, namely that long term multi-year returns tend to be driven by a slowly evolving set of underlying economic factors including demographics and productivity trends, and that shorter term return opportunities become available as markets are inevitably more volatile than the underlying economic reality. Based on these beliefs, the Investment Manager's investment selection process combines multi-year strategic forecasting with a shorter term 12-18 month horizon tactical asset allocation perspective. This aims to identify where the markets have

diverged from the Investment Manager's view of economic reality and where there are attractive purchasing opportunities into asset classes that offer the best long term growth potential.

#### FDIs

The Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging. These instruments may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position or where it may not be possible, or practical, to invest directly.

The following are FDIs that may be used by the Fund.

- Credit default swaps (CDS)
- Forward currency contracts
- Futures
- Options
- Interest rate swaps
- Non-deliverable forwards
- Total Return Swaps
- Covered warrants

The Fund may:

- Sell or buy credit default swaps (CDS) to gain exposure to or hedge against or reduce credit risk.
- invest in FDIs such as forward currency contracts and non-deliverable forwards to pursue a currency strategy to increase the Fund's return where specific currencies appear attractive or to hedge against specific currency exposure. This will be consistent with the Fund's investment strategy
- sell or buy futures on equities, indices, bonds, currencies and interest rates to increase exposure or hedge exposure to the underlying asset class.
- allocate to interest rate swaps which allow the Fund to manage its interest rate exposures, e.g. to hedge against or reduce interest rate risk arising from holding debt securities.
- sell or buy currency options to hedge against the local currencies in order to reduce currency risk or increase its current return. The Fund can also buy or sell options on bonds, equities and indices in order to reduce risk or to implement the investment strategy of the Fund.
- purchase total return swaps to manage the Fund's exposure or to gain exposure for example, to certain equity or debt securities or equity or bond indices.
- 

The underlying exposure of the above FDIs will be consistent with the Fund's objective such as to equity and debt securities, interest rates, currencies, indices (including eligible commodity FDIs and hedge fund indices), collective investment schemes, ETFs and ETCs.

Investors are also referred to the heading "Investment in FDIs" in the Prospectus for a description of their commercial purpose.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As the notes in respect of which the Fund invests may contain an embedded derivative element, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund.

ETFs in respect of which the Fund may invest, may be classified as transferable securities and may generate synthetic exposure to an index using a swap, or may use FDIs such as futures and options either for efficient portfolio management or for investment purposes. Therefore as these ETFs may be classified as transferable securities that contain an embedded derivative element, any leverage arising from investment in such instruments will be monitored, measured and managed in accordance with the risk management process of the Fund. The Fund will not use ETFs classified as transferable securities with significant leverage until provision for such instruments has been included in the risk management process of the Company and filed with the Central Bank.

#### Profile of a Typical Investor

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

#### Available Share Classes

Share Class	A	I	X <sup>4</sup>
Management Fee	1.25%	0.65%	None

<b>Administration, Depository and Operating Fee</b>	0.45% (Hedged Classes 0.4625%)	0.10% (Hedged Classes 0.1125%)	0.10% (Hedged Classes 0.1125%)	
<b>Base Currency</b>	EUR	EUR	EUR	
<b>Hedged Class Available</b>	Class A CHF Hedged Acc Class A SEK Hedged Acc Class A USD Hedged Acc	Class I CHF Hedged Acc Class I SEK Hedged Acc Class I USD Hedged Acc	Class X USD Hedged Acc	
<b>Unhedged Class Available</b>	Class A EUR Acc Class A EUR Inc Class A GBP Acc Class A GBP Inc Class A SEK Acc	Class I EUR Acc Class I EUR Inc Class I GBP Acc Class I SEK Acc	Class X EUR Acc	
<b>Distribution Shares (Inc) dividend payment dates <sup>1</sup></b>	Paid annually not later than 31 July each year			
<b>Minimum Subscription and Holding Level <sup>2</sup></b>	<b>CHF Classes</b>	USD 5,000 <sup>3</sup>	USD 10,000,000 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 3,500	EUR 10,000,000	At Directors' discretion
	<b>GBP Classes</b>	USD 5,000 <sup>3</sup>	-	-
	<b>SEK Classes</b>	SEK 10,000	SEK 100,000,000	-
	<b>USD Classes</b>	USD 5,000	USD 10,000,000	At Directors' discretion
<b>Subsequent Minimum Investment <sup>2</sup></b>	<b>CHF Classes</b>	USD 500 <sup>3</sup>	EUR 500 <sup>3</sup>	-
	<b>EUR Classes</b>	EUR 500	EUR 500	At Directors' discretion
	<b>GBP Classes</b>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	-
	<b>SEK Classes</b>	SEK 1,000	SEK 1,000	-
	<b>USD Classes</b>	USD 500	USD 500	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> CHF or GBP (as applicable) equivalent of the US\$ amounts specified.

<sup>4</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

# Barings Europe Select Fund

## Investment Objective and Policies

The investment objective of the Fund is to achieve long-term capital growth by investing in Europe excluding the United Kingdom.

The Fund will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities (as described below) of smaller companies incorporated in, or exercising the predominant part of their economic activity, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom. Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe's listed companies (this excludes companies in the United Kingdom).

For the remainder of its total assets, the Fund may invest outside of Europe (however, the Fund will not invest in emerging markets), as well as in larger companies, and in fixed income and cash. The fixed income instruments (which will be used solely for cash management purposes) shall include Investment Grade fixed and floating rate corporate or government bonds, notes, debentures, convertible instruments (which for the purpose of this Supplement mean convertible bonds, mandatory convertible bonds, convertible preferred stock and equity linked notes), commercial paper, certificates of deposit, banker acceptances. The Fund will only invest in securities that are traded on markets and exchanges drawn from the list contained in Appendix II of the Prospectus.

The Fund will invest at least 50% of the Fund's total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager's policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure. Further detail of the Investment Manager's Public Equity: ESG Integration & Active Engagement Policy for equity funds including the Fund is available on the Manager's website at [www.barings.com](http://www.barings.com).

Furthermore, the Fund may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy the Fund may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes and equity-linked notes. The Fund may also invest up to 10% of its Net Asset Value in collective investment schemes.

With the intention that the Fund is eligible to the PEA regime (Plan d'Epargne en Actions equity savings plan) in France, the Fund will invest at least 75% of its assets in equities and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) Country, except Liechtenstein.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### Strategy

The Investment Manager believes that equity markets are inefficient (i.e. they do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years to find investment opportunities. The Investment Manager values companies utilising proprietary valuation models that incorporate ESG analysis and macro considerations.

The Investment Manager's strategy favours companies with sustainable or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This is further strengthened through the incorporation of a dynamic and forward-looking approach to ESG analysis, with the aim to identify sustainable business practices. This empowers the Investment Manager to better assess both the potential risks facing the company and the opportunities presented to it, particularly those not apparent or included in traditional fundamental analysis. This facilitates the Fund's portfolio in exhibiting lower volatility over time while propagating better ESG practices. The Investment Manager believes that ESG integration, a focus on forward-looking dynamics and active engagement is key to unlocking long-term returns in equity investments.

## FDIs

The Fund may also invest in the following FDIs: futures, options, swaps, warrants and forward contracts for efficient portfolio management, which includes hedging. Investors are referred to the heading “Investment in FDIs” in the Prospectus for a description of the commercial purpose of these FDIs. Where the Fund invests in exchange-traded FDIs these markets and exchanges will be drawn from the list contained in Appendix II of the Prospectus.

The Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As certain equity-related securities (as described in “Investment Objective and Policies” above) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities or structured notes, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund. The Fund will use the commitment approach to calculate its global exposure, as described in detail in the risk management process of the Investment Manager. In no circumstances will the global exposure of the Fund using the commitment approach exceed 100% of its Net Asset Value.

## Profile of a Typical Investor

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

## Establishment Cost

The cost of establishing the Fund will be paid by the Investment Manager. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.

## Available Share Classes

Share Class	A	B <sup>3</sup>	I	J <sup>3</sup>	X <sup>4</sup>	
<b>Management Fee</b>	1.50%	1.50%	0.75%	0.75%	None	
<b>Administration, Depositary and Operating Fee</b>	0.45% (Hedged Classes 0.4625%)	0.05%	0.25% (Hedged Classes 0.2625%)	0.05%	0.25%	
<b>Base Currency</b>	EUR	EUR	EUR	EUR	EUR	
<b>Hedged Class Available</b>	Class A CHF Hedged Acc	Class B CHF Hedged Acc	Class I CHF Hedged Acc	Class J CHF Hedged Acc	-	
<b>Unhedged Class Available</b>	Class A EUR Acc Class A EUR Inc Class A GBP Inc Class A GBP Acc Class A USD Acc	Class B EUR Acc Class B EUR Inc Class B GBP Inc Class B GBP Acc Class B USD Acc	Class I EUR Acc Class I EUR Inc Class I GBP Inc Class I GBP Acc Class I USD Acc	Class J EUR Acc Class J EUR Inc Class J GBP Inc Class J GBP Acc Class J USD Acc	Class X EUR Acc Class X GBP Acc Class X USD Acc	
<b>Distribution Shares (Inc) dividend payment dates<sup>1</sup></b>	Paid semi-annually no later than 31 January and 31 July in each year					
<b>Minimum Subscription and Holding Level<sup>2</sup></b>	<b>CHF Classes</b>	CHF 5,000	CHF 5,000	CHF 10,000,000	CHF 10,000,000	-
	<b>EUR Classes</b>	EUR 5,000	EUR 5,000	EUR 10,000,000	EUR 10,000,000	At Directors' discretion
	<b>GBP Classes</b>	GBP 1,000	GBP 1,000	GBP 10,000,000	GBP 10,000,000	At Directors' discretion
	<b>USD Classes</b>	USD 5,000	USD 5,000	USD 10,000,000	USD 10,000,000	At Directors' discretion
<b>Subsequent Minimum Investment<sup>2</sup></b>	<b>CHF Classes</b>	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	-
	<b>EUR Classes</b>	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	At Directors' discretion

	<b>GBP Classes</b>	GBP 500	GBP 500	GBP 500	GBP 500	At Directors' discretion
	<b>USD Classes</b>	USD 2,500	USD 2,500	USD 2,500	USD 2,500	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> Please note that these Share Classes are only available to investors at the discretion of the Investment Manager or Manager

<sup>4</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.



# Barings German Growth Fund

## Investment Objective and Policies

The investment objective of the Fund is to achieve long-term capital growth by investing in Germany.

The Fund will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity related securities (as described below) of companies incorporated in, or exercising the predominant part of their economic activity in Germany, or quoted or traded on the stock exchanges in Germany.

For the remainder of its total assets, the Fund may invest outside of Germany (however, the Fund will not invest in emerging markets) as well as in fixed income and cash. The fixed income instruments (which will be used solely for cash management purposes) shall include Investment Grade fixed and floating rate corporate or government bonds, notes, debentures, convertible instruments (which for the purpose of this Supplement mean convertible bonds, mandatory convertible bonds, convertible preferred stock and equity linked notes), commercial paper, certificates of deposit, banker acceptances. The Fund will only invest in securities that are traded on markets and exchanges drawn from the list contained in Appendix II of the Prospectus.

In order to implement the investment policy the Fund may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes and equity-linked notes. The Fund may also invest up to 10% of its Net Asset Value in collective investment schemes.

With the intention that the Fund is eligible to the PEA regime (Plan d'Epargne en Actions equity savings plan) in France, the Fund will invest at least 75% of its assets in equities and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) Country, except Liechtenstein.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### *Strategy*

The Investment Manager believes that equity markets are inefficient (i.e. they do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years to find investment opportunities.

The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. The Investment Manager believes that this strategy should result in the Fund exhibiting lower volatility over time.

### *FDIs*

The Fund may invest in the following FDIs: futures, options, swaps, warrants and forward contracts for efficient portfolio management, which includes hedging. Investors are referred to the heading "Investment in FDIs" in the Prospectus for a description of the commercial purpose of these FDIs. Where the Fund invests in exchange-traded FDIs these markets and exchanges will be drawn from the list of markets and exchanges in Appendix II of the Prospectus.

The Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As certain equity-related securities (as described in "Investment Objective and Policies" above) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities or structured notes, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund. The Fund will use the commitment approach to calculate its global exposure, as described in detail in the risk management process of the Investment Manager. In no circumstances will the global exposure of the Fund using the commitment approach exceed 100% of its Net Asset Value.

## Profile of a Typical Investor

The Fund is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

## Establishment Cost

The cost of establishing the Fund will be paid by the Investment Manager. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.

## Available Share Classes

Share Class	A	B <sup>3</sup>	I	J <sup>3</sup>	X <sup>4</sup>	
<b>Management Fee</b>	1.50%	1.50%	0.75%	0.75%	None	
<b>Administration, Depository and Operating Fee</b>	0.45% (Hedged Classes 0.4625%)	0.06%	0.25% (Hedged Classes 0.2625%)	0.06%	0.25%	
<b>Base Currency</b>	EUR	EUR	EUR	EUR	EUR	
<b>Hedged Class Available</b>	Class A CHF Hedged Acc Class A RMB Hedged Acc <sup>5</sup> Class A USD Hedged Acc	Class B CHF Hedged Acc Class B RMB Hedged Acc <sup>5</sup> Class B USD Hedged Acc	Class I CHF Hedged Acc Class I GBP Hedged Acc Class I GBP Hedged Inc	Class J CHF Hedged Acc Class J GBP Hedged Acc Class J GBP Hedged Inc	-	
<b>Unhedged Class Available</b>	Class A EUR Acc Class A EUR Inc Class A GBP Acc Class A GBP Inc Class A USD Acc	Class B EUR Acc Class B EUR Inc Class B GBP Acc Class B GBP Inc Class B USD Acc	Class I EUR Acc Class I EUR Inc Class I GBP Acc Class I GBP Inc Class I USD Acc	Class J EUR Acc Class J EUR Inc Class J GBP Acc Class J GBP Inc Class J USD Acc	Class X EUR Acc Class X GBP Acc Class X USD Acc	
<b>Distribution Shares (Inc) dividend payment dates<sup>1</sup></b>	Paid annually no later than 31 July in each year					
<b>Minimum Subscription and Holding Level<sup>2</sup></b>	<b>CHF Classes</b>	CHF 5,000	CHF 5,000	CHF 10,000,000	CHF 10,000,000	-
	<b>EUR Classes</b>	EUR 5,000	EUR 5,000	EUR 10,000,000	EUR 10,000,000	At Directors' discretion
	<b>GBP Classes</b>	GBP 1,000	GBP 1,000	GBP 10,000,000	GBP 10,000,000	At Directors' discretion
	<b>RMB Classes</b>	USD 5,000 <sup>6</sup>	USD 5,000 <sup>6</sup>	-	-	-
	<b>USD Classes</b>	USD 5,000	USD 5,000	USD 10,000,000	USD 10,000,000	At Directors' discretion
<b>Subsequent Minimum Investment<sup>2</sup></b>	<b>CHF Classes</b>	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	-
	<b>EUR Classes</b>	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	At Directors' discretion
	<b>GBP Classes</b>	GBP 500	GBP 500	GBP 500	GBP 500	At Directors' discretion
	<b>RMB Classes</b>	USD 2,500 <sup>6</sup>	USD 2,500 <sup>6</sup>	-	-	-
	<b>USD Classes</b>	USD 2,500	USD 2,500	USD 2,500	USD 2,500	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> Please note that these Share Classes are only available to investors at the discretion of the Investment Manager or Manager

<sup>4</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

<sup>5</sup> The RMB Hedged Acc Share Classes are denominated and priced in RMB. All subscriptions and redemptions should be placed in offshore RMB (CNH) and will be settled in offshore RMB (CNH).

<sup>6</sup> HKD or RMB equivalent of the US\$ amounts specified.

# Barings Global Equity Allocation Fund

## Investment Objective and Policies

The investment objective of the Fund is to achieve long-term capital growth by investing in equities listed or traded in markets globally.

The Fund is actively managed and seeks to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities (as described below) of companies which are constituents of the MSCI All Country World Index (ACWI) (the “**Index**”). The Fund seeks to outperform the Index. The Index captures large and mid-cap representation and as at the date of this Prospectus captures approximately 85% of global investable equities. The Index is designed to measure the equity market performance of developed and emerging markets. The Fund’s exposure to emerging markets may exceed 20% of its Net Asset Value. **Investors should note that the Fund does not intend to track the Index.** For the purposes of this paragraph, total assets exclude cash and ancillary liquidities.

Further information on the Index can be found at <https://www.msci.com/acwi>.

The Fund will only invest in securities that are traded on markets and exchanges drawn from the list contained in Appendix II of the Prospectus.

In order to implement the investment policy the Fund may gain indirect exposure through equity-related securities, such as American depositary receipts and global depositary receipts. Investment may also be made in cash and ancillary liquidities such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions. The Fund may also invest up to 10% of its Net Asset Value in collective investment schemes including money market funds.

The Fund may invest directly in China A Shares via Shanghai/Shenzhen Stock Connect, or indirectly in China A Shares and B Shares through investment in other eligible collective investment schemes or participation notes.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

## *Strategy*

The Fund seeks to identify investment opportunities through the use of top-down country, sector and style allocation. Country and sector top-down choices are based on major economic and fundamental factors. Style allocation choices are based on the growth, value, income, size, momentum or quality characteristics of equities. By way of example, an income style favours investments that generate income by offering a stream (usually quarterly) of dividend payments and a growth style favours investments that have the potential to show above average growth. The Investment Manager may prefer one or more style criteria, based on its assessment of the economic cycle at any given time.

Qualitative and quantitative research is undertaken to identify those equity markets and equity sectors that the Investment Manager expects to produce above-average investment performance. Qualitative analysis is used by the Investment Manager to assess economic growth, to forecast future interest rates and exchange rates, and anticipate changes in asset valuations. Traditional fundamental analysis of corporate profitability, cash flow and levels of debt at a country and sector level is a key factor in this qualitative analysis; this data is analysed and an 'overall' quantitative score assigned to each country and sector, which are then ranked. This ranking is used as a recommended criteria for identifying best and worst investment opportunities. The Investment Manager will combine the two approaches (qualitative and quantitative) to reach a conclusion on the countries and sectors in which to invest.

## *FDIs*

The Fund may invest in the following FDIs: futures, options, swaps, warrants and forward contracts for efficient portfolio management, which includes hedging. The Fund may use currency forward contracts to hedge against foreign currency exposure or to actively pursue a currency strategy, where the Investment Manager may vary the Fund’s exposure to foreign exchange markets with the aim of benefiting from foreign exchange rate movements. Investors are referred to the heading “Investment in FDIs” in the Prospectus for a description of the commercial purpose of these FDIs. Where the Fund invests in exchange-traded FDIs these markets and exchanges will be drawn from the list contained in Appendix II of the Prospectus.

The Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. The Fund will use the commitment approach to calculate its global exposure, as described in detail in the risk management process of the Investment Manager. In no circumstances will the global exposure of the Fund using the commitment approach exceed 100% of its Net Asset Value.

## Profile of a Typical Investor

The Fund is suitable for retail and professional investors seeking to achieve capital growth through exposure to global equities, subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

## Establishment Cost

The cost of establishing the Fund will be paid by the Investment Manager. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.

## Available Share Classes

Share Class	A	I	X <sup>4</sup>	
Management Fee	0.75%	0.50%	None	
Administration, Depository and Operating Fee	0.25% (Hedged Classes 0.2625%)	0.25% (Hedged Classes 0.2625%)	0.25% (Hedged Classes 0.2625%)	
Base Currency	USD	USD	USD	
Hedged Class Available <sup>5</sup>	Class A EUR Hedged Acc Class A GBP Hedged Acc	Class I EUR Hedged Acc Class I GBP Hedged Acc	Class X EUR Hedged Acc Class X GBP Hedged Acc	
Unhedged Class Available	Class A EUR Acc Class A GBP Acc Class A USD Acc	Class I EUR Acc Class I GBP Acc Class I USD Acc	Class X EUR Acc Class X GBP Acc Class X USD Acc	
Distribution Shares (Inc) dividend payment dates <sup>1</sup>	Paid semi-annually no later than 31 January and 31 July in each year			
Minimum Subscription and Holding Level <sup>2</sup>	EUR Classes	USD 5,000 <sup>3</sup>	EUR 5,000,000	At Directors' discretion
	GBP Classes	USD 5,000 <sup>3</sup>	GBP 5,000,000	At Directors' discretion
	USD Classes	USD 5,000	USD 5,000,000	At Directors' discretion
Subsequent Minimum Investment <sup>2</sup>	EUR Classes	USD 500 <sup>3</sup>	EUR 1,000,000	At Directors' discretion
	GBP Classes	USD 500 <sup>3</sup>	GBP 1,000,000	At Directors' discretion
	USD Classes	USD 500	USD 1,000,000	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> EUR or GBP (as applicable) equivalent of the US\$ amounts specified.

<sup>4</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

<sup>5</sup> Please refer to the section headed "Currency Hedging" in this Prospectus for further detail. In addition, please note that the Investment Manager will monitor hedging and keep it under review to ensure that under hedged positions or positions materially in excess of 100% of the Net Asset Value of the relevant Class are not carried over from month to month.

# Barings China A-Share Fund

## Investment Objective and Policies

The investment objective of the Fund is to achieve capital growth through investing in companies established or operating in the PRC.

The Fund is actively managed and will seek to achieve its investment objective by investing at least 70% of its total assets in China A shares.

The Fund may also invest in other QFI Permitted Securities (as defined below) listed on the PRC stock exchanges, namely the Shanghai Stock Exchange and Shenzhen Stock Exchange, via the QFI regime granted by SAFE to the Investment Manager, the Shanghai Hong Kong Stock Connect scheme or the Shenzhen Hong Kong Stock Connect scheme (as further described in the section of the Prospectus entitled 'Investment Policies; General'). The Fund may invest in equities or other financial instruments listed, quoted or traded on any Hong Kong or China stock exchange which have a significant proportion of their ownership, assets or other interests in China. These financial instruments will be B-Shares listed in China and shares of Hong Kong listed companies with a Chinese parent.

The Fund may invest in American depositary receipts and global depositary receipts. The Fund may invest up to 10% of its Net Asset Value in collective investment schemes. The Fund may invest in cash or cash equivalent securities such as time deposits placed with banks. The Fund will only invest in securities that are traded on markets and exchanges drawn from the list contained in Appendix II of the Prospectus.

The Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 of the German Investment Tax Act, effective as of 1 January 2018 ("GITA") and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.

### Strategy

The Investment Manager believes that equity markets are inefficient (i.e. they do not always correctly value securities) and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis (as described below) with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of five years to find investment opportunities.

The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast long-term earnings with greater confidence.

### FDIs

The Fund may invest in the following FDIs: futures, options, swaps, warrants and forward contracts for efficient portfolio management, which includes hedging. The underlying assets shall be instruments in which the Fund can invest directly in accordance with its investment objective and policy. Investors are referred to the heading "Investment in FDIs" in the Prospectus for a description of the commercial purpose of these FDIs. Where the Fund invests in exchange-traded FDIs these markets and exchanges will be drawn from the list contained in Appendix II of the Prospectus.

The Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDIs and other securities that embed a derivative element.

When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs. As certain equity-related securities (as described below) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund. The Fund will use the commitment approach to calculate its global exposure, as described in detail in the risk management process of the Investment Manager. In no circumstances will the global exposure of the Fund using the commitment approach exceed 100% of its Net Asset Value.

For the purposes of this Supplement, "QFI Permitted Securities" means securities and investments permitted to be held or made by QFIs under QFI Regulations, which constitute the following Renminbi denominated financial instruments:

- (a) A-Shares listed on the Shanghai Stock Exchange and / or Shenzhen Stock Exchange;
- (b) corporate or treasury bonds listed on the Shanghai Stock Exchange and / or Shenzhen Stock Exchange (which may be fixed or floating rate and will be rated); and

(c) warrants listed on the Shanghai Stock Exchange and / or Shenzhen Stock Exchange.

### Profile of a Typical Investor

The Fund is suitable for retail and professional investors seeking to achieve capital growth through exposure to China, subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

### Dealing Day

Each day other than Saturday or Sunday on which banks in both Ireland and the UK are open for business and a day on which the Shanghai Stock Exchange and Shenzhen Stock Exchange are open (a “**Business Day**”).

### Establishment Cost

The cost of establishing the Fund will be paid by the Investment Manager. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.

### Available Share Classes

Share Class	A	F <sup>4</sup>	I	X <sup>5</sup>	
Management Fee	1.50%	0.50%	0.75%	None	
Administration, Depository and Operating Fee	0.45%	0.25%	0.25%	0.25%	
Base Currency	USD	USD	USD	USD	
Hedged Class Available	Class A CHF Hedged Acc	Class F CHF Hedged Acc	Class I CHF Hedged Acc	Class X CHF Hedged Acc	
Unhedged Class Available	Class A USD Acc Class A USD Inc Class A EUR Acc Class A EUR Inc Class A GBP Acc Class A GBP Inc Class A HKD Acc Class A HKD Inc Class A RMB Acc Class A RMB Inc	Class F USD Acc Class F USD Inc Class F EUR Acc Class F EUR Inc Class F GBP Acc Class F GBP Inc Class F HKD Acc Class F HKD Inc Class F RMB Acc Class F RMB Inc	Class I USD Acc Class I USD Inc Class I EUR Acc Class I EUR Inc Class I GBP Acc Class I GBP Inc Class I HKD Acc Class I HKD Inc Class I RMB Acc Class I RMB Inc	Class X USD Acc Class X USD Inc Class X EUR Acc Class X EUR Inc Class X GBP Acc Class X GBP Inc Class X HKD Acc Class X HKD Inc Class X RMB Acc Class X RMB Inc	
Distribution Shares (Inc) dividend payment dates <sup>1</sup>	Paid annually no later than 31 July in each year				
Minimum Subscription and Holding Level <sup>2</sup>	CHF Classes	CHF 5,000	CHF 5,000	CHF 10,000,000	At Directors' discretion
	EUR Classes	EUR 3,500	EUR 3,500	EUR 10,000,000	At Directors' discretion
	GBP Classes	GBP 5,000	GBP 5,000	GBP 10,000,000	At Directors' discretion
	HKD Classes	USD 5,000 <sup>3</sup>	USD 5,000 <sup>3</sup>	USD 10,000,000 <sup>3</sup>	At Directors' discretion
	RMB Classes	USD 5,000 <sup>3</sup>	USD 5,000 <sup>3</sup>	USD 10,000,000 <sup>3</sup>	At Directors' discretion
	USD Classes	USD 5,000	USD 5,000	USD 10,000,000	At Directors' discretion
Subsequent Minimum Investment <sup>2</sup>	CHF Classes	CHF 500	CHF 500	CHF 500	At Directors' discretion
	EUR Classes	EUR 500	EUR 500	EUR 500	At Directors' discretion



	<b>GBP Classes</b>	GBP 500	GBP 500	GBP 500	At Directors' discretion
	<b>HKD Classes</b>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	At Directors' discretion
	<b>RMB Classes</b>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	USD 500 <sup>3</sup>	At Directors' discretion
	<b>USD Classes</b>	USD 500	USD 500	USD 500	At Directors' discretion

<sup>1</sup> Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

Distributions will be automatically re-invested in further Shares of the Fund unless the Shareholder specifically requests otherwise.

<sup>2</sup> or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.

<sup>3</sup> HKD or RMB (as applicable) equivalent of the US\$ amounts specified.

<sup>4</sup> Please note that these Share Classes are only available at the discretion of the Investment Manager or Manager.

<sup>5</sup> The annual management fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the Class X Share. Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager or Manager in relation to the collection of an investment management fee or similar fee arrangement.

**Address:**

Baring Asset Management Limited  
20 Old Bailey  
London  
EC4M 7BF

[www.barings.com](http://www.barings.com)

**Important information:**

This document is approved and issued by Baring Asset Management Limited.

**Disclosure:**

Baring Asset Management Limited  
Authorised and Regulated by the Financial Conduct Authority  
20 Old Bailey, London, EC4M 7BF



# BARINGS

霸菱投資基金公眾有限公司  
基金章程

2021年3月5日

**重要提示：**本通知（「通知」）乃寄發給作為霸菱投資基金公眾有限公司（「本公司」）的股東的閣下。本通知乃重要文件，務須閣下即時垂注。如閣下對本通知的內容或應採取的行動有任何疑問，閣下應立即尋求獨立專業意見，並諮詢閣下的股票經紀、銀行經理、事務律師或律師或其他專業顧問。閣下如已出售或轉讓於本公司之持有股份，請將本通知寄發給股票經紀或其他經手出售或轉讓的代理人，以便轉交買方或受讓人。

本通知並未經愛爾蘭中央銀行（「中央銀行」）審閱，其可能須作出更改以符合中央銀行的規定。本公司的董事（「董事」）認為，本通知所載內容或本通知詳述的建議與中央銀行頒佈的指引及規例並無抵觸。

董事已採取一切合理審慎措施以確保於本通知日期，本通知所載資料與事實相符，且並無遺漏任何可能影響有關資料含義的事宜。董事願就本通知所載資料的準確性承擔全部責任。

除非另有訂明，本通知所載詞彙應與日期為 2019 年 7 月 1 日的本公司的基金章程、日期為 2019 年 12 月的香港說明文件及日期為 2019 年 12 月的本基金的產品資料概覽（定義見下文）（統稱「香港發售文件」）所述者具有相同涵義。

霸菱投資基金公眾有限公司  
註冊辦事處  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland  
各子基金之間獨立負債的傘子基金

親愛的股東

吾等謹致函通知身為股東的閣下有關於本公司作出的若干更新。

## 終止霸菱中國精選基金

董事已決定終止本公司的子基金霸菱中國精選基金（「本基金」）。有關決定已考慮到（其中包括）本基金在資產規模較小下的經濟可行性及以具有成本效益的方式營運的能力。截至 2019 年 11 月 29 日，本基金的淨資產約為 2,650 萬美元。因此，基金經理、投資經理及董事認為終止本基金（「終止」）符合股東的最佳利益。保管人不反對有關終止。

我們謹此根據組織章程及細則第 36.01 條通知閣下有關於本基金停止運作，當中訂明董事可於任何時間及根據其絕對酌情權，決定強制贖回本基金的所有股份並終止本基金乃符合股東的最佳利益。組織章程及細則第 36.02 條亦規定，若本基金的資產淨值低於 5,000 萬美元，則董事可終止本基金，閣下於本基金的所有股份將於 2020 年 3 月 6 日（「強制贖回日期」）予以強制贖回。

截至 2019 年 10 月 31 日，本基金的不同股份類別的經常性開支比率如下：

- A 類別歐元收益：1.95%
- A 類別美元收益：1.95%
- I 類別英鎊收益：1.00%
- A 類別港元累積：1.95%
- I 類別歐元累積：1.00%
- I 類別美元累積：1.00%

Barings Investment Funds plc  
(An investment company with segregated liability between sub-funds)  
70 Sir John Rogerson's Quay, Dublin 2, Ireland

Registration in Ireland with registration No. 00392526. Registered office as above. VAT Registration No. IE 65 61 794C  
Directors: Barbara Healy, James Cleary, David Conway, Julian Swayne (UK), Timothy Schulze (US), Peter Clark (UK), Alan Behan, Paul Smyth  
Authorised and regulated by the Central Bank of Ireland

經常性開支比率是根據截至 2019 年 10 月 31 日的 12 個月期間，各個股份類別應支付的經常性開支計算，並以各個股份類別於同一期間的平均資產淨值的百分比表示。

並無未攤銷初步開支。

請注意，有關終止的成本將由基金經理承擔。

由本函件日期起，本基金將不再獲准推銷予香港公眾或接受新投資者認購本基金股份。

## 閣下的選擇

### 轉換至另一霸菱基金或贖回閣下於本基金的股份

閣下可：

- (i) 使用贖回閣下股份的所得款項免費認購中央銀行認可為 UCITS 及香港證券及期貨事務監察委員會（「證監會」）<sup>1</sup>認可的傘子基金霸菱國際傘子基金的子基金霸菱香港中國基金（「香港中國基金」）的同等類別的單位，惟香港代表須於不遲於 2020 年 3 月 5 日（「最後交易日」）下午 5 時正（香港時間）接獲該有關要求。我們認為香港中國基金的市場股票持倉及風險特點與結束基金相似（但不相同），並由投資經理內的同一團隊使用與本基金相同的投資流程與風格進行營運。然而，本基金及香港中國基金並非完全相同的基金，兩者於費用、收費與開支、可供投資類別及其他特點方面存在差異。投資涉及風險。在決定轉換至香港中國基金前，投資者應審閱及考慮其發售文件、投資目標與政策、風險概況及適用風險因素。本基金及香港中國基金的特點概要載於本通告附錄，惟投資者應審閱香港中國基金的完整詳情及發售文件，有關資料可於 [www.barings.com](http://www.barings.com)<sup>3</sup> 查閱。如有疑問，請尋求專業意見。
- (ii) 使用贖回閣下股份的所得款項免費轉換至以下傘子基金（設於愛爾蘭及由 Northern Trust Fiduciary Services (Ireland) Limited 擔任行政管理人）的任何證監會認可霸菱基金<sup>1</sup>，惟香港代表須於不遲於最後交易日下午 5 時正（香港時間）接獲有關要求。如閣下欲轉換至另一霸菱基金，投資前請參閱相關霸菱基金的發售文件，因為該等基金的投資目標與風險概況可能有別於本基金。
  - 霸菱新興市場傘子基金
  - 霸菱環球傘子基金
  - 霸菱國際傘子基金
  - 霸菱投資基金公眾有限公司
  - 霸菱環球組合傘子基金
  - 霸菱韓國聯接基金
  - 霸菱貨幣傘子基金
- (iii) 在最後交易日下午 5 時正（香港時間）或之前，免費（按照本基金的香港發售文件所載的正常贖回程序）自本基金贖回股份。

香港投資者亦可於正常營業時間內自香港代表（聯絡詳情見下文）索取香港中國基金或任何證監會認可霸菱基金的最新香港發售文件、年度及半年度報告及賬目。

如閣下對於將股份轉換至其他霸菱基金有任何疑問，請於正常營業時間內聯絡香港代表（聯絡詳情見下文）。

請注意，我們將不會對閣下的贖回及／或轉換指示徵收任何費用。然而，閣下的銀行或財務顧問可能就有關指示向閣下酌情徵收額外費用（例如贖回費、轉換費或交易費）或開支，以及彼等可能會採用香港發售文件

<sup>1</sup>證監會的認可並非對基金作出推薦或認許，亦不保證基金的商業利弊或其表現，更不表示基金適合所有投資者，或認許該基金適合任何特定投資者或任何類別的投資者。

<sup>2</sup>謹請注意，此網站未經證監會審閱，並可能載有未獲證監會認可的基金的資料。

<sup>3</sup>謹請注意，此網站未經證監會審閱，並可能載有未獲證監會認可的基金的資料。

所載的不同程序。如閣下有任何疑問，務請聯絡閣下的銀行、分銷商或財務顧問。

請注意，此函件並非對任何霸菱基金的股份／單位進行認購的要約及／或招攬，亦不構成有關任何此類認購、轉換或贖回的投資意見或建議。在決定轉換至任何其他霸菱基金之前，閣下應仔細閱讀並考慮發售文件。我們建議閣下在進行任何投資之前先諮詢閣下的法律、稅務及財務顧問。

## 不採取行動

如閣下並無於最後交易日之前轉換或贖回閣下的股權，則閣下的股份將自動於強制贖回日期贖回。贖回所得款項淨額將於強制贖回日期後三個營業日內歸還予閣下。

我們將於強制贖回日期後在實際可行情況下盡快展開清盤程序。倘若有任何額外款項進入基金（例如在強制贖回日期之後向基金付款），則該款項將在本基金的清盤過程完成後在適當的時候作為最終分派款項支付。所得款項可包括閣下的資本回報及（任何）收入分派，扣除本基金的任何其他開支及所得稅（如適用）。有關資料將在付款隨附的憑證中個別詳述。最終分派款項將按截至強制贖回日期的持股按比例支付予股東名冊的股東，惟每名股東須獲得的最低價值為 50 美元。此最低金額水平乃根據行業慣例及交易與營運成本考慮因素而釐定。保管人不反對此方法。預計在本基金清盤時剩餘的所有持股中低於最低金額的任何剩餘總額將捐贈予慈善機構。有關安排乃愛爾蘭就剩餘最低金額的可接受常見做法。儘管有上述規定，基金經理仍可於計及各項因素（例如但不限於所涉及的股東數目、所得款項總額及成本效益）及經諮詢保管人後在若干情況下行使酌情權，將低於最低金額 50 美元的款項歸還予股東。

如我們於上述時間尚未核實閣下身分，我們將個別致函閣下以要求有關資料。請注意，在有關程序完成之前，我們未能向閣下寄發任何贖回款項。

根據香港現有法律及慣例，股東將不會就在香港發行、贖回、轉換或以其他方式處置的股票所獲得的任何收入或收益繳納香港稅項，惟該等交易構成在香港進行的貿易、專業或業務的一部份時，則可能須繳納香港利得稅。個人股東應就上述終止的稅項及其他後果尋求獨立意見。

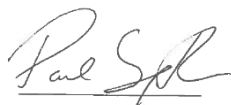
請注意，隨著本基金將進行清盤，並逐步清算其資產，投資經理將根據本基金的流動性需求，致力使投資組合中的流動性最大化。因此，本基金可能偏離其投資策略及限制，並可能在強制贖回日期之前將其較高比例的資產以現金資產持有。有關安排符合投資者的最佳利益及遵循愛爾蘭的適用法律及監管要求。

## 備查文件

以下文件副本可於下文所載香港代表的辦事處免費索取或查閱：

- 章程細則
- 香港發售文件
- 最新年度及半年度報告及賬目（年度及半年度報告僅提供英文版）

如閣下對該等事宜有任何疑問，請聯絡香港代表霸菱資產管理（亞洲）有限公司，電話：(852) 2841 1411，電郵：Hk.wealth.retail@barings.com，或致函至以下地址：香港皇后大道中 15 號告羅士打大廈 35 樓。另外，閣下亦可聯絡閣下的財務顧問。



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董事  
代表  
霸菱投資基金公眾有限公司  
謹啟

2020 年 1 月 6 日

附錄

	<p><b>霸菱投資基金公眾有限公司—霸菱中國精選基金（終止子基金）</b></p>	<p><b>霸菱國際傘子基金：霸菱香港中國基金（香港中國基金）</b></p>
<p>投資目標及政策</p>	<p>透過投資於投資經理相信將從中國經濟增長及發展中受惠的公司，在資產價值中達致長期資本增長。</p> <p>本基金將在任何時候把其總資產至少70%投資於已在中國或香港的認可交易所上市，或在中國或香港註冊成立的公司的股票，或在中國或香港擁有大部份資產或其他權益的公司的股票，或設於亞太區其他地方（日本除外），並有從中國發展中受惠的潛力（據投資經理的意見）的公司的股票。就此而言，總資產並不包括現金及輔助流動資金。</p> <p>本基金亦可能投資於美國預託證及全球預託證，以增加對在中國或亞太區其他地方（日本除外）的認可交易所上市或買賣的公司所發行的股票的投資。本基金亦可能投資於結構性票據、參與票據、與股票掛鈎的票據、類似的金融工具及衍生工具。該等工具的相關資產包括在中國的認可交易所上市的公司所發行的證券，及／或該等工具的表現與中國的認可交易所上市的公司所發行的證券掛鈎。該等工具將一般由發行人的可轉讓證券組成，儘管該等可轉讓證券的價值乃與相關股票或股票指數掛鈎。唯有具流動性、非槓桿式、「證券化」及可供自由銷售及轉讓予其他投資者，並於受規管市場上市或買賣的參與票據、結構性票據及股票掛鈎票據才會被視為「可轉讓證券」。於上述並無於受規管市場上市或買賣的參與票據及結構性票據的投資將限於淨資產的10%。</p> <p>投資經理在了解本基金要投資的公司時，會參考整體市值範圍，亦可能會在投資情況許可下，把握機遇投資本基金於地區內的中小型公司。</p> <p>本基金可能會根據愛爾蘭中央銀行的規定，將本基金的資產淨值最多10%投資於集體投資計劃（包括交易所買賣基金）。</p> <p>就投資於中國而言，在任何時候均不可將本基金資產淨值多於20%直接或間接</p>	<p>透過投資於香港、中國及台灣，在資產價值中達致長期資本增長。</p> <p>本基金將在任何時候把其總資產至少70%直接投資於已在香港或中國(i)註冊成立，或(ii)進行其主要經濟活動，或(iii)在證券交易所掛牌或買賣的公司的股票或透過該等公司的股票相關證券（例如結構性票據、參與票據、股票掛鈎票據或預託證券）投資。就此而言，總資產並不包括現金及輔助流動資金。</p> <p>投資經理亦可將其總資產最多30%投資於本基金主要地區（包括但不限於台灣）、市場界別、貨幣或資產類別以外。就債務證券的投資而言，本基金對相關債務證券的信貸評級並無任何特定規限或限制。</p> <p>基金經理將評估投資前景，平衡投資組合的比例，但可因應相關投資情況，集中投資於基金經理認為屬香港或中國經濟支柱的行業的公司，例如國際貿易、地產及建築、工程、電子或服務業。</p> <p>本基金亦可根據愛爾蘭中央銀行的規定，將本基金的資產淨值最多10%投資於集體投資計劃。</p> <p>就投資於中國而言，在任何時候均不可將本基金資產淨值多於20%直接或間接投資於中國A股及B股。預期此項投資將可透過經滬港通及深港通及／或透過根據QFII規例及／或RQFII規例獲批准的額度投資於在上海證券交易所及深圳證券交易所上市的中國A股直接作出，或透過投資於其他合資格集體投資計劃或參與票據間接作出。</p> <p>在特殊情況下，例如經濟狀況、政治風險或世界事件、不明朗情況下的較高下行風險或相關市場因突發事件（例如政治動盪、戰爭或大型財務機構破產）而關閉，本基金可暫時將其高達100%的總資產投資於現金、存款、國庫債券、政府債券或短期貨幣市場工具，或大額持有現金及現金等價物。</p> <p>本基金可運用衍生工具，包括認股權證、期貨、期權、貨幣遠期合約（包括不可交</p>



	<p>投資於中國A股及B股。預期此項投資將可透過經滬港通及深港通及／或透過根據QFII規例及／或RQFII規例獲批准的額度投資於在上海證券交易所及深圳證券交易所上市的中國A股直接作出，或透過投資於其他合資格集體投資計劃或參與票據間接作出。</p> <p>在特殊情況下，例如經濟狀況、政治風險或世界事件、不明朗情況下的較高下行風險或相關市場因突發事件（例如政治動盪、戰爭或大型財務機構破產）而關閉，本基金可暫時將其高達100%的總資產投資於現金、存款、國庫債券、政府債券或短期貨幣市場工具，或大額持有現金及現金等價物。</p> <p>本基金可運用衍生工具，包括認股權證、期貨、期權、遠期貨合約（包括不可交割遠期合約）、總回報掉期及差價合約，以作有效管理投資組合（包括對沖）及作投資用途。儘管可運用衍生工具，但不會廣泛運用該等衍生工具作投資用途。</p> <p>衍生工具技巧可能包括（但不限於）(i)以對沖貨幣風險，(ii)以在投資經理認為衍生工具投資於相關資產較直接投資更具價值時候，使用衍生工具作為在相關資產持倉的替代，(iii)以根據投資經理對利率的觀點而調整本基金的利率風險，及／或(iv)以對符合本基金投資目標及政策的特定指數的成份及表現取得投資參與。</p> <p>根據2018年德國投資稅法（Investmentsteuergesetz），本基金有意符合獲分類為「股票基金」的要求，並將其至少50%的資產直接投資於股票。</p>	<p>割遠期合約）、掉期協議及差價合約，以作有效管理投資組合（包括對沖）或投資用途。儘管可運用衍生工具，但不會廣泛運用該等衍生工具作投資用途。</p> <p>衍生工具技巧可能包括（但不限於）(i)以對沖貨幣風險，(ii)以在投資經理認為衍生工具投資於相關資產較直接投資更具價值時候，使用衍生工具作為在相關資產持倉的替代，(iii)以根據投資經理對利率的觀點而調整本基金的利率風險，及／或(iv)以對符合本基金投資目標及政策的特定指數的成份及表現取得投資參與。</p> <p>根據2018年德國投資稅法（Investmentsteuergesetz），本基金有意符合獲分類為「股票基金」的要求，並將其至少50%的資產直接投資於股票。</p>
<p>主要風險因素</p>	<ul style="list-style-type: none"> <li>● 投資風險</li> <li>● 投資於股票及股票相關證券的風險</li> <li>● 新興市場投資風險</li> <li>● 投資於特定國家附帶的風險</li> <li>● 投資於小型／中型公司附帶的風險</li> <li>● 衍生工具附帶的風險</li> <li>● 流動性風險</li> <li>● 對手方風險</li> <li>● 貨幣風險</li> <li>● 從資本扣除的費用／與分派有關的風險</li> </ul>	<ul style="list-style-type: none"> <li>● 投資風險</li> <li>● 投資於股票及股票相關證券的風險</li> <li>● 新興市場投資風險</li> <li>● 投資於特定國家附帶的風險</li> <li>● 投資於小型／中型公司附帶的風險</li> <li>● 衍生工具附帶的風險</li> <li>● 流動性風險</li> <li>● 對手方風險</li> <li>● 貨幣風險</li> <li>● 從資本扣除的費用／與分派有關的風險</li> </ul>



霸菱投資基金公眾有限公司

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香港說明文件  
**2021年3月**

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## 致香港投資者的資料

**重要事項** - 閣下如對本文件或隨附的任何文件的內容有任何疑問，應諮詢閣下的股票經紀、銀行經理、律師、會計師或其他獨立專業財務顧問。

本香港說明文件（「**香港說明文件**」）補充霸菱投資基金公眾有限公司（「**本公司**」）日期為2021年3月5日的基金章程（經不時補充）（「**基金章程**」），構成基金章程的一部份並應與基金章程一併閱讀。除非本香港說明文件另有指明，否則基金章程中界定的詞彙於本香港說明文件中具有相同涵義，文義另有所指則作別論。

名列基金章程「本公司的董事」標題下之本公司的董事為對基金章程、香港說明文件及相關基金的產品資料概覽（「**產品資料概覽**」）所載資料負責的人士。據董事（作出一切合理審慎步驟查證後）所深知及確信，基金章程、本香港說明文件及產品資料概覽所載資料與事實相符，且並無遺漏任何可能影響有關資料含義的事宜。董事願就此承擔責任。

霸菱投資基金公眾有限公司及下文標題為「於香港提供的基金」一節所載的基金已獲香港證券及期貨事務監察委員會（「**證監會**」）根據香港《證券及期貨條例》第104條認可，並可於香港向公眾銷售。證監會的認可並非對某計劃的推薦或認許，亦非對某計劃的商業利益或其表現作出保證，更不意指該計劃適合所有投資者，或認許該計劃適合任何特定投資者或任何類別投資者。

### 於香港提供的基金

**警告：**就基金章程所載基金而言，只有下列基金獲證監會根據《證券及期貨條例》第104條認可，因此可向香港公眾發售：

- 霸菱中國精選基金<sup>#^</sup>
- 霸菱歐洲機會基金

<sup>#</sup> 本基金的終止通知已於2020年1月6日刊發。由2020年1月6日起，本基金不再容許於香港向公眾推廣或接受新投資者認購基金股份。

<sup>^</sup> 本基金已停止接受進一步認購，並將於適當時候向中央銀行申請撤銷認可。

請注意，基金章程為全球發售文件，因此亦載有未獲證監會認可的以下基金的資料：

- Barings Dynamic Absolute Return Fund<sup>^</sup>
- Barings Frontier Markets Fund<sup>^</sup>
- Barings Global Dividend Champions Fund
- Barings Global Flexible Allocation Fund
- Barings Europe Select Fund
- Barings German Growth Fund
- Barings Global Equity Allocation Fund
- Barings China A-Share Fund

<sup>^</sup> 本基金已停止接受進一步認購，並將於適當時候向中央銀行申請撤銷認可。

基金章程亦提及以下由基金經理所管理但未獲證監會認可的集體投資計劃：

- Barings Alpha Funds plc
- Barings Component Funds
- Barings Global Investment Funds plc

不得向香港公眾發售上述未經認可的基金及未經認可的集體投資計劃。

證監會僅認可就可向香港公眾發售上述證監會認可基金刊發的基金章程。中介機構應注意此限制。

## 重要資料

在香港基金章程及本香港說明文件必須與本公司當時的最近出版年報之副本及最近半年度報告（如在上述年報出版後出版）之副本一併派發，方獲認可。在作出投資前，閣下必須接獲並閱讀產品資料概覽。

本公司的股份根據基金章程、相關補充文件、本香港說明文件、相關產品資料概覽、本公司的最近期年度報告及（如其後刊發）半年度報告所載資料發售。送交基金章程或相關補充文件或本香港說明文件或發行股份，在任何情況下並非意味本公司的事務自各文件日期以來並無任何變動，亦非意味當中所載資料於相關文件日期後的任何時間屬正確。

網站 [www.barings.com](http://www.barings.com) 及 [www.ise.ie](http://www.ise.ie) 及本香港說明文件及基金章程所載的其他網站（如有）未經證監會審閱，並可能載有與於香港未獲認可的基金有關的資料以及並非以香港投資者為目標的資料。

## 釋義

- 「香港營業日」 在香港的銀行開門正常營業的日子（星期六或星期日除外），惟因懸掛 8 號颱風訊號、黑色暴雨警告或其他類似事件而導致香港銀行在任何一日的營業時間縮短，則該日並非香港營業日，除非基金經理及保管人另有決定則作別論，或保管人及基金經理可能釐定的該等其他日子；
- 「香港代表」 霸菱資產管理（亞洲）有限公司。

## 香港代表

基金經理已委任霸菱資產管理（亞洲）有限公司為香港代表，在香港代表基金經理處理本公司相關一般事務。作為香港代表的職責之一，香港代表可接收香港及鄰近地區有意投資者的股份申請，並處理股東的贖回及／或轉換要求及其他查詢。香港代表就本公司的費用將由基金經理承擔。

投資者如有任何關於本公司的投訴或查詢，可聯絡香港代表。有關投訴或查詢將會由香港代表直接處理或轉交基金經理／有關人士進一步處理，視乎該等投訴或查詢涉及的事宜而定。香港代表將盡力在切實可行情況下盡快回覆及解答投資者的投訴及查詢。香港代表的聯絡詳情載於下文標題為「其他資料」一節。

## 投資經理

投資經理在獲得中央銀行及證監會批准下可以將有關投資管理責任分授予其他實體，包括集團公司（目前，集團公司指 **Baring Asset Management Limited** 及霸菱資產管理（亞洲）有限公司）。將需就以下各項事先向證監會尋求批准：(i) 向上文載列的集團公司內的實體作出任何責任分授；(ii) 上述受委人名單的任何變更；或(iii) 受委人（不屬集團公司）的任何委任或撤職。惟除在向上文載列的集團公司內的實體作出責任分授的情況下，則將向股東發出一個月的事先通知。概不會就向上文載列的集團公司內的實體作出的任何責任分授向股東發給任何事先通知，然而，與該等責任分授有關的詳情將在基金的年度及半年度賬目內披露，而最新的受委人名單亦將可免費向香港代表索取。任何由投資經理委任的副投資經理的費用及開支將由投資經理支付。任何獲委任為基金的副投資經理之詳情將應要求提供予股東，該等詳情亦會載於本公司的定期報告內。

## 投資政策：整體政策

除非基金的投資目標及政策另有披露，否則基金無意將多於其資產淨值的10%直接或間接投資於中國A股及B股及／或多於其資產淨值的10%直接或間接投資於中國境內債券（包括城投債）。在基金仍根據《證券及期貨條例》獲認可期間，在符合適用的證監會規定（如有）及向投資者提供至少一個月的事先通知後，基金可將多於其資產淨值的10%投資於中國A股及B股及／或將多於其資產淨值的10%投資於中國境內債券（包括城投債），而基金章程及香港說明文件亦將作相應更新。

基金目前並無運用回購協議、逆回購協議或進行借股。如基金確實建議運用該等技巧及工具，股東將獲通知，而香港說明文件及基金章程亦會根據中央銀行及證監會的規定予以修訂。如基金建議日後運用該等技巧及工具，將向股東發出適當通知，並尋求證監會的事先批准（如有需要）。

只要基金仍獲證監會認可期間，基金經理、投資經理或代表基金或基金經理或投資經理行事的任何人士不可按相關計劃或其管理公司所徵收的任何費用或收費收取回佣，或就對任何相關計劃的投資收取任何可量化的金錢利益。

除非基金章程的相關補充文件內有關各基金的詳細資料另有載明，否則基金可按投資經理認為適合的比例投資於任何國家及由任何市場規模、任何行業或界別（視乎情況而定）的公司所發行的證券。

### 衍生工具風險承擔淨額

就以下各基金而言，衍生工具風險承擔淨額可高達其資產淨值的50%：

- 霸菱歐洲機會基金

衍生工具風險承擔淨額的定義載於證監會發出的《單位信託及互惠基金守則》（「守則」），並根據證監會發出的規定和指引（可不時予以更新）計算。在守則、證監會不時發出的手冊、守則及／或指引所容許或證監會不時容許的若干情況下，可超過上文所載的衍生工具風險承擔淨額上限。

### 風險考慮因素

投資者應參閱基金章程標題為「風險考慮因素」一節及以下與投資於基金有關的風險的額外資料。

儘管基金章程標題為「風險考慮因素」一節載有「以下風險考慮因素詳列與投資於本公司相關的特定風險，投資者應與其專業顧問討論。以下風險考慮因素並非與投資於本公司或個別基金相關的所有風險的全面概要」的陳述。據基金經理的董事所深知及確信，於基金章程及香港說明文件日期，基金章程及香港說明文件載有可能適用於相關基金以及投資者應注意的風險說明。投資者應注意，基金因應其各自的投資政策須承受不同的風險。投資者應注意，在不斷轉變的環境下，基金可能須承受於基金章程及香港說明文件的日期時未能預計的風險。潛在投資者在投資基金前應考慮涉及的風險，以決定基金的投資是否適合彼等。

### 投資於集體投資計劃

除了基金章程標題為「投資於集體投資計劃」的風險因素下所載風險外，投資者應注意基金可投資的相關集體投資計劃未必受證監會規管。

### 與城投債相關的風險

中國境內債券包括城投債，即由地方政府融資工具（「LGFV」）發行的債券。倘基金投資於城投債，該基金或須承受該等債券帶來的風險。城投債一般不獲中國內地的地方政府或中央政府擔保。如LGFV拖欠支付城投債的本金或利息，基金可能蒙受重大損失及該基金的資產淨值可能受到不利影響。

### 分派政策

根據基金章程規定，本公司或會就其認為維持合理分派水平而言屬合適的情況下，向基金股東分派任何資本收益（經扣除相關基金或類別應佔的已變現及未變現資本虧損）的部份。投資者應注意，根據香港監管披露規定，自未變現資本收益中支付分派相當於從資本中作出分派。自未變現資本收益支付（即實際上從資本中支付股息）的分派相當於從投資者的原有投資或自該原有投資應佔的任何資本收益中退還或提取部份款項。涉及以未變現資本收益支付的任何分派（即實際上從資本中支付股息）或會令基金的每股資產淨值即時減少。在該等情況下，在相關基金的存續期間作出的分派必須被視為資本退還的一種。

就霸菱歐洲機會基金而言，分派將自每個會計期間基金或基金類別應佔的盈餘收入淨額及／或任何資本收益（經扣除已變現及未變現資本虧損）撥付。



獲證監會認可的基金可對上述政策作出修訂，惟須先取得證監會的事先批准及向受影響的香港投資者發出不少於一個月的事先通知。

有關股息於過去十二個月的構成（即股息來自可分派的淨收入及資本的相對金額），可透過香港代表的網站 [www.barings.com](http://www.barings.com) 取得，亦可向香港代表索取。

### 於香港提供的股份

截至本香港說明文件日期，以下基金現正向香港公眾發售的股份載列如下。請參閱基金章程以了解有關股份類別的進一步資料。

#### 霸菱歐洲機會基金

A類別歐元累積	I 類別歐元累積	X類別歐元累積*
A類別歐元收益	I 類別歐元收益	X類別英鎊累積*
A類別美元累積	I 類別英鎊收益	X類別日圓累積*
	I 類別美元累積	X類別美元累積*
	I 類別英鎊對沖收益	

\* 管理費須受與投資經理另行訂立的協議之規限，且不從X股份類別的資產淨值中撥付。X類別股份僅可向已與投資經理或基金經理就收取投資管理費或類似的收費安排訂定協議的投資者發行。

上文並無提及的其他股份類別並無向香港公眾提供。

累積股份為持續累積，故將不會支付任何分派。累積股份於類別名稱中以「累積」標示。

董事獲賦予獨有權利，就本公司發行任何類別股份，並於證監會（及其他相關機關）的規定（如有）下，增設新類別，亦可全權酌情接納或拒絕任何股份申請的全部或其中部份。

### 香港投資者認購、贖回及轉換股份

下文載列香港投資者的認購、贖回及轉換程序。有關認購、贖回及轉換程序的完整詳情、所有應付收費以及有關認購、贖回及轉換股份的其他重要資料載於基金章程。香港投資者應連同本香港說明文件一併仔細閱讀相關章節。

投資者應注意，不同的分銷商可就接收認購、贖回及／或轉換指示實施較交易截止時間為早的不同交易截止時間並可能有不同的交易安排／程序。閣下於下達認購、贖回及／或轉換指令前，請與分銷商確認其內部交易截止時間（可能較基金的交易截止時間為早）及分銷商的交易安排／程序。

#### 申請程序

首次認購應於填妥開戶表格及認購表格後，連同有關反洗黑錢活動規定的證明文件，於交易日香港時間下午 5 時正或之前向香港代表提交正本，再由香港代表轉交基金經理（由行政管理人轉交）。

隨後認購可以書面方式作出，向香港代表提交已簽署的認購表格正本，再由香港代表轉交基金經理（由行政管理人轉交）或直接向基金經理提交（由行政管理人轉交）。隨後認購亦可以書面方式填妥認購表格，以傳真方式向基金經理直接提交（由行政管理人轉交）。此外，投資者可向基金經理（或香港代表）及行政管理人的同意下，透過電子訊息服務（例如 SWIFT）；或與基金經理或香港代表不時協定的其他方法提交認購申請。開戶表格及認購表格可向香港代表索取。

就香港代表於各交易日香港時間下午 5 時正或之前接獲或基金經理於各交易日愛爾蘭時間中午 12 時正或之前接獲的申請，一般於該交易日發行各類別的股份。於首次發行後發行股份的交易價乃參考於該交易日的估值點釐定的每股資產淨值計算。基金經理於交易日愛爾蘭時間中午 12 時正後接獲的申請，將被當作於下一個交易日接獲處理。儘管有上文所述，香港代表於香港營業日香港時間下午 5 時正後接獲或被當作香港代表於並非香港營業日的交易日接獲的任何認購申請，將被視為香港代表於下一個亦為交易日的香港營業日接獲。

倘就股份申請而提供的任何詳情有所變更，包括閣下的地址、其他聯絡資料（例如電話號碼、電郵地址）或銀行賬戶資料，請立即致函通知香港代表或行政管理人，否則，可能導致延遲處理隨後任何指令。

任何人不得向任何並非根據《證券及期貨條例》第 V 部獲發牌或註冊從事第 1 類（買賣證券）受規管活動的香港中介人付款。

到期款項一般以相關基金的相關類別之貨幣計算。倘投資者擬以相關類別之貨幣以外任何貨幣支付款項，務必與香港代表或基金經理（由行政管理人轉交）直接聯絡。

根據基金章程標題為「認購股份」一節規定，於股東要求贖回股份的權利按基金章程標題為「贖回股份」一節及本文件標題為「贖回股份」一節所詳述的方式暫停期間，或會暫停計算每類別資產淨值。任何有關暫停事宜將通知證監會，不得延誤，且於可行情況下，將採取一切合理措施盡快結束任何暫停期間。

請參閱基金章程以了解有關股份申請的進一步資料。

### **贖回股份**

贖回要求可以書面方式作出，向香港代表提交已簽署的正本，再由香港代表轉交基金經理（由行政管理人轉交）或直接向基金經理提交（由行政管理人轉交）。贖回要求亦可以書面方式作出，以傳真方式向基金經理直接提交（由行政管理人轉交）。

此外，香港投資者可在基金經理（或香港代表）及行政管理人的同意下，透過電子訊息服務（例如 SWIFT），或與基金經理或香港代表不時協定的其他方法提交贖回申請。在香港代表收到以轉交基金經理（由行政管理人轉交）的開戶表格正本（及在根據任何不時的法定及監管責任完成有關股東的任何適用身份核實程序）前，不會支付贖回款項。贖回表格可向香港代表索取。

香港代表於交易日香港時間下午 5 時正前接獲或基金經理於交易日愛爾蘭時間中午 12 時正前接獲的贖回股份申請，將在基金章程標題為「贖回股份」一節所述的規限下，參考該交易日的估值點所釐定的每股資產淨值處理。基金經理於愛爾蘭時間中午 12 時正後接獲的贖回申請，將被當作於下一個交易日接獲處理。儘管有上文所述，香港代表於香港營業日香港時間下午 5 時正後接獲或被當作香港代表於並非香港營業日的交易日接獲的任何贖回申請，將被視為香港代表於下一個亦為交易日的香港營業日接獲。

倘股東有意以相關股份類別之貨幣以外的貨幣收取贖回股份款項，基金可另作安排。在此情況下，股東務必直接與香港代表或基金經理（由行政管理人轉交）聯絡，以促成付款程序。或會向股東收取貨幣兌換成本及其他包括電子轉賬的行政開支。

投資者可贖回部份所持股份，惟不得導致股東所持金額少於最低持有額。

### **贖回遞延政策**

根據基金章程規定，基金經理有權將可於任何交易日贖回的股份數目限制於相關基金資產淨值的 10%。只要基金仍獲證監會認可期間，基金經理就相關基金行使遞延贖回的權利前，將諮詢保管人。

### **暫停贖回**

根據基金章程標題為「贖回股份」一節規定，股東要求贖回股份的權利按基金章程標題為「贖回股份」一節所述方式遭暫停期間，可能暫停計算每類別資產淨值。任何該暫停均須即時知會證監會，並於可行情況下採取所有合理措施結束任何暫停期間。此外，暫停買賣公告將以合適方式（包括透過基金經理的網站 [www.barings.com](http://www.barings.com)）即時刊登，及後於暫停期間最少每月刊登一次。

### **實物贖回**

根據基金章程規定，本公司有權透過分派實物投資，以應付贖回要求。只要基金仍獲證監會認可期間，實物贖回只有在獲得贖回股東的事先同意下方可進行。

請參閱基金章程以了解有關贖回股份的進一步資料。

### 股份轉換

股東可申請於任何交易日將彼等所持任何類別（「原有類別」）的全部或其中部份股份，轉換為同一基金或另一基金當時發售的另一類別（「新類別」）的股份。轉換申請可以書面方式作出，向香港代表提交已簽署的正本，再由香港代表轉交基金經理（由行政管理人轉交）或直接向基金經理提交（由行政管理人轉交）。轉換要求亦可以書面方式作出，以傳真方式向基金經理直接提交（由行政管理人轉交）。

此外，香港投資者可於基金經理（或香港代表）及行政管理人的同意下，透過電子訊息服務（例如 SWIFT），或與基金經理或香港代表不時協定的其他方法提交轉換申請。上文及基金章程所載有關贖回的一般條文及程序將同等適用於轉換情況。轉換表格可向香港代表索取。倘股份轉換將導致股東所持原有類別或新類別的股份數額的價值低於相關類別的最低持有額，則不會進行轉換。

請參閱基金章程以了解有關股份轉換的進一步資料。

### 收費及開支

有關本公司的費用及開支詳情，載於基金章程標題為「收費及開支」一節。有意投資者應特別注意當中所載有關費用及開支的資料。

就基金章程標題為「收費及開支」一節下的「行政管理、保管及營運費」分節而言，規定基金經理將支付行政管理人及保管人的合計費用及開支，以及若干其他費用及經常性開支。除了基金章程目前所述的有關其他費用及經常性開支外，亦將包括印刷、編製及分派獲證監會認可的有關基金的产品資料概覽的費用。行政管理、保管及營運費的費率如有任何增加將須獲得股東批准。

管理費費率如有任何增加，將須獲得股東以特別決議案的方式批准。

董事無意在正常情況下收取贖回費用。倘此政策改變，股東將獲至少一個月的事先書面通知有關徵收贖回費用或增加贖回費用至基金章程列明的特定允許最高水平的意向。

只要本公司及基金仍在香港獲認可期間，不得向該基金收取銷售佣金、廣告或推廣開支。

### 流動性風險管理

基金經理已制定一項流動性風險管理政策，有關政策可供基金經理透過投資經理的投資風險管理團隊（在功能上獨立於投資經理的投資組合投資團隊）識別、監察及管理本公司的流動性風險，並確保每一基金的投資流動性狀況將可促進遵循基金的相關責任。流動性狀況的任何惡化均會通報予投資組合經理及相應的監督委員會。

有關股東贖回權利的詳情，包括股東於正常及特殊情況下的贖回權利，以及現有的贖回安排載於上文或基金章程內。更具體而言，可能用於管理流動性風險的工具包括以下項目：

- (a) 基金經理有權將於任何交易日贖回的股份數目限制於相關基金資產淨值的10%。如施加有關限制，則股東於特定交易日全數贖回其有意贖回的股份的能力將會受到限制。
- (b) 如贖回股東有意於單一交易日贖回的股份佔基金資產淨值5%或以上，則在贖回股東的要求或同意下，董事可酌情以實物形式進行有關贖回的分派。除非股東要求董事出售該等投資，否則贖回股東將以證券方式（而非現金）收取贖回所得款項。
- (c) 如於任何交易日，收到的所有贖回要求的總值超過所有股份申請的價值，董事可就贖回向下調整每股資產淨值（方法為扣減反攤薄徵稅，以為交易費用作出撥備，並保留相關基金的相關資產的價值）。如於任何交易日，就該交易日收到的所有股份申請的價值超過所有贖回要求的總值，董事可就認購向上調整任何基金的每股資產淨值（方法為加上反攤薄徵稅，以為交易費用作出撥備，並保留相關基金的相關資產的價值）。此外，該等價格及該調整數額的計算，可能計及任何估計市場差價（相關證券的買／賣差價）、徵稅（例如交易稅項）及收費（例如結算成本或買賣佣金）及其他與調整或出售投

資及保留相關基金的相關資產的價值有關的交易成本之撥備。有關詳情，請參閱基金章程「計算資產淨值」一節下的「攤薄調整」。作出有關調整後，每股資產淨值將會較並無作出有關撥備時的每股資產淨值高或低。

- (d) 基金可以暫時性質借入最高達其淨資產的10%。概不保證相關基金能夠按有利條款借入款項。
- (e) 董事經諮詢保管人後，可於基金章程「暫停贖回」一節載列的若干情況下暫停贖回基金的股份。於該暫停期間，股東將無法贖回其於相關基金的投資。

#### 與金融衍生工具有關的風險管理政策及程序概覽

下文章節概述基金投資於金融衍生工具相關的風險管理政策及程序。有關該等政策及程序（包括應用的數量限制以及基金主要投資類別的風險及收益特徵的任何最新發展）的進一步詳情，可向香港代表查詢。

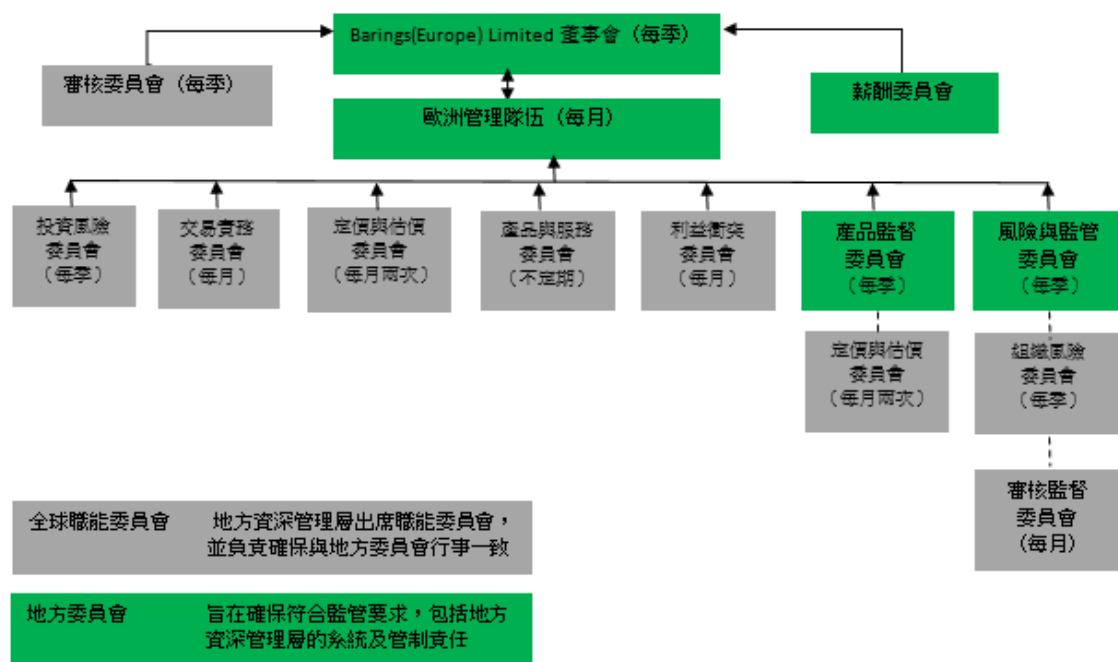
#### 概覽

基金經理已委任投資經理負責每項基金的投資管理，投資經理亦將代表基金負責常設風險管理的職能。由於基金經理的董事會仍負責該等已對外授權的責任，基金經理會採取一切合理措施，以確保該等已對外授權的職務乃以遵守適用規則及指引的情況下進行，並受到適當監管及計量。投資經理會考慮基金經理的內部風險管理政策及程序，監控、計量及管理基金於金融衍生工具方面的投資及運用。

各基金涉及多項特定風險。與各基金相關的風險按以下層面監察及審閱，並向基金經理的董事會匯報：

- 由個別投資小組比較其自有策略及限制及透過部門風險審閱。
- 霸菱環球投資服務部門內，投資規則管理及監管交易報告部門的主要責任是根據客戶授權的指引和適用的監管規則監控投資活動。投資規則管理及監管交易報告部門將指引及規例編入相關系統（例如 Bloomberg AIM、CDO Suite、thinkFolio Compliance）。相關系統的合規工具提供交易前及／或交易後的監控功能，此等功能按適當情況用於所測試的限制類別和賬戶。
- 透過合規監控以確保實施合適管制，以保證基金符合所有監管要求。

霸菱內有委員會及業務範圍職責涉及識別、計量及管理與基金相關的風險。對委員會的匯報關係如下。



----- 表示資訊流

### 管理金融衍生工具風險所用的監控措施及制度

個別投資小組負責投資及管理基金資產，並與投資風險小組合作，以考慮資產的風險及基金的整體風險特性。

投資風險小組負責評估風險，並制定及維持計量風險所需的方法及程序。

投資風險小組（Investment Risk team）透過運用行業標準指標監察基金的市場風險，例如追蹤誤差、系數及壓力測試，並輔以內部投資指引監察（如適用）。投資風險小組於每日上午以前一日的收市基金及標準倉盤監察每日風險報表系統。

倘發現與任何規定限制有別的任何例外情況，則由投資風險小組驗證並與相關持份者（例如投資規則管理及監管交易報告部門）溝通以尋求解決方案。

將使用以下方法作風險計量及風險監察（已就該等方法及風險設立內部及（如適用）規管限制）：

- 風險值；
- 槓桿；
- 追蹤誤差；及
- 場外交易對手方風險；

就採用承擔法計算整體風險的基金（見基金章程）而言，投資經理每日採用承擔法及名義總額方式計算及監察槓桿。

投資經理將採用回溯測試，透過比較隨著時間產生風險值計算的模型，對比實際觀察所得收益及損失，以評估風險值模型的準確度及質素。回溯測試計劃將運用清晰的回溯測試方法每月進行。

投資營運部門內的投資規則管理及監管交易報告部門運用霸菱的自動指引管理系統、Bloomberg AIM 及 thinkFolio Compliance 於進行交易前評估每項建議交易，並就基金倉盤編撰每日交易後合規報告。被拒絕的交易於執行前必須先獲投資規則管理及監管交易報告部門審批。

有關系統亦發出與市場走勢有關的每日特例報告，列明超出載列於基金的基金章程的監管限額及／或投資限制及限額的倉盤。

所有特例均由相關投資小組及投資規則管理及監管交易報告部門審核，以取得合適及及時的解決方案。如有需要，有關複雜規則的特例將交予基金的保管人處理，以確保適當地應用監管規則及規例及資金數據。

以下主要系統負責風險監控、合規及匯報：

- 就風險值及壓力測試匯報而言，採用 MSCI RiskMetrics。
- 就計算股票基金的追蹤錯誤而言，風險模式數據及分析軟件由 MSCI 或 Axioma 提供。
- 就固定收益基金而言，有關追蹤錯誤及追蹤錯誤的百分比貢獻計算乃採用 MSCI 所開發的專屬模型。
- 就多項資產基金而言，基金的風險值乃採用來自 RiskMetrics 的分析進行評估。

### 每股資產淨值的提供

除暫停贖回基金股份的情況外（在基金章程所述情況下），各類別的每股資產淨值將可於霸菱網站 [www.barings.com](http://www.barings.com) 查閱或以任何適當方式提供，並將於每個交易日更新。該等價格亦可於香港代表的辦事處查證。

### 報告及賬目

本公司的經審核賬目及報告以及未經審核半年度報告僅提供英文版本。基金經理將通知股東於基金章程標題為「報告及賬目」一節所述時間內，可索取年度報告及經審核賬目（以印刷及電子方式）的地點，以及可索取未經審核半年度賬目（以印刷及電子方式）的地點。

最新的年度及半年度賬目一經刊發，副本可於基金經理、投資經理及香港代表的辦事處索取。

### 本公司清盤及基金終止

如保管人當時手頭上金額不足以按每股份派發 1.00 美元等額的款項，保管人毋須分派任何款項（屬末期分派除外）。

### 香港的稅務

以下為就購買、擁有及出售股份時所承擔的若干香港稅務後果的摘要。香港稅務概要屬一般性質，僅供參考之用，並不擬詳盡列出所有可能與購買、擁有、贖回或以其他方式出售股份的決定有關的稅務考慮。股份的潛在投資者應就購買、擁有及出售股份所承擔的香港或其他稅務後果諮詢其本身的顧問。

根據現行香港法例及慣例，於本公司獲證監會認可期間：

- (a) 本公司預期毋須就其任何獲授權活動繳納香港稅項；
- (b) 香港股東毋須就出售、贖回或以其他方式處置本公司股份所產生任何資本收益繳稅，惟倘交易於香港成為一項買賣、行業或業務一部份時，或會產生香港利得稅；及
- (c) 香港股東一般毋須就本公司的股息或其他收入分派繳稅。

## 經合組織共同匯報標準

《稅務（修訂）（第3號）條例》（「該條例」）於2016年6月30日生效，是在香港實施自動交換財務賬戶資料（「**AEOI**」）準則的法律框架。**AEOI**要求香港的財務機構（「**財務機構**」）收集有關在財務機構持有賬戶的非香港稅務居民之資料，並向香港稅務局（「**香港稅務局**」）提交有關資料。香港稅務局將繼而與該賬戶持有人居住的司法管轄區交換有關資料。一般而言，只會向已與香港簽訂主管當局協定（「**主管當局協定**」）的司法管轄區交換稅務資料；然而，財務機構可進一步收集有關其他司法管轄區的居民的資料。

投資者透過香港的財務機構投資於本公司或相關基金及／或繼續投資於本公司或相關基金，即得悉彼等可能須向相關財務機構提供額外資料，使相關財務機構可遵守**AEOI**。香港稅務局可向其他司法管轄區的機關傳達投資者的資料（及實益擁有人、受益人、直接或間接股東或與該等股東有關聯而並非自然人的其他人士的資料）。

各股東及有意投資者應就**AEOI**對其透過香港財務機構於本公司的目前或擬進行的投資之行政及實質影響諮詢其專業顧問。

### 《海外賬戶稅收合規法案》（**Foreign Account Tax Compliance Act**）

截至本香港說明文件日期，投資經理 **Baring Asset Management Limited** 已登記為「保薦實體」，並同意代表保薦投資實體（包括本公司及／或其基金）履行所有盡職審查、匯報及其他相關的 **FATCA** 規定。投資經理的 **GIIN** 為 **HU7DQI.00000.SP.826**。本公司及／或各基金將分類為「保薦投資實體」，並將成為被視為已登記視同遵守海外財務機構的免申報財務機構。

### 主要投資者資料文件

儘管基金章程提及主要投資者資料文件或 **KIID**，主要投資者資料文件並不擬作為及在任何情況下均不應理解為香港的本公司的發售文件，並且不會向香港投資者派發。

### 備查文件

以下文件副本可於下文所載香港代表的辦事處免費索取或查閱：

- 章程細則
- 管理協議
- 保管人協議
- 行政協議
- 投資管理協議
- 香港代表與基金經理訂立的協議
- 最新年度及半年度報告及賬目（年度及半年度報告僅提供英文版）

投資者亦可就有關基金的風險管理、投資經理的最佳執行政策、投資經理的委託投票政策及薪酬政策的資料，以及有關保管人詳細資料（包括其職責及可能引起的任何利益衝突的說明、保管人轉授的任何保管職能以及該等副託管人的最新名單）聯絡香港代表。



## 其他資料

### 香港代表

霸菱資產管理（亞洲）有限公司  
註冊地址：

香港  
皇后大道中15號  
告羅士打大廈  
3401、3409-3410室及35樓

營業地址及聯絡詳情：

香港  
皇后大道中15號  
告羅士打大廈35樓

電話：852-2841 1411

傳真：852-2845 9050

### 香港法律事宜的法律顧問

的近律師行  
香港  
中環  
遮打道18號  
歷山大廈  
5樓

### 基金經理的董事

David Conway  
Barbara Healy  
Alan Behen  
Paul Smyth  
Julian Swayne

由 Baring International Fund Managers (Ireland) Limited轉交，地址為70 Sir John Rogerson's Quay Dublin 2, Ireland

# 基金章程

## 霸菱投資基金公眾有限公司

(根據愛爾蘭法律組成為可改變資本投資公司的傘子基金，各子基金之間獨立負債，並根據《2011年歐洲共同體（可轉讓證券集體投資計劃）規例》（經修訂）獲愛爾蘭中央銀行認可。)

於各方名錄一節下名列「本公司之董事」標題下的本公司董事對本基金章程所載資料承擔責任。據董事（作出一切合理審慎步驟查證後）所深知及確信，本基金章程所載資料與事實相符，且並無遺漏任何可能影響有關資料含義的事宜。董事願就此承擔責任。

## 重要資料

閣下如對本基金章程的內容有任何疑問，應諮詢閣下的股票經紀、銀行經理、律師、會計師或其他財務顧問。

### 獲愛爾蘭中央銀行認可

本公司已獲愛爾蘭中央銀行（「中央銀行」）根據《2011年歐洲共同體（可轉讓證券集體投資計劃）規例》（European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011）（經修訂）（「UCITS規例」）認可為「可轉讓證券集體投資計劃」（「UCITS」），並已成立為各子基金之間獨立負債的傘子基金，將遵守中央銀行的UCITS規例。中央銀行的認可並不構成中央銀行對本公司的表現提供保證，而中央銀行毋須為本公司的表現或違約事宜負責。

中央銀行認可本公司，並不代表中央銀行對本公司的認可或擔保，中央銀行亦不會對本基金章程的內容負責。

本基金章程（此詞彙所指亦包括本基金章程中或與本基金章程相關的任何補充文件）提供有關本公司及基金的資料。有意投資者須按開戶表格的其中規定，確認其已閱讀並理解本基金章程。本基金章程載有有意投資者於投資本公司前應當知道的資料，並應保留以供日後參考。副本可向本公司、基金經理、投資經理或分銷商取得。本公司最近期的年度報告及（如其後刊發）半年度報告的副本可應要求免費提供。

本公司的股份僅根據本基金章程、相關補充文件、主要投資者資料文件、本公司的最近期年度報告及（如其後刊發）半年度報告所載資料提呈發售。任何交易商、經紀或其他人士提供或作出的任何其他資料或陳述都應置之不理，因此亦不應加以依賴。概無任何人士已獲授權提供或作出主要投資者資料文件、本基金章程、各相關補充文件、最近期的年度報告及（如其後刊發）本公司的半年度報告所載以外的任何資料或任何聲明，而倘提供或作出有關資料或聲明，則一概不得視為已獲授權而加以依賴。在作出有關提呈或邀請即屬違法的任何情況下，本基金章程並不構成提呈發售或邀請提呈購買本基金章程所涉股份以外之任何有關股份，亦不構成任何人士提呈發售或邀請提呈購買任何有關股份。送交本基金章程或相關補充文件或發行股份，在任何情況下並非意味本公司的事務自本基金章程日期以來並無任何變動，亦非意味本基金章程所載資料於任何其後時間屬正確。

董事已作出合理審慎步驟，確保本基金章程所述事實在所有重大方面均屬真實準確，且並無遺漏其他重大事實，致使本基金章程所載有關事實或意見的任何陳述構成誤導。董事願就此承擔責任。本基金章程及任何補充文件可翻譯成其他語言。任何該等翻譯本只可載有與英文基金章程及補充文件相同的資料及具有與英文基金章程及補充文件相同的意思。英文基金章程及補充文件與其他語言的基金章程／補充文件之間如有任何歧義，概以英文基金章程／補充文件為準，惟倘（亦僅在此情況下）任何司法管轄區的法律（包括出售股份的司法管轄區的金融監管機構的規例或要求）規定根據英文版以外的基金章程／補充文件的披露採取任何行動時，則一概以該行動所依據的基金章程／補充文件的語言為準。

本公司為「傘子基金」，讓投資者可透過投資於一個或多個本公司發售的獨立基金，在一個或多個投資目標之間選擇。根據本公司的章程細則，本公司成立各基金應佔的資產及負債，將由保管人分隔。然而，投資者應注意下文「風險考慮因素」下的風險因素「獨立負債責任風險」。將不會就各類別維持獨立的資產組合。於本基金章程日期，本公司提呈發售於本基金章程日期生效的最近期補充文件所述的各基金之股份。董事可在中央銀行的事先批准下，不時決定發售額外的獨立基金，並在事先通知中央銀行及取得其批准後，在現有基金提供額外類別。在該情況下，本基金章程將作更新及修訂，以載入有關新基金及／或類別的詳細資料，及／或另行編製有關該等基金及／或類別的補充文件或補編。該等經更新及經修訂基金章程或新的獨立補充文件或補編不會向現有股東分發，除非就其認購該等基金的股份而分發，則作別論。

投資者可在適用法律的規則下，投資於本公司發售的任何基金。投資者應選擇最適合其特定風險及回報預期以及其多元化需求的基金，並應就此尋求獨立意見。將會就各基金維持獨立的資產組合，並將根據適用於相關基金的投資政策投資以達到其投資目標。預期不同基金的股份資產淨值及表現以及其類別各有不同。應謹記股份價格及來自股份的收入（如有）可升可跌，概不擔保或保證將達到某基金的所述投資目標。投資者應注意，如某基金的適用補充文件指明，可能就該基金收取高達贖回股份資產淨值1%的贖回費用。

股東亦應注意，基金可主要投資於金融衍生工具。

股東應注意，當收入不足時，本公司基金的股息、管理費及其他費用及開支的部份或全部或會從資本中支付。因此，股東在贖回持股時未必能全數取回投資金額。從資本中支付股息或收取費用及開支的政策亦將可能會令閣下的投資資本價值下跌，並限制未來資本增長的潛力。

投資者應注意，董事可就若干類別自資本宣派股息，而倘於該情況下，該等類別的資本將被侵蝕。作出該等分派將放棄未來資本增長的潛力，這可能循環不止，直至股份的所有資本耗盡為止。自資本作出分派可能導致未來回報的價值減少。股東亦應注意，自資本支付分派對彼等的稅務影響可能有別於分派收入，因此，建議閣下就此尋求稅務意見。投資者應注意，自資本作出分派屬於資本退還的一種。

## 一般注意事項

有意認購股份的人士應自行查閱下列資料：根據彼等擁有公民身份、居留或擁有居籍國家所立法例，因認購、持有或出售股份可能面對的(a)潛在稅務後果；(b)法律規定；及(c)任何外匯限制或匯兌管制規定。有意認購股份的人士應注意本基金章程內「風險考慮因素」一節所載的風險因素。

各股份買家必須遵守其購買、發售或出售該等股份或擁有或分發基金章程所在各司法管轄區生效的一切適用法律及法規，並且必須根據其所屬或其作出該購買、發售或出售的任何司法管轄區的法律及法規，獲得其購買、發售或出售股份所需的任何同意、批准或許可，而本基金章程所指的公司、基金經理、投資經理（或其任何關聯公司）、保管人或行政管理人概不對此承擔任何責任。

## 美國

任何美國聯邦或州份證券監管機構或委員會均未推薦、批准或反對發售股份，並且概無任何有關機構或委員會通過本基金章程的準確性或充分性。任何與此相反的陳述均屬刑事違法行為。

股份並無亦不會根據《1933年美國證券法》（經修訂）（「1933年法案」）或美國任何州份或外國證券法註冊。本基金章程所述擬進行的股份發售（「發售」）將根據1933年法案下的豁免註冊以及按該法案就不涉及公開發售的證券發售及銷售頒佈的法規進行。股份不會有公開市場。股份僅向「認可投資者」（定義見1933年法案下的D規例）提呈發售，而據此獲發售股份的每名美籍人士必須為D規例所定義的「認可投資者」。每名美國投資者亦將須聲明（其中包括），其獲得所購買的股份乃作投資目的，而非作轉售或分銷。

依據《1940年美國投資公司法》（經修訂）（「1940年法案」）第3(c)(7)條規定對「投資公司」的定義之豁免，本公司將不會根據1940年法案註冊為投資公司。第3(c)(7)條規定每名美籍人士須為1940年法案所定義的「合資格買家」，以及發行人並不或不擬公開發售其證券。因此，每名美籍人士或須聲明（其中包括），其符合「合資格買家」的資格。本公司所受的規管及監管將明顯少於註冊投資公司。

儘管基金可買賣商品期貨及/或商品期權合約，投資經理根據商品期貨交易委員會（「CFTC」）第4.13(a)(3)條規則獲豁免向CFTC註冊為商品基金經理（「CPO」）。因此，投資經理毋須提供符合CFTC規則所規定的CFTC合規披露文件或認可年度報告。然而，基金有意向投資者提供年度經審核財務報表。倘基金日後不得依據第4.13(a)(3)條規則的豁免，其將遵守適用的CFTC規則及規例，或依據該等規則及規例的適當豁免。

CFTC豁免規則規定（其中包括）每名有意投資者須符合若干複雜準則，或以其他方式符合規則中規定的合格投資者。該等規則亦規定股份獲豁免根據1933年法案註冊，並可作出發售及銷售，惟不得向美國公眾作出推銷。本基金章程未經CFTC審閱或批准。

美籍人士持有的股份將受到轉讓及轉售限制，並且不得轉讓或轉售，除非根據1933年法案及適用的美國州份證券法律之註冊或豁免而獲許可，則作別論。因此，美籍人士應知悉，彼等將須無限限期地承擔本公司之投資的財務風險及缺乏流動性。股份不會有公開市場，並且預期日後不會發展有關市場。概無任何人士有責任根據1933年法案或任何美國州份證券法註冊股份。投資於本公司涉及若干重大投資風險，包括損失投資者全數投資或其他資本金額。

投資者應仔細閱讀並考慮本基金章程所載的資料，並特別審閱本基金章程「風險考慮因素」標題下的特殊考慮因素。

《1974年美國僱員退休收入保障法》（經修訂）（「ERISA」）對若干退休金及其他僱員福利計劃投資於本公司等投資施加若干限制。因此，任何退休金或其他僱員福利計劃如考慮本公司的投資，應諮詢其本身的律師，了解該投資的法律後果。本基金章程所載內容，連同任何修訂及補充以及任何其他資料（不論是口頭或書面提供）概不構成建議任何人士採取或不採取《美國勞工部規例》第2510.3-21(b)(1)條定義的任何行動。本基金章程連同任何修訂及補充以及本公司可能向有意投資者提供的任何其他資料，載有美國聯邦證券法所定義的前瞻性陳述。前瞻性陳述是預測或描述未來事件或趨勢，而不只涉及歷史事宜的陳述。例如，前瞻性陳述可能預測未來經濟表現，描述未來經營管理的計劃及目標，並對收益、投資回報或其他財務項目進行預測。有意投資者可大致將前瞻性陳述識別為包含「將」、「相信」、「期望」、「預期」、「打算」、「考慮」、「估計」、「假設」或其他類似詞語的陳述。該等前瞻性陳述本質上存在不確定性，因為該等陳述所描述的事宜受到已知（及未知）風險、不確定性及其他不可預測的因素影響，其中許多因素超出了本公司的控制範圍。概不對該等前瞻性陳述的準確性作出任何聲明或保證。許多相關風險於本基金章程「風險考慮因素」標題下有所描述，有意投資者在閱讀本基金章程並考慮投資於本公司時應考慮其中列出的重要因素。

在若干司法管轄區內分派本基金章程以及提呈發售及銷售股份可能受法律限制。在任何美國州份或其他司法管轄區向任何人士作出有關提呈發售或邀請提呈購買即屬違法的情況下，本基金章程並不構成在有關州份或司法管轄區向有關人士提呈發售或邀請提呈購買。本基金章程並非以及在任何情況下都不得被理解為廣告，而本基金章程中擬進行的發售並非以及在任何情況下都不得被理解為公開發售股份。本基金章程僅供就本次發售而獲發基金章程的人士機密使用。

## 日本

股份並無亦將不會根據《日本金融工具及交易法》（1948年第25號法令，經修訂）第一段第4條註冊。因此，股份或其中任何權益不得直接或間接在日本境內提呈發售或出售，亦不得向任何日本人士或以任何日本人士為受益人而提呈發售或出售，或向其他人士提呈發售或出售以供直接或間接於日本或向任何日本人士重新提呈發售或轉售，惟在導致遵守相關日本政府及監管機構所頒佈及於相關時間生效的一切適用法律、法規及指引的情況下，則屬例外。就此而言，「日本人士」指在日本居住之任何人士，包括根據日本法律組成之任何法團或其他實體。

## 英國

本公司就英國《2000年金融服務及市場法案》（「《金融服務及市場法案》」）而言為認可集體投資計劃。本基金章程將由基金經理或代表基金經理於英國分發，並獲Baring Asset Management Limited（「投資經理」）批准，投資經理就《2000年金融服務及市場法案》（《金融服務及市場法案》）而言獲英國金融市場行為監管局（「金融市場行為監管局」）認可及受其監管。

## 各方名錄

### 基金經理

#### **Baring International Fund Managers (Ireland) Limited**

註冊辦事處：

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### 本公司之董事

Alan Behen  
David Conway  
Barbara Healy  
Paul Smyth  
Julian Swayne

### 投資經理

#### **Baring Asset Management Limited**

20 Old Bailey  
London EC4M 7BF  
UK

### 保管人

#### **Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### 行政管理人及過戶登記處

#### **Northern Trust International Fund Administration Services (Ireland) Limited**

Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### 法律顧問

#### 愛爾蘭法律

#### **Matheson**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### 核數師

#### **PricewaterhouseCoopers**

Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### 保薦經紀

#### **Matheson**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### 本公司的註冊辦事處

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### 公司秘書

#### **Matsack Trust Limited**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

請參閱本基金章程「基金經理、投資經理、保管人、行政管理人及過戶登記處」一節以了解更多詳情。

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## 釋義

「會計日期」	編製本公司的年度賬目的每一年的4月30日，或董事可不時決定的其他日子。
「會計期間」	於會計日期結束，並於上一個會計期間結束後的日子開始的期間。
「開戶表格」	任何由本公司不時規定投資者填妥的首次申請表格。
「法案」	2014年《公司法》，以及有關《公司法》的每一修訂或重新制定。
「行政管理人」	Northern Trust International Fund Administration Services (Ireland) Limited或為其繼任，並且當時在取得中央銀行事先批准的情況下獲基金經理正式委任為本公司行政管理人的任何其他一名或多名人士。
「行政協議」	本公司、基金經理及行政管理人之間訂定的行政服務協議（可能經不時修訂）。
「章程細則」	本公司的章程細則。
「澳元」	指澳洲的貨幣。
「基本貨幣」	與該基金有關的相關補充文件所訂明的基金賬戶貨幣。
「基準規例」	歐洲議會及理事會於2016年6月8日有關用作金融工具及金融合約的基準或計量投資基金表現的指數之規例(EU) 2016/1011
「債券通」	在2017年7月推出的香港與中國內地債券市場互聯互通措施。
「營業日」	就某一基金而言，指愛爾蘭及英國的銀行均營業的任何日子（星期六或星期日除外），或相關基金的補充文件另行訂明的日子。
「加元」	指加拿大的貨幣。
「中央結算公司」	中央國債登記結算有限責任公司。
「存款證」	存款證。
「中央銀行」	愛爾蘭中央銀行或任何繼任實體。
「中央銀行的可轉讓證券集體投資計劃規例」	《2013年中央銀行（監督及執行）法》（第48(1)章（可轉讓證券集體投資計劃））2019年規例（可能經不時修訂、組成或替代），以及由中央銀行根據該規例發行的現時有效的任何通知或指引。
「瑞士法郎」	指瑞士的貨幣。
「中國銀行間債券市場」	中國內地銀行間債券市場。
「中國銀行間債券市場措施」	於2016年2月推出的供境外機構投資者投資於中國銀行間債券市場的機制。
「類別」	基金中某一特定股份分類。
「類別貨幣」	類別指定的貨幣。
「債務工具中央結算系統」	債務工具中央結算系統，由香港金融管理局成立的組織，為債務工具中央結算系統成員提供證券轉讓服務。
「收款賬戶」	由行政管理人營運的賬戶，該賬戶接收所有認購款項，而該賬戶亦支付所有贖回及分派所得款項，有關事宜在標題「收款賬戶」下說明。
「本公司」	Barings Investment Funds plc.
「中國證監會」	中國證券監督管理委員會。

「資料保障法例」	(i) 1988年及2003年《資料保障法令》或實施指令95/46/EC的任何其他立法或規例，(ii) 2011年歐洲共同體（電子通訊網絡及服務）（私隱及電子通訊）規例，(iii) 《一般數據保護條例》（歐洲議會及理事會於2016年4月27日的(EU) 2016/679號規例）以及任何隨後的國家資料保障法例及(iv) 愛爾蘭資料保障專員署或其他相關監管機關（包括但不限於歐洲資料保障委員會）頒佈的任何指引及／或行為守則。
「交易日」	(i) 每個營業日（除非因基金章程訂明的原因而已暫停釐定基金的資產淨值），或 (ii) 董事已釐定的任何其他日子，惟須事先通知基金的所有股東，以及每兩星期須至少有一個交易日。
「聲明」	就《稅務法》第739D節而言，愛爾蘭稅務局規定的形式之有效聲明。
「保管人」	Northern Trust Fiduciary Services (Ireland) Limited或其繼任，並且當時在取得中央銀行事先批准的情況下獲正式委任為本公司的保管人的任何其他一名或多名人士。
「保管人協議」	本公司及保管人之間訂定的保管人協議（經修訂）。
「董事」	本公司的董事或任何獲正式認可的委員會或其受委人。
「EMIR」	針對金融衍生工具、中央交易對手結算所和交易資料儲存庫的《歐洲市場基礎設施監管規則》（European Market Infrastructure Regulation），規則對訂立任何形式的金融衍生工具的所有類型及規模的實體（包括並無涉足金融服務的實體）施加規定，亦為中央交易對手結算所和交易資料儲存庫制定共同組織、業務操守及審慎標準。
「ESMA指引」	歐洲證券及市場管理局的期末報告－Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411)。
「歐元」	若干歐洲聯盟成員國的貨幣。
「Euronext Dublin」	作為Euronext Dublin交易的愛爾蘭證券交易所。
「歐洲經濟區」	屬於歐洲經濟區成員的國家。
「獲豁免投資者」	獲准（不論法例上或獲愛爾蘭稅務局明確特許）於本公司持有股份而毋須本公司扣減或繳納愛爾蘭稅項的愛爾蘭居民，如基金章程標題為「稅務」一節所詳述。
「金融市場行為監管局」	英國金融市場行為監管局。
「金融衍生工具」	金融衍生工具是指由兩方或以上訂立及其價值衍生自一項或以上相關資產的合約。
「《金融服務及市場法案》」	英國《2000年金融服務及市場法案》。
「基金」	本公司的子基金，發行基金的款項將根據適用於該子基金的投資目標及政策分別匯集及作出投資，有關子基金乃由董事在獲得中央銀行批准後不時成立。
「GITA」	德國投資稅法（Investmentsteuergesetz）（可能經修訂）。
「環球交易市場」	Euronext Dublin的環球交易市場。
「對沖類別」	相關補充文件指明為對沖類別並將就該類別進行貨幣對沖的相關類別。
「港元」	香港的貨幣。
「稅務海關總署」	英國稅務海關總署。
「投資級別」	指獲標準普爾或惠譽評為「BBB-」或以上或獲穆迪投資服務評為「Baa3」或以上或獲另一國際認可評級機構評為同等評級。
「投資管理協議」	基金經理及Baring Asset Management Limited之間訂定的投資管理協議（經修訂）。
「投資經理」	Baring Asset Management Limited或其繼任，並且當時按中央銀行規定獲正式委任為本公司的投資經理的任何其他一名或多名人士。

「投資者資金規例」	基金服務提供者應遵循的《2013年中央銀行（監督及執行）法》（第48(1)章）2015年投資者資金規例。
「愛爾蘭」	愛爾蘭共和國。
「愛爾蘭居民」	除非基金經理另行釐定，就愛爾蘭稅務而言居於愛爾蘭的任何公司，或居於或通常居於愛爾蘭的其他人士。請見下文「稅務」一節。
「愛爾蘭稅務局」	負責稅務及關稅的愛爾蘭機關。
「主要投資者資料文件」	有關基金可供投資的各類別可供索取的主要投資者資料文件。
「基金經理」	<b>Baring International Fund Managers (Ireland) Limited</b> 或為其繼任，並且當時按中央銀行規定獲正式委任為本公司的基金經理的任何其他一名或多名人士。
「管理協議」	本公司與基金經理之間訂定的管理協議（經修訂）。
「成員國」	歐洲聯盟的成員國。
「中東北非」	中東及北非地區。
「最低持有額」	相關補充文件訂明股東須持有的最低股份數目或價值。
「最低投資額」	相關補充文件可能訂明或董事可釐定並知會投資者的初次及／或其後認購金額。
「最低資產淨值」	5千萬美元或其等額，如資產淨值等於或少於該水平，董事有權結束本公司或某一基金。
「貨幣市場工具」	普遍於貨幣市場進行交易，且具流通性及可於任何時候可準確釐定價值的工具。該等貨幣市場工具的例子包括證明書、存款及上市短期定息及浮息證券（包括政府及企業票據及債券）。
「資產淨值」	按本基金章程的「計算資產淨值」一節所載原則決定的基金或相關類別的資產淨值（視情況而定）。
「紐西蘭元」	指紐西蘭的貨幣。
「經合組織」	經濟合作及發展組織。截至本基金章程日期，下列三十六個國家屬經合組織成員國：澳洲、奧地利、比利時、加拿大、智利、捷克共和國、丹麥、愛沙尼亞、芬蘭、法國、德國、希臘、匈牙利、冰島、愛爾蘭、以色列、意大利、日本、韓國、拉脫維亞、立陶宛、盧森堡、墨西哥、荷蘭、紐西蘭、挪威、波蘭、葡萄牙、斯洛伐克共和國、斯洛文尼亞、西班牙、瑞典、瑞士、土耳其、英國及美國。
「正式牌價表」	獲准在正式牌價表上市及在 <b>Euronext Dublin</b> 的環球交易市場買賣的證券或股份名單，正式牌價表會每日公佈。
「普通決議案」	於本公司、基金的股東大會上，或在所需情況下，特定類別股東根據章程細則條文召開及舉行的會議上提呈，並於該大會以贊成及反對該決議案的總票數的簡單大多數通過的決議案。
「中國」、「中國內地」	中華人民共和國，就本基金章程而言，不包括香港、澳門及台灣。
「初期手續費」	本基金章程訂明的每股資產淨值的某百分比或特別決議案可能批准的較高金額。
「私隱聲明」	本公司及基金經理就本公司採用並經不時修訂的私隱聲明。現有版本可透過網站 <a href="http://www.barings.com">www.barings.com</a> 閱覽。
「基金章程」	本文件，可不時經修訂、補充或更改。
「QFI」	根據相關中國法律及規例獲批准的合格境外投資者（可不時經頒佈及／或修訂），包括合格境外機構投資者（QFII）及人民幣合格境外機構投資者（RQFII）。
「QFI規例」	中國的相關機構就QFI發行的辦法（可能經修訂）。
「贖回費用」	相關補充文件訂明的每股資產淨值的某百分比或特別決議案可能批准的較高金額。

「認可交易所」	本公司可能投資的任何受規管證券交易所或市場。該等證券交易所及市場的名單載於本基金章程及章程細則內。
「規例」	UCITS規例及中央銀行的可轉讓證券集體投資計劃規例。
「人民幣」	中國的貨幣。
「盧布」	指俄羅斯的貨幣。
「瑞典克朗」	指瑞典的貨幣。
「半年度會計日期」	每年的10月31日。
「結算日期」	相關交易日後三個營業日。
「上海清算所」	上海清算所，由中國人民銀行批准及指導的金融市場基礎設施，為中國人民銀行接受的合格中央交易對手方，亦為中國內地中央證券存管處之一。
「SFTR」	有關證券融資交易以及重新啟用及修訂(EU)648/2012號規例的透明度的歐洲議會及理事會規例(EU) 2015/2365號。
「股份」	參與股份，或（除非本基金章程另有載明）參與股份的零碎部份，有關碎股不得少於歸屬於特定類別的本公司股本中的千分之一股份。
「股東」	在當時由本公司或代其保存的股東名冊中登記為股份持有人的人士。
「特定美國人」	(i)身為美國公民或居民的個人；(ii)在美國或根據美國或其任何州分的法律組成的合夥關係或公司；(iii)信託（如(a)美國境內的法院有權根據適用法律宣佈關於該信託的管理的絕大部份事宜的命令或判決；及(b)一名或多名美籍人士有權控制該信託的全部重大決定，或身為美國公民或居民的死者的遺產），惟不包括(1)一家其股票在一個或多個具規模證券市場定期買賣的公司；(2)與第(i)項所述的公司屬同一經擴大關聯集團（定義見《美國國內收入法》第1471(e)(2)條）的成員的任何公司；(3)美國或其任何全資機關或機構；(4)美國的任何州分、任何美國領土、任何前述者的任何政治分支機構，或前述任何一項或多項的任何全資機關或機構；(5)在《美國國內收入法》第501(a)條下獲豁免繳稅的任何組織，或在第7701(a)(37)條界定的個人退休計劃；(6)《美國國內收入法》第581條界定的任何銀行；(7)《美國國內收入法》第856條界定的任何房地產投資信託；(8)《美國國內收入法》第851條界定的任何受監管的投資公司，或在《1940年投資公司法》(15 U.S.C. 80a-64)下向美國證券交易監督委員會登記的任何實體；(9)《美國國內收入法》第584(a)條界定的任何共同信託基金；(10)在《美國國內收入法》第664(c)條下獲豁免繳稅，或《美國國內收入法》第4947(a)(1)條所述的任何信託；(11)在美國或任何州分的法律下登記為證券、商品或衍生金融工具（包括名義本金合約、期貨、遠期合約及期權）的交易商的有關交易商；或(12)《美國國內收入法》第6045(c)條界定的經紀。此定義應按《美國國內收入法》詮釋。
「特別決議案」	指於本公司、基金的股東大會上提呈的決議案，或在所需情況下，特定類別股東根據法案召開及舉行，並於該大會以贊成及反對該決議案的總票數的75%以上大多數通過的決議案。
「英鎊」	英國的貨幣。
「次投資級別」	指獲標準普爾或惠譽評為「BB+」或以下或獲穆迪投資服務評為「Ba1」或以下或獲另一國際認可評級機構評為同等評級。
「認購表格」	本公司的投資者或股東以本公司不時規定的方式填妥的認購表格。
「補充文件」	本基金章程的補充文件，當中具體說明有關基金及／或一個或多個類別的若干資料。
「瑞士法郎」	瑞士的貨幣。
「TCA 1997」、 「稅收法案」	經不時修訂的愛爾蘭《1997年稅收合併法案》；
「可轉讓證券」	公司股份，以及相當於公司股份的其他證券；債券及其他形式的有抵押品債項；或任何其他附有權利透過認購或交換（為有效投資組合管理的技巧及投資除外）購買該等可轉讓證券的可流轉證券。

「UCITS」	UCITS規例定義的可轉讓證券集體投資計劃。
「UCITS 指令」	歐洲議會及理事會於2009年7月13日有關協調可轉讓證券集體投資計劃的法律、規定及行政條文的指令2009/65/EC（經歐洲議會及理事會於2014年7月23日有關保管人職能、薪酬政策及認許（包括其強制執行規定）指令2014/91/EU 修訂）。
「UCITS規例」	《2011年歐洲共同體（可轉讓證券集體投資計劃）規例》（經修訂）以及據此作出的所有適用中央銀行條例或施加的條件或廢除的條文，可經不時修訂。
「美國」	美國，其領土、屬地及所有受其司法管轄的地區（包括波多黎各聯邦）。
「美籍人士」	任何美國公民或居民；根據美國或美國任何州份法例成立或組成的任何企業、信託基金、合夥公司或其他實體；或不論來源，其收入須繳交美國聯邦所得稅的任何遺產或信託基金。該詞亦包括符合《1933年美國證券法》（經修訂）所公佈的S規例中「美籍人士」一詞的定義的任何人士。
「未護評級證券」	未獲國際認可信貸評級機構（例如穆迪、標準普爾、惠譽）評級的固定收益證券。未護評級證券的質素不一定低於評級證券，但對許多買家而言，該等證券可能具較少吸引力、流動性可能較類似評級證券的低並涉及風險，故投資經理或未能準確評估該等證券的相對信貸評級。
「美元」	美國的貨幣。
「估值日」	交易日，除非基金的相關補充文件另有訂明，則不在此限
「估值點」	除非基金的相關補充文件另有載明，否則為每一交易日中午12時正（愛爾蘭時間）。基金經理可在向股東發出合理的事先通知後更改基金的估值點，惟在任何情況下，交易將須以遠期定價方式進行。

## 緒言

本公司是在2004年10月18日於愛爾蘭註冊成立的可變資本投資公司，註冊號碼為392526，並獲中央銀行根據UCITS規例認可為UCITS。按本公司章程細則所載，本公司的目標是根據分散風險的原則營運，將從公眾籌集所得的資本，根據UCITS規例集體投資於可轉讓證券及/或其他流動的金融資產。

本公司以傘子基金的形式組成，各基金之間承擔獨立負債責任。章程細則規定本公司可發售獨立的基金。各基金的投資組合將截然不同。本公司已取得中央銀行的批准，可成立下文所載的基金。基金的特定資料將載於各補充文件。

本公司的基金
霸菱中國精選基金*
Barings Dynamic Absolute Return Fund*
霸菱歐洲機會基金
Barings Frontier Markets Fund*
Barings Global Dividend Champions Fund
Barings Global Flexible Allocation Fund
Barings Europe Select Fund
Barings German Growth Fund
Barings Global Equity Allocation Fund
Barings China A-Share Fund

\*本基金已停止接受進一步認購，並將於適當時候向中央銀行申請撤銷認可。

在獲得中央銀行的事先批准下，本公司可不時成立一個或多個新基金，而基金的投資政策及目標須於補充文件概述，並連同初次發售期的詳情、每股份的初次認購價以及董事可能認為適當或中央銀行要求載列的一個或多個新基金的其他相關資料。每份補充文件不論是否載於本基金章程當中作為一份文件，均應構成本基金章程的一部份，並應與本基金章程一併閱讀。此外，本公司可於某基金增設額外類別，以提供不同收費及/或費用及/或經紀佣金安排，惟中央銀行須獲事先通知，並事先批准增設任何有關額外類別。

章程細則就增設獨立的基金訂定條文，而資產及負債應按以下方式分配予各基金：

- 本公司應為每項基金保存獨立記錄，載列所有與相關基金有關的買賣，而發行每一股份類別的所得款項（不包括初期手續費）亦應記錄於有關記錄內，歸屬予每項基金的資產及負債，以及收入及支出均應記錄其中；
- 任何衍生自基金另一項資產的資產應記入衍生有關資產的相關基金的記錄中，而每次對資產進行估值時，其價值的增減均應記入相關基金賬下；
- 倘本公司就某特定基金的任何資產或因某特定基金的資產採取的任何行動而招致債項，該項負債應分配予該基金；
- 倘某項資產或負債並非明確歸屬於某一項或多項特定基金，董事可酌情釐定將該項資產或負債分配給各項基金的基準，並在保管人批准下有權不時更改有關分配，惟若該項資產或負債是根據各基金於作出分配之時各自的淨資產價值按比例向所有基金作出分配，則無須經保管人批准；及
- 如就每一基金或類別運用對沖策略，用以實施該等策略的金融工具應被視為相關基金的整體資產或負債（視情況而定），但相關金融工具成本的收益/虧損將全數累算，並撥歸相關類別賬下。

本公司已成立為傘子公司，旗下各基金之間承擔獨立負債責任。故此，本公司任何或董事、接管人、審查員、清盤人或其他人士不得運用，亦無責任運用任何一項基金的資產，以履行代表或因任何其他基金而招致的任何責任。此外，雖然各基金並非獨立法人，但：*(i)* 本公司可就某個別基金而提起或被提起訴訟，以及在依法適用於公司的情況下，可在該等基金之間行使同等的抵銷權利（如有）；*(ii)* 基金的財產須受法院命令所規限，猶如該基金為獨立法人；及*(iii)* 各基金均可予清盤，猶如其為獨立法人，惟必須委任清盤人，以及清盤人的權力、權利、義務及責任僅以正在進行清盤的該基金為限。

## 投資政策：整體政策

基金將按照附錄I—投資限制，投資於在認可交易所上市或買賣的可轉讓證券及/或其他流動資產，並在相關補充文件規定的範圍內，投資於其他投資基金的單位/股份。

此外，僅在投資經理認為符合基金投資政策的範圍內，基金可以為有效管理投資組合而運用附錄III—有效管理投資組合中所述的投資技巧及工具。該等投資技巧及工具可包括金融衍生工具。僅在投資經理認為符合基金投資政策的範圍內，以及根據

中央銀行的要求，基金亦可運用金融衍生工具作投資目的。投資經理將運用風險管理程序，使其能夠準確地計量、監控及管理金融衍生工具所附帶的風險，有關此程序的詳情已向中央銀行提供。投資經理不會運用尚未納入風險管理程序的金融衍生工具，直至向中央銀行呈報經修訂的風險管理程序為止。

投資者務須注意，在規例所載限制規限下及除上文所述任何投資外，各基金的投資組合可包括現金、存款及短期票據（包括國庫券、存款證及銀行承兌匯票）以及短期貨幣市場工具。除非董事認為該等投資符合股東最佳利益，否則董事並不預期以此形式保留大量資產。

如基金的投資政策規定將該基金的某特定百分比投資於某特定類別或種類範圍的投資，該項規定將不適用於特別市況，在該等情況下，可投資於基金一般投資以外的資產類別，從而減低基金的市場風險。特別市況的例子包括經濟狀況、政治風險或世界事件、不明朗情況下的較高下行風險或相關市場因突發事件（例如政治動盪、戰爭或大型財務機構破產）而關閉。於該等期間，基金可暫時將其高達100%的總資產投資於現金、存款、國庫券、政府債券或短期貨幣市場工具，或大額持有現金及現金等價物。

每項基金均可投資於其他集體投資計劃。投資經理僅在其認為有關投資不會禁止基金向股東提供本基金章程及各相關補充文件所述的流動性水平時，方會投資於封閉式集體投資計劃。基金可投資的封閉式集體投資計劃應包括但不限於在紐約證券交易所、Euronext Dublin及倫敦證券交易所上市或買賣的封閉式集體投資計劃。倘若符合投資目標及政策，基金亦可投資於本公司的其他基金。只有在某基金投資的基金本身並無於本公司的任何其他基金中持有股份的情況下，該基金方可投資於本公司的其他基金。投資於本公司其他基金的任何基金，將投資於不收取管理或投資管理費的類別。基金作出任何有關交叉投資，均不會收取認購、轉換或贖回費。

基金亦可透過投資於金融指數（例如透過金融指數的期貨或掉期），投資於每一基金的投資政策部份中所指的部份或全部資產。投資經理挑選的指數將符合中央銀行的可轉讓證券集體投資計劃規例規定的金融指數規定，特別是該等指數須代表足以作為其所參考市場的基準，按恰當方式公佈，並與基金的管理獨立管理。所挑選的股權及債務指數將提供機會投資於在基金章程附錄II「認可交易所」中不時列出的認可交易所上市或買賣的可轉讓證券。基金投資於商品指數將提供機會投資於符合中央銀行規定並（如需要）已獲中央銀行批准的商品指數。

基金的相關指數普遍於每月重新調整，但亦可以較頻密或較不頻密地重新調整。與投資於金融指數有關的成本可能會受相關指數的重新調整次數影響。基金所持的任何金融指數詳情將由投資經理按要求向股東提供，並將於本公司的半年度及年度賬目中載列。如指數的特定成份比重超出UCITS的投資限制，投資經理將以補救有關情況為其首要目標，並將股東及相關基金的利益計入考慮。

基金可投資於中國A股、中國B股及/或中國境內債券，惟該等投資須符合中央銀行及中華人民共和國相關監管機關的規定。除非基金的相關補充文件另有訂明，否則基金無意將多於其資產淨值的10%直接或間接投資於中國A股及中國B股及/或多於其資產淨值的10%直接或間接投資於中國境內債券。如上述意圖有所改變，須向相關基金的股東發出最少一個月事先通知，而基金章程亦將作出相應更新。

基金的投資目標及政策載於該基金的補充文件。每項基金的投資目標不會在未經普通決議案批准的情況下隨時更改。如對投資政策的變更屬重大性質，必須以變更相關的普通決議案批准，方可作出變更。如在作出某一變更後將對相關基金的資產類別、信貸質素、借款限制或風險概況構成重大更改，則該變更屬重大變更。如改變投資目標及/或重大改變投資政策，基金經理將給予合理通知期，而本公司將為股東於此等變動實施前贖回彼等的股份提供方便。

概不保證或擔保基金的投資將取得成功或將達致其投資目標。請參閱本基金章程中的「風險考慮因素」，以了解投資於該基金時應考慮的因素詳情。

## 基準

基金的基準如下：

基金	基準
霸菱歐洲機會基金	MSCI歐洲小型公司（淨回報總額）指數（MSCI Europe Small Cap (Total Net Return) Index）
Barings Global Dividend Champions Fund	MSCI世界（淨回報總額）指數（MSCI World (Total Net Return) Index）
Barings Global Flexible Allocation Fund	3個月歐元倫敦銀行同業拆息（3-month EUR LIBOR）
Barings Europe Select Fund	EMIX小型歐洲企業（英國除外）（淨回報總額）指數（EMIX Smaller European Companies ex-UK (Total Net Return) Index）
Barings German Growth Fund	HDAX®（總回報）指數（HDAX® (Total Return) Index）
Barings Global Equity Allocation Fund	MSCI所有國家世界（淨回報總額）指數（MSCI All Country World (Total Net Return) Index）



Barings China A-Share Fund	MSCI中國A股在岸（淨回報總額）指數（MSCI China A Onshore (Total Net Return) Index）
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除非相關補充文件另有訂明，否則各基金以主動形式管理，而且並非旨在追蹤上表所載的基準（「**基準**」），故其表現可能顯著偏離基準。除非相關補充文件另有訂明，否則投資經理可完全酌情決定投資及不受基準所限。各基金可顯著投資於不在基準以內的工具。基準僅用作風險管理及表現比較目的。投資經理可考慮相對基準的各項因素，例如發行人風險、行業比重、國家比重及追蹤誤差，但不會以基準作為投資限制。

### 基準規例

Barings Global Equity Allocation Fund所用的指數由基準規例所指名冊上的行政管理人提供。投資者應注意，根據基準規例的規定，本公司及基金經理已採用指數應變計劃，以列出本公司及基金經理在Barings Global Equity Allocation Fund所用指數出現重大變動或不再提供時將採取的行動（「**指數應變計劃**」）。本公司及基金經理根據指數應變計劃所採取的行動可能導致Barings Global Equity Allocation Fund的投資目標或投資政策改變，而任何該等變動將根據中央銀行規定及本基金章程的條款落實。

### 有效管理投資組合

誠如基金章程附錄III「有效管理投資組合」所述以及在中央銀行規定的限制內，每項基金均可運用不同的投資技巧（包括認股權證、交易所買賣期貨及期權、遠期貨幣合約、掉期協議、差價合約、指數掛鈎票據，以及股份及商品指數期貨合約）作有效的投資組合管理以及作對沖目的。投資者亦應參閱標題為「風險考慮因素」一節，以了解使用有效投資組合管理技巧的相關風險，當中包括對手方風險及利益衝突風險。概不保證投資經理將成功運用該等技巧。

### 使用金融衍生工具

投資者應注意，基金可在中央銀行規定的限制內，為有效投資組合管理、投資及/或對沖目的而主要進行金融衍生工具交易。

可根據中央銀行的規定使用金融衍生工具(i)作對沖目的及/或(ii)作投資目的。舉例來說，基金可使用金融衍生工具（僅以基金的投資政策准許的相關資產或界別為基礎）(i)以對沖貨幣風險，(ii)以在投資經理認為衍生工具投資於相關資產較直接投資更具價值時候，作為在相關資產持倉的替代，(iii)以根據投資經理對利率的觀點而調整基金的利率風險，及/或(iv)以對符合基金投資目標及政策的特定指數的成份及表現取得投資參與。

投資經理可決定不運用任何此等工具或策略。此外，投資經理可按照中央銀行的規定決定運用下文所列以外的工具（已向中央銀行呈報的風險管理程序載明的工具）。

除了附錄III—有效管理投資組合所述獲准為有效管理投資組合及對沖目的而使用的投資技巧外，若干基金（誠如下文「金融衍生工具資格表」中所詳述）亦可大量使用金融衍生工具以達致其投資策略。在基金章程附錄I所列的投資限制的規限下，該等基金可進行於下表中分類為合資格的金融衍生工具種類的交易。

金融衍生工具資格表

金融衍生工具種類的資格	期貨	期權	遠期貨幣合約	不可交割遠期合約	總回報掉期	認股權證	利率掉期	信貸違約掉期	差價合約	信貸掛鈎票據
霸菱歐洲機會基金	是	是	是	是	是	是	否	否	否	否
<i>Barings Global Dividend Champions Fund</i>	是	是	是	是	是	是	否	否	否	是
<i>Barings Global Flexible Allocation Fund</i>	是	是	是	是	是	是	是	是	否	是
<i>Barings Europe Select Fund</i>	是	是	是	是	是	是	否	否	否	否
<i>Barings German Growth Fund</i>	是	是	是	是	是	是	否	否	否	否
<i>Barings Global Equity Allocation Fund</i>	是	是	是	否	否	是	是	是	否	否
<i>Barings China A-Share Fund</i>	是	是	是	否	是	是	是	是	否	否

## 期貨及期權

倘若符合資格，若干基金可使用證券、指數、貨幣及利率期貨。銷售期貨合約規定賣方有義務以指定的價格在指定的交割月份交付在合約中要求的金融工具類型。購買期貨合約規定買方有義務以指定的價格在指定的交割月份支付及提取在合約中要求的金融工具類型。

倘若符合資格，若干基金可使用股票指數、期貨、掉期及貨幣的期權。投資的認購期權（可以是備兌或無備兌）是一種合約，根據該合約，買方作為所付溢價的回報，有權在期權的期限內隨時以指定的行使價購買期權的相關證券。認沽期權（可以是備兌或無備兌）是一種合約，讓買方有權在期權的期限內以指定的行使價出售相關證券，作為所付溢價的回報。倘提供期權的一方並無持有根據期權可購買（認購）或出售（認沽）的相關證券，該期權為無備兌。

若干基金可使用上文所述的期貨及期權對沖利率風險，平衡存續期，以及綜合創造對若干證券的投資參與。期貨及期權的相關資產須為基金可根據其投資目標及政策直接投資的工具，即可轉讓證券、集體投資計劃（包括ETF）、貨幣市場工具、股票或商品指數、外匯及貨幣。

## 掉期

倘若符合資格，若干基金可使用貨幣、利率及證券的掉期協議（包括總回報掉期及差價合約）。

貨幣方面，基金可以運用貨幣掉期合約，讓基金可以以固定匯率的貨幣交換浮動匯率的貨幣，或以浮動匯率的貨幣交換固定匯率的貨幣。此等合約讓基金可管理其於當中持有投資的貨幣的風險。就此等工具而言，基金的回報是按貨幣匯率相對雙方協定的固定貨幣額的變動計算。

利率方面，基金可以運用利率掉期合約，讓基金可以以浮動利率計息的現金流交換以固定利率計息的現金流，或以固定利率計息的現金流交換以浮動利率計息的現金流。此等合約讓基金可管理其利率風險。就此等工具而言，基金的回報是按利率相對雙方協定的固定利率的變動計算。

證券及證券指數方面，基金可以運用總回報掉期合約，讓基金可以以浮動利率計息的現金流交換基於股票或固定收益工具或證券指數的總回報的固定現金流，或以基於股票或固定收益工具或證券指數的總回報的固定現金流交換以浮動利率計息的現金流。此等合約讓基金可管理其在若干證券或證券指數的風險。就此等工具而言，基金的回報是按利率相對有關證券或指數回報的變動計算。該等掉期合約的對手方詳情載列如下。

基金亦可運用信貸違約掉期（「信貸違約掉期」）。信貸違約掉期乃為轉移對手方之間的信貸風險而設的掉期合約。信貸違約掉期可被基金用於（其中包括）對沖某特定國家風險。信貸違約掉期的買方獲得信貸保障，而信貸違約掉期的賣方實際上保證相關固定收益工具的信貸能力。透過信貸違約掉期，相關固定收益工具的違約風險從固定收益工具的持有人轉移至信貸違約掉期的賣方。

所有掉期交易的對手方將為受到審慎監管的機構，並且屬於中央銀行批准的類別，不會對基金的資產擁有全權管理權。投資經理在訂立掉期時可全權酌情決定對手方的委任以推進基金的投資目標及政策，惟須符合該等條件。由於在基金章程發佈日期尚未挑選對手方，而且對手方可不時變動，故並不可能完全列出所有對手方。

掉期的相關資產須為基金可以根據其投資目標及政策直接進行投資的工具。

## 貨幣遠期合約

貨幣遠期合約是在未來的某個日期以一種貨幣交換另一種貨幣的協議—例如，以一定數量的歐元交換一定數量的美元。日期（可能是未來的任何約定的固定日數）、換取的貨幣數量及進行交換的價格，在訂立合約時磋商並於合約期內固定。貨幣遠期合約可以以可交割或不可交割的形式買入或賣出。

基金亦可使用不可交割遠期。不可交割遠期是強勢貨幣與新興貨幣之間匯率的雙邊財務期貨合約。於到期時，不會交割新興貨幣，取而代之的是以強勢貨幣對合約的財務業績進行現金結算。

## 可轉換工具

可轉換票據（即可轉換債券、強制可轉換債券、可轉換優先股及股票掛鉤票據）是發行人的一般長期債務，可按照既定匯率轉換為發行人的普通股。與所有債務證券一樣，可轉換工具的市價往往在利率上升時下降，相反，在利率下降時上升。

可轉換工具是有權轉換為固定數目股份的證券。因此，可轉換工具有備與債務及股票相似的特色。當可轉換工具的股票價值低，可轉換工具的價值表現會類似債務工具。隨著股票價值上升，可轉換工具的價值表現會與股票較為相似。可轉換工具的倉盤或會附有期權（有關詳情載於上文），但不會構成重大槓桿。

### 信貸掛鈎票據

信貸掛鈎票據是一種有資金資助的金融衍生工具，其現金流取決於與違約、差價變化或評級變化等事件相關的事件。

### 認股權證

認股權證乃用作取得對特定資產類別的投資參與。認股權證是賦予權利（而非義務）在到期前按某特定價格購買或出售證券的金融衍生工具。基金可以買入認股權證以提供一個高效率及流通的機制，以毋需買入或持有證券的方式投資於證券。於認股權證的投資不得超過基金資產淨值的10%。

### 總回報掉期

基金可進行總回報掉期，最高達下文所載的最高投資上限。投資經理預期基金對總回報掉期的投資大可能維持在下表所規定的限額內。

基金名稱	以名義總和計算的預期投資 (佔基金資產淨值的百分比)	以名義總和計算的最高投資 (佔基金資產淨值的百分比)
霸菱歐洲機會基金	0%-10%	25%
Barings Global Dividend Champions Fund	0%-10%	100%
Barings Global Flexible Allocation Fund	0%-100%	200%
Barings Europe Select Fund	0%-10%	25%
Barings German Growth Fund	0%-10%	25%

### 金融衍生工具風險管理

投資經理採用風險管理程序，讓其可準確地量度、監察及管理與金融衍生工具相關的各種不同風險，此程序的詳情已向中央銀行提供。基金不會使用並未列入投資經理風險管理程序的金融衍生工具，直至經修訂的風險管理程序已向中央銀行呈報為止。

使用金融衍生工具（不論是用作對沖及/或投資目的）可能使基金須承受下文「風險考慮因素」一節所述的風險。金融衍生工具（指數基礎金融衍生工具除外）相關資產所涉及的持倉（不論是用作對沖及/或投資目的），連同直接投資所產生的持倉，不會超過附錄一投資限制所載的投資限額。

除相關補充文件另有訂明外，基金將採用承擔法計算其整體風險，詳情載於投資經理的風險管理程序當中。在任何情況下，基金使用承擔法計算的整體風險均不會超過其資產淨值的100%。

### 貨幣對沖

基金經理可不時全權酌情決定（及毋須通知股東）發行以基金的基本貨幣以外的貨幣計值的對沖類別。除非相關補充文件另有說明，對沖類別提供下列貨幣以供認購，惟各基金不得以基金的基本貨幣提供對沖類別：澳元、瑞士法郎、人民幣、英鎊、美元、瑞典克朗、加拿大元、紐西蘭元、歐元及港元。

該等類別的外幣風險將通常對沖為基本貨幣。儘管不一定就基金內的每一類別（例如，類別貨幣與基本貨幣相同的類別）使用對沖策略，惟執行該等策略所用的金融工具須為相關基金整體的資產／負債。然而，相關金融工具的收益／虧損及成本將只會累計至相關類別。投資經理會將對沖限於對沖類別股份的貨幣風險範圍內，並且投資經理須設法確保有關對沖不得超過各相關類別資產淨值的105%，以及不得低於相關類別應佔資產淨值的95%。投資經理將監察對沖以確保有關對沖接近100%，並將檢討有關對沖以確保遠超或低於相關類別資產淨值100%的倉盤不會每月結轉。可能因本公司控制範圍以外的因素而出現過度對沖及對沖不足的倉盤。有關外匯對沖的對手方風險須時刻符合 UCITS 規例及中央銀行的規定。預期以基本貨幣以外的貨幣計值的類別一般不會因為對沖策略而產生槓桿，而類別對沖交易不得用作投機目的。由基金所持資產以及由基金訂立的任何貨幣交易（與類別有關者除外）所產生的基金貨幣風險，不會分配至不同類別，並將按比例分配至該基金的所有類別。倘就某類別訂立貨幣對沖交易（不論有關風險是否屬於在類別或基金層面訂立的交易），自該等交易產生的貨幣風險將僅歸於該類別的利益，而不得與就其他類別訂立的交易所產生的貨幣風險合併計算或互相抵銷。每一基金的經審核財務報表將顯示對沖交易如何使用。

### 貨幣代理

投資經理可委任第三方代表投資經理擔任貨幣代理（「貨幣代理」）。貨幣代理將在投資經理的指導下，在投資組合及／或對沖類別的層面執行貨幣對沖計劃。投資經理日後亦可選擇自行進行對沖或委任其他方擔任貨幣代理。

## 股份上市

董事可決定申請將若干股份納入正式牌價表，並可在Euronext Dublin的環球交易市場買賣。投資者應聯絡投資經理以確定基金中的哪些類別可在任何特定時間在Euronext Dublin供認購及/或上市。

董事預料，基金獲准在正式牌價表上市及在Euronext Dublin的環球交易市場買賣的任何上市股份，均不會發展活躍的次級市場。基金內多個類別可能會在不同時間推出及上市，因此，在推出某類別時，與該類別有關的匯集資產可能已開始進行買賣。有關此方面的進一步資料，本公司將應要求向潛在投資者提供最近期的中期及年度報告。

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## 風險考慮因素

概不保證基金的投資會成功，亦不保證會達到基金的投資目標。**基金投資組合的價值可能因下文任何主要風險因素而下跌，故閣下在基金的投資可能蒙受損失。概不保證償還本金。**

投資於基金的股份並不構成完整的投資計劃。投資者或須以其他類型的投資補足基金的投資。**於基金的投資不應佔投資組合的重大部份，及可能並不適合所有投資者。**

基金股份的銷售與贖回價格之間於任何特定時間的差異，表示投資應被視為中長期投資。

儘管部份風險與若干基金更為相關，但在風險與基金有關的情況下，投資者仍應確保其理解本基金章程所述的所有風險。此外，相關補充文件在相關情況下提供與個別基金有關的特定風險的更多資料。

投資者應閱讀所有風險考慮因素，以決定投資者有意投資的特定基金是否適合。

以下風險考慮因素詳列與投資於本公司相關的特定風險，投資者應與其專業顧問討論。以下風險考慮因素並非與投資於本公司或個別基金相關的所有風險的全面概要。

### 一般風險

#### 從資本扣除的收費

除Barings Global Dividend Champions Fund外，每一基金一般以收入支付其管理費及其他費用及開支。然而，如沒有充足收入，基金經理可從資本中，及從已扣除變現及未變現資本虧損後的變現及未變現資本收益中支付其部份或全部管理費及其他費用及開支。如管理費及其他費用及開支乃自基金的資本而非相關基金所產生的收入中扣除，則增長可能會受到限制，並可能會侵蝕資本，原因是相關基金可供日後投資及資本增長的資本可能減少，但這亦可能導致股息分派的收入增加。

就Barings Global Dividend Champions Fund而言，基金的部份或全部股息、管理費及其他費用及開支可從資本中支付。如股息或費用乃自基金的資本而非基金所產生的收入中扣除，則增長可能會受到限制，並可能會侵蝕資本。因此，在贖回所持股份時，股東未必收回投資的全額。從資本中收取股息、費用及開支的政策亦可能降低閣下投資的資本價值，並限制未來資本增長的潛力。由於股息、費用及開支可能會以資本支付，投資者應注意，缺乏潛在的資本增長可能造成資本侵蝕的風險較大，以及由於資本侵蝕，基金未來回報的價值亦可能減少。因此，在基金的存續期間作出的股息分派必須被視為資本退還的一種。以此方式收取股息、費用及開支的理由是此舉會增加基金的可分派收入。

對沖類別的分派金額及資產淨值可能因對沖類別的參考貨幣與基金的基本貨幣之間的利率差異而受到不利影響，導致從資本中支付的分派金額增加，因此較其他非對沖類別出現較大的資本侵蝕。

#### 從資本或未變現資本收益中作出分派

基金一般自淨收入盈餘支付股息。然而，基金經理亦可就其認為維持合理分派水平而言屬合適的情況下，在扣除已變現及未變現資本虧損後，分派任何資本或資本收益部份。根據香港監管披露規定，自未變現資本收益中支付分派相當於從資本中作出分派，而在該等情況下作出的分派款項則相當於從投資者的原有投資或自該原有投資應佔的任何資本收益中退還或提取部份款項。任何涉及以資本或未變現資本收益支付以作為股息（即實際上從資本中支付股息）的分派或會令基金的每股資產淨值即時減少。從資本中作出分派相較於分派收入可能產生不同的稅務影響，投資者應就此尋求獨立意見。

#### 利益衝突

基金經理及身為基金經理聯營公司的基金經理受委人或會透過或與基金經理任何聯營公司為本公司買賣證券及其他投資。

此外，在1942年至2010年《中央銀行法案》（Central Bank Acts, 1942 to 2010）條文規限下，本公司任何現金可存放於保管人或保管人的聯營公司，或投資於保管人或保管人任何聯營公司發行的存款證或銀行票據。銀行業務及類似交易亦可與或透過保管人或保管人任何其他聯營公司進行。

基金經理、投資經理及行政管理人、保管人或與基金經理、投資經理、行政管理人或保管人有關或與其各自的高級職員、董事或行政人員有關的實體，並無被禁止買賣基金的投資，惟交易須按公平原則磋商。該等交易必須符合股東的最佳利益。

基金經理、投資經理、行政管理人、保管人或與基金經理、投資經理、行政管理人或保管人或其各自的高級職員、董事或行政人員有關的實體，毋須就所產生的任何利益向股東交代，而相關人士可保留任何該等利益，惟須符合以下條件：

- (i) 獲保管人（或如屬涉及保管人的交易，則基金經理）認可為獨立及合資格的人士核實進行交易的價格屬公平；或
- (ii) 交易乃按照有組織投資交易所規則規定的最佳條款進行；及
- (iii) 倘上文(i)或(ii)項所載條件並非切實可行，保管人（或如屬涉及保管人的交易，則基金經理）信納該等交易符合按公平原則磋商的原則，並且符合股東最佳利益。

投資經理就本基金章程及相關事宜代表本公司行事，投資經理或其任何聯繫人士可能擁有本公司股份的權益或持倉。投資經理並無就投資於本公司代表任何其他人士行事，亦無向任何其他人士給予建議或視之為其客戶（除非投資經理與該人士之間適用其他安排），故不會負責向任何有關其他人士提供向其客戶提供的最佳執行或任何其他保障。

### 對手方風險

對手方風險（亦稱為違責風險）為組織未能就債券或其他交易或買賣支付其應支付的款項的風險。在對手方未能及時履行其責任及基金被延遲或阻止行使其於組合投資的權利的前提下，基金持倉的價值可能會下跌、失去收入及/或產生與維護其權利有關的成本。

### 信貸風險 — 一般

基金可能須承受基金可能投資的債務證券發行人之信貸/違責風險。當基金投資於由銀行或其他種類的財務機構擔保的證券或其他工具時，概不保證該擔保人本身不會面對信貸困難，這可能導致該等證券或工具的評級下降，或損失部份或全部投資於該等證券或工具的金額或到期支付該等證券或工具的款項。

### 貨幣風險

基金的相關投資可能以基金的基本貨幣以外的貨幣計值。此外，基金的股份類別可指定以基金的基本貨幣以外的貨幣結算。基金的資產淨值可能因該等貨幣與基本貨幣之間的匯率波動及匯率管制的變動而受到不利影響。

除非某類別明確指明為對沖類別，否則並無採取任何措施，以減輕股份計值貨幣與基本貨幣之間匯率波動的影響。

### 網絡安全風險

本公司及其服務提供者容易受到網絡安全事件的運營及資訊安全及相關風險的影響。一般而言，網絡事件可來自蓄意攻擊或非故意的事件。網絡安全攻擊包括（但不限於）未經授權進入數碼系統（例如，通過「黑客入侵」或惡意軟件編碼），以盜用資產或敏感資料，破壞數據或導致操作中斷。

網絡攻擊亦可能以無需未經授權進入的方式進行，例如對網站進行阻斷服務攻擊（即令到目標用戶無法使用服務）。影響基金經理、投資經理、行政管理人或保管人或其他服務提供者（例如財務中介機構）的網絡安全事件可造成干擾和影響業務運作，可能導致財務損失，包括干擾行政管理人計算其資產淨值的能力；有損相關基金投資組合買賣；股東無法與本公司進行業務；違反適用私隱、數據安全或其他法律；監管罰款及處分；聲譽受損；報銷或其他補償或修正成本；法律費用；或額外合規成本。

網絡安全事件可能造成類似的不良後果，影響本公司投資的證券發行人、本公司與之進行交易的對手方、政府及其他監管機構、交易所及其他金融市場營運商、銀行、經紀商、交易商、保險公司及其他財務機構及其他方。雖然已制定了資訊風險管理系統及業務持續計劃，以減低與網絡安全相關的風險，但任何網絡安全風險管理系統或業務持續計劃本身存在限制，包括可能未有識別若干風險。

### 基金終止風險

倘基金提早終止，本公司將須按股東於基金資產的權益比例向彼等分派資產。在作出有關出售或分派時，基金所持有若干投資的價值可能低於最初投資成本，導致股東出現重大虧損。此外，任何尚未全面攤銷的基金相關組織成本將從基金當時的資本中扣除。基金可能被終止的情況載於基金章程中標題為「本公司清盤及基金終止」一節。

## 通脹風險

由於通脹導致金錢貶值，以致基金資產或基金投資所得收入的實際價值可能會在日後下跌。在通脹加劇時，除非基金投資組合的實際價值增幅高於通脹率，否則其實際價值將隨之而下降。

## 投資於歐洲－歐洲主權債務危機

部份基金可對歐洲作出大額投資。鑑於若干歐洲國家的財政狀況及對該等國家主權債務的關注，歐元區危機繼續帶來不明朗因素，且並只有少數甚至並無長久的解決方法。任何不利事件（例如某一歐洲國家的信貸評級下降、歐元區內的一個或多個主權國家違約或破產、部份或全部相關成員國撤出歐元區，或任何上述多項同時發生或其他經濟或政治事件）均可能對基金的價值構成負面影響。鑑於對歐元區內若干國家的主權債務風險的持續關注，基金於該地區的投資可能須承受與歐洲投資相關的較高波動性、流通性、貨幣及違責風險。

如若干國家停止使用歐元作為其當地貨幣、成員國脫離歐元或歐元解體，則或需要對部份或所有以歐元計值的主權債務、企業債券及證券（包括股本證券）重新計值。這或會對基金的歐元計值資產的流通性及持有該等資產的基金表現造成不利影響。歐元區解散或脫離歐元亦可能會對基金帶來額外的表現、法律及營運風險，並可能會對受現有成員國的法律監管的若干協議條款的運作帶來不明朗因素。

儘管多個歐洲國家的政府、歐洲委員會、歐洲中央銀行、國際貨幣基金組織及其他機構正採取多項措施（例如進行經濟改革及對市民實施緊縮措施）以解決現有的財政狀況，但或會有該等措施的效果可能未如理想的憂慮，故歐洲日後的穩定性及增長仍屬未知之數。如有出現危機，經濟復甦可能需時，而日後增長亦將會受到影響。基金的表現及價值或會因任何或所有上述因素而受到不利影響，除上述各項外，亦可能會因潛在歐洲危機而產生預期以外的後果，繼而對基金的表現及價值構成不利影響。此外，亦可能有大量投資者會在同一時間決定贖回基金投資。投資者亦應緊記，在歐洲發生的事件可能會蔓延至世界其他地區，影響全球金融體系及其他地方經濟，以至最終對基金的表現及價值構成不利影響。

## 波動性及流動性風險

基金投資的債務工具未必在活躍的次級市場上買賣。此外，若干市場的債務工具可能較更成熟市場承受較高的波動性及較低的流動性。於該等市場買賣的證券價格可能受到波動。該等證券的買賣差價可能重大，基金可能招致重大交易成本。倘某一特定證券或工具難以進行購買或出售，則存在流動性風險。如交易規模佔該證券的平均成交量的相對大部份，或如相關市場缺乏流動性（正如多個私下洽商的金融衍生工具及結構性工具等的情況），或未能在有利時間或以有利價格進行交易或進行平倉。有關投資經理如何管理流動性風險的進一步資料載於下文標題為「流動性風險管理」下。

## 市場干擾風險

市場受到干擾時，基金或會承受招致龐大虧損的風險。干擾可包括金融交易所買賣暫停或受到限制及某一市場行業的干擾可能對其他市場行業造成不利影響。倘若此情況發生，基金的虧損風險可能會增加，理由為許多倉盤或會變得缺乏流通性，以致其難於出售。基金可用的融資亦會被減少，可使基金較難進行買賣。

## 傳染病及／或流行病的潛在影響

流行病或疫症爆發等事件可導致短期市場波幅加劇，並可能對整體環球經濟體和市場帶來不利的長遠影響。例如，由2019年末開始，一種高度傳染性冠狀病毒病（即2019冠狀病毒病或2019新型冠狀病毒）爆發並席捲多個國家，促使一眾國家政府採取若干預防性封關和出入境及業務營運的限制措施。

傳染病及流行病可嚴重影響環球經濟及市場。流行病（如2019冠狀病毒病）爆發，加上因此實施的任何出入境或隔離限制，均對基金可能投資的國家的經濟與業務活動及環球商業活動帶來負面影響，從而對基金的投資表現產生不利影響。流行病或疫症爆發可能導致特定地區或全球整體經濟下滑，尤其是當疫症持續一段較長時期或在全球蔓延。這可能為基金的投資或基金物色新投資或變現其投資的能力帶來不利影響。流行病及類似事件亦可能對個別發行人或相關組別發行人造成迫切影響，並可能對證券市場、利率、競價、次級交易、評級、信貸風險、通脹、通縮及與基金投資或投資經理營運和投資經理與本公司的服務提供者營運相關的其他因素產生不利影響。

任何傳染病的爆發均可能導致投資經理及／或某項投資的辦事處或其他業務關閉，包括辦事處大樓、零售商店及其他商業場地，亦可導致(a)某項投資業務所需的原材料或零部件短缺或價格波動；(b)地區或全球貿易市場及／或資金供應中斷或經濟下滑。有關疫症爆發可能對基金的價值及／或基金的投資帶來不利影響。

## 概無投資保證

基金投資與存款於銀行賬戶的性質並不相同，不受任何政府、政府機關或其他可能為銀行存款戶口持有人提供保障的保證計劃所保障。基金投資須承受價值波動，而閣下所得可能少於投資本金。



## 英國退出歐盟的相關風險

英國於 2016 年 6 月 23 日舉行公投，以決定其作為歐盟成員的去向。公投結果贊成脫離歐盟。英國其後於 2020 年 1 月 31 日退出歐盟。有關英國與歐盟維持關係的磋商應會為時數年。

於 2020 年 12 月 24 日，英國與歐盟公佈一項貿易和合作協定（「《英歐貿易合作協定》」）。英國國會於 2020 年 12 月 30 日通過法例批准該條約。截至本基金章程日期，歐盟尚未完成正式簽署《英歐貿易合作協定》的程序。《英歐貿易合作協定》由 2021 年 1 月 1 日起臨時應用，因此可避免在過渡期結束後出現短暫的「無協定」期。簽訂《英歐貿易合作協定》為歐盟與英國的未來合作提供一個架構，其並不一定會訂立一套永久規則，但為持續發展的關係提供基礎，存在擴大分歧或加強合作的空間，而這情況在不同地區各異。《英歐貿易合作協定》主要涵蓋商品與服務貿易，亦包括有關知識產權、能源、透明度、監管做法、公共採購及公平競爭環境的條文。此外亦包括航空、數碼貿易、道路運輸、社會安全及簽證、漁業、刑事執法及司法合作的部份。協定隨附若干輔助性聯合聲明，包括有關金融服務、稅務、州份援助和津貼、運輸及數據保護。其中一項聯合聲明載列歐盟與英國擬在 2021 年 3 月之前就金融服務合作達成諒解備忘錄，以助維護金融穩定、市場誠信及投資者和消費者的保障。

直至釐清《英歐貿易合作協定》（及聯合聲明）的條款之前，現時無法釐定英國脫歐及／或任何有關事宜可能對基金或其投資的全面影響（包括在各情況下，次級市場市值或流動性）或對交易文件其他方的影響。

這為企業、法律及政治環境和風險（「英國脫歐風險」）帶來重大不確定性，包括短期及長期市場波幅及貨幣波幅；英國及歐洲經濟體面對的宏觀經濟風險；推動英國解體及相關政治和經濟壓力；推動歐盟進一步瓦解及相關政治壓力（包括與跨境資金變動相關氣氛有關者）；基於根據或考慮到《歐洲聯盟條約》第 50 條及在《歐洲聯盟運作條約》第 218 條下進行的談判應採取之預期步驟，在實現遵守適用的金融及商業法律和規例方面存在的法律不確定性；以及未能及時提供有關預期法律、稅務及其他制度的資料。

英國與歐盟關係及其不再是歐盟成員國的不確定性，可能對基金及其投資（尤其是與位於英國、在英國經營業務或在英國或與之有服務或其他重大關係的公司或資產有關的投資）構成不利影響。

概不保證英國脫歐風險將不會顯著改變基金投資的吸引力，包括因為潛在資本虧損、延誤、法律和監管風險及一般不確定性所致。英國脫歐風險亦包括損害在歐盟進行業務及註於英國的金融服務企業之可能性；與本公司、基金經理、投資經理及本公司其他顧問和服務提供者之營運有關的監管制度受干擾。因此，基金經理、投資經理、分銷商或服務提供者可能需要重組其與本公司的安排。

## 暫停買賣

證券交易所一般有權暫停或限制任何於該交易所買賣的工具之買賣。政府或監管機構亦可實施可能影響金融市場的政策。暫停買賣可令投資經理或相關基金經理無法清盤，因而令基金蒙受虧損，並可能對基金造成負面影響。

## 稅務

基金註冊、推廣或投資的任何司法管轄區的稅務法規或其詮釋的任何變動，均可能影響基金的稅務狀況，並進而影響基金於受影響司法管轄區的投資的價值，以及基金達成其投資目標及／或更改股東除稅後回報的能力。

基金可能須就其投資所得的收入及／或收益繳納預扣稅或其他稅項。若干投資本身可能須與其所持的相關投資繳納相若稅項。在發達或新興市場的任何投資均可能須繳納新稅項，或適用於任何所得收入或資本收益的稅率或會因適用法律、規則或規例（或其詮釋）的任何日後或追溯性變更而增加或減少。基金可能或可能未能受惠於愛爾蘭與具備稅務居民地位的投資所在國家之間的於雙重稅務協議下的稅項寬免。

若干國家的稅制可能界定較不清晰，或須受未能預計的變更影響，並可能容許追溯稅項，故基金可能須承擔當初並未合理預期的當地稅務責任。該不明朗因素可能使任何相關基金需要在計算每份資產淨值時就外國稅項作出大額撥備，同時亦可能導致基金產生真誠地相信需要向財政機關支付但最終發現毋須支付的成本。

因此，如因相關稅項責任或仍未發展以實際及準時方式繳付稅款之完善機制等基本上的不明朗因素，基金亦可能要繳交與過往年度相關的稅項，而任何相關費用將可能從基金中扣除。該等後來須要繳交的稅項通常在決定於基金的賬目中累計負債時從基金中扣除。

由於上文所述的情況，基金於任何時候就所持投資引致的潛在稅項或可得的回報作出的任何撥備，可能證實為過多或不足以應付任何最終稅務負債。因此，基金投資者在認購或贖回其基金股份時，可能會受到有利或不利影響。

謹請股東及有意投資者注意與投資於本公司相關的稅務風險。請參閱基金章程標題為「稅務」一節。

## 《海外賬戶稅收合規法案》（Foreign Account Tax Compliance Act）

適用於若干付款的《2010年獎勵聘僱恢復就業法案》中的《海外賬戶稅收合規法案》（「**FATCA**」），其主要原意是要求向美國國稅局（「國稅局」）申報特定美國人於非美國賬戶及非美國實體的直接及間接擁有權，如未能提供所需資料，會對直接美國投資（亦可能對間接美國投資）徵收30%的美國預扣稅。為了避免繳納美國預扣稅，美國投資者及非美國投資者均可能須要提供有關彼等本身及其投資者的資料。就此而言，愛爾蘭及美國政府已於2012年12月21日就**FATCA**的實施（進一步詳情可參閱基金章程「稅務」一節下標題為「其他」一節）簽署跨政府協議（「**愛爾蘭跨政府協議**」）。

根據愛爾蘭跨政府協議（以及相關愛爾蘭法規及同樣實施**FATCA**的法律），海外財務機構（例如本公司）一般毋須應用30%的預扣稅。然而，倘本公司因**FATCA**須就其投資繳納美國預扣稅，或未能遵守**FATCA**的任何規定，代表本公司行事的行政管理人可就股東於本公司的投資採取任何行動，以糾正該不合規及/或確保該預扣由相關股東（其未能提供所需資料或未能成為參與海外財務機構或因其他作為或不作為導致預扣或不合規）經濟上承擔，有關行動包括強制贖回該股東於本公司持有的部份或全部股份。基金經理在採取任何有關行動或尋求任何有關補救時，應根據適用法律及法規，以真誠及按合理理據行事。

股東及有意投資者應就與投資本公司相關的美國聯邦、州份、當地及非美國稅項申報、**FATCA**對彼等及本公司的可能影響及認證規定，諮詢其本身的稅務顧問。

### 共同匯報標準

經組織制定共同匯報標準（「**CRS**」）以解決全球離岸逃稅問題。**CRS**為盡職審查、申報及交換財務賬戶資料提供共同標準。根據**CRS**，參與稅務管轄區將向申報財務機構獲取，並每年與交換夥伴自動交換有關財務機構根據共同盡職審查及申報程序識別的所有須申報賬戶之財務資料。首批資料交換已於2017年9月開始。愛爾蘭已立法實施**CRS**。因此，本公司將須遵守愛爾蘭採納的**CRS**盡職審查及申報規定。股東可能須向本公司提供額外資料，以確保本公司能夠履行其於**CRS**下之責任。如未能提供所需資料，投資者可能須對任何由此產生的處罰或其他收費負責及/或強制贖回其在相關基金中的股份。

股東及有意投資者應就與投資本公司相關的認證規定，諮詢其本身的稅務顧問。

### 估值風險

基金的投資之估值可能涉及不確定性及判斷性的決定。如該估值並不正確，則可能影響基金的資產淨值計算。

### 投資於集體投資計劃

基金可投資於其他集體投資計劃，因此將承受與相關集體投資計劃有關的風險。基金無法控制相關集體投資計劃的投資，故概不保證將成功達到相關集體投資計劃的投資目標及策略，這可能對基金的資產淨值構成負面影響。

投資該等集體投資計劃時可能會涉及額外的費用。概不保證相關集體投資計劃將時刻具備足夠的流動性以滿足基金的贖回要求。

### 保管人風險

屬於金融工具/證券的本公司資產由保管人託管。本公司的有關資產將在保管人的帳簿中時刻被辨認為屬於本公司，並將與保管人的其他資產分開。保管人將就所託管持有的資產的任何損失負責，除非其可證明有關虧損乃因其合理控制範圍以外的外來事件所致（即使已盡一切合理努力，該外來事件的所致後果仍屬不可避免），則保管人將毋須承擔責任。保管人的責任將不受其將全部或部份託管事務委託予第三方/副託管人的事實的影響，而保管人仍將對有關資產的損失承擔責任，即使損失發生在第三方/副託管人層面。倘若出現損失（及並無證據證明由外部事件造成損失），保管人必須將相同的資產或相應的金額歸還予本公司，不得延誤。

就非託管資產而言（例如現金），保管人無須分隔該等資產，只需核實本公司對該等非託管資產的所有權並就該等資產備存紀錄。保管人將僅在因其疏忽或蓄意未能正確核實本公司對有關非託管資產的所有權而蒙受損失時方就該等資產的虧損承擔責任。本公司的現金存放於第三方銀行作為存款。倘若第三方無力償債，根據標準銀行業慣例，本公司將被列為無抵押債權人。在此情況下，保管人可能不就歸還有關現金承擔責任。

倘若保管人無力償債，股東將承受保管人無法完全履行其在短時期內歸還本公司所有資產的責任的風險。現金並無進行有關分隔，意味著無力償債時無法歸還的風險增加。股東可能在若干情況下承受第三方/副託管人無力償債的風險及可能蒙受損失。

## 歐盟以外的推銷

本公司設立於愛爾蘭，而股東應注意其當地監管機構提供的所有監管保障均可能不適用。此外，基金將於非歐盟司法管轄區註冊。鑑於該等註冊，股東應注意，基金可能受限於附錄I—投資限制詳述的進一步限制性監管制度。在該等情況下，基金將遵守有關更嚴格的規定，而這可能有礙基金充分運用投資限額。

## 基金特定風險

### 對沖類別

對沖股份類別旨在減輕相關對沖股份類別的貨幣兌基金的基本貨幣的匯率波動的影響。基金經理旨在利用金融工具（如該等載於標題為「投資政策：整體政策—有效管理投資組合」一節中的工具）將此項風險減低，條件為該等工具不得導致被對沖的倉盤超過基金相關股份類別應佔的資產淨值的105%或跌至低於基金相關類別應佔的資產淨值的95%。

貨幣對沖亦存在潛在不足之處。對沖技巧將產生由對沖股份類別承擔的交易成本。此外，基金經理將可達致完美的貨幣對沖的可能性不大，故概不保證貨幣對沖將完全有效。投資者亦應注意，如指定貨幣兌基本貨幣及/或基金資產的計值貨幣的匯率下滑，此項策略可能會嚴重限制相關類別的股東受惠。

### 基金負債

基金的相關對沖股份類別的股東或會受每股資產淨值（反映相關金融工具的收益/虧損及成本）的波動影響。然而，用以實施該等策略的金融工具應為基金的整體資產/負債。

### 人民幣對沖股份類別

人民幣匯率為一個受管理的浮動匯率，匯率基於市場供求及參考一籃子貨幣而釐定。人民幣目前在兩個市場買賣：中國內地的在岸人民幣(CNY)及主要在香港的離岸人民幣(CNH)。在岸人民幣(CNY)不可自由兌換，並受到中國政府的匯率管制及若干規定所規限。另一方面，離岸人民幣(CNH)可自由交易。人民幣對沖股份類別使用的匯率為離岸人民幣(CNH)。離岸人民幣(CNH)的價值可能因多項因素而與在岸人民幣(CNY)的價值有重大差異，該等因素包括但不限於外匯管制政策及匯回資金限制。因此，人民幣對沖股份類別可能須承受較大的外匯風險。概不保證人民幣不會貶值或重新估值，亦不保證不會出現外幣短缺的情況。

### 投資於農業及軟商品

火災、旱災、非季節性雨水、疾病、水災、蟲害等自然事件以及人為錯誤及供水中斷，均可能對農業及軟商品市場產生不利影響。農業及軟商品市場亦可能隨著價格因如市場供求關係的變化急劇上漲或下跌而大幅波動。

### 與投資於中國相關的風險

若干基金可能會作出在經濟上與來自中國的發行人有關連的投資。投資於中國證券市場帶有新興市場風險及國家特定風險。政治變動、貨幣兌換限制、外匯監管、稅務、外資投資限制及匯回資本限制亦可影響投資表現。

投資於中國證券可能涉及若干託管風險。例如在中國擁有交易所買賣證券的證據就只記載於在相關交易所相關的託管人及/或登記處的電子賬面記錄中。該等託管人及登記處的安排可能並未完全就其效率、準確性及安全性進行測試。

中國的投資仍然對中國的經濟、社會及政治政策上的任何重大改變非常敏感。該等投資的資本增長以至表現亦可能會因上述敏感性而受到不利影響。中國政府對未來的匯率及貨幣兌換走勢的控制或會對該基金所投資的公司的業務及財務業績有不利影響。此外，中國的會計準則可能與國際會計準則有所不同。人民幣現時並非可自由兌換的貨幣，受到外匯管制政策及限制所規限。以基金基本貨幣計量的基金資產價值可能受到貨幣匯率波動及外匯管制規例的不利影響。概不保證人民幣不會貶值或重新估值，亦不保證不會出現外幣供應短缺。並非以人民幣為基礎的投資者須承受外匯風險，概不保證人民幣兌投資者的基本貨幣不會貶值。人民幣的任何貶值均可能對投資者於基金的投資價值構成不利影響。儘管離岸人民幣(CNH)及在岸人民幣(CNY)為相同貨幣，但按不同匯率交易。CNH與CNY之間的任何差異均可能對投資者構成不利影響。在特殊情況下，以人民幣支付的贖回付款及/或股息付款或會因外匯管制及適用於人民幣的限制而受到延誤。

根據中國現行稅務政策，擁有海外投資的中國公司可獲若干稅務優惠。然而，中國的稅務法律、法規及慣例可予更改，而該等更改可能具有追溯效力。並不保證現時提供予海外公司的稅務優惠日後不會被廢除。此外，透過投資於中國證券（包括中國A股、中國B股及中國境內債券）（包括透過投資於其他集體投資計劃或參與票據間接投資），基金可能會被徵收中國的預扣稅及其他稅項，此等稅項並不能被任何適用的雙重徵稅條約及/或任何適用的稅項豁免消除。就基金透過滬港股票市場交易互聯互通機制或深港股票市場交易互聯互通機制（統稱「互聯互通機制」）、QFI制度、中國銀行間債券市場措施及/或債券通或任何其他旨在使基金進入中國金融市場及/或投資於中國發行人的舉措所變現的資本收益及/或利息/股息而

言，現行中國稅務法律、規例及慣例涉及風險與不明朗因素。中國稅務機構可能並無就合資格境外機構投資者有關中國銀行間債券市場買賣可能應付的若干稅款提供具體書面指引。因此，基金就任何中國證券投資的稅務責任可能存在不確定性。基金的稅務責任如有任何增加，均可能對基金的資產淨值構成不利影響。該不明朗因素可能使基金需要在計算每股資產淨值時就外國稅項作出稅項撥備，同時亦可能導致基金產生真誠地相信需要向財政機關支付但最終發現毋須支付的成本。由於中國證券投資之稅務待遇的潛在不明朗因素、稅務法規有可能改變，以及可能以追溯方式徵收稅項或稅務負擔，相關基金於任何時候作出的任何稅項撥備可能證實為過多或不足以應付任何最終稅務負擔。因此，視乎中國稅務當局日後的立場及投資者在認購或贖回相關基金的股份時的稅項撥備（如有）水平屬過多或不足而定，投資者可能受到有利或不利影響。倘若已作出稅項撥備，則將從基金資產中扣除的撥備與實際稅務負擔之間的任何差額將對該基金的資產淨值產生不利影響。實際稅務負擔可能低於已作出的稅項撥備。視乎彼等認購及／或贖回的時機，投資者可能因稅務撥備的任何差額受到不利影響及將無權就任何部份的過度撥備（視情況而定）進行申索。

現時，外國投資者一般僅可 (1) 透過QFI制度；(2) 透過互聯互通機制；(3) 根據適用的中國法規以策略投資者身份；及／或 (4) 透過境外投資機制(定義見下文)，投資於中國A股、中國境內債券及中國境內證券市場。外國投資者可直接投資於中國B股。相關監管機構日後可能批准以其他方法直接投資於中國A股及／或中國境內債券。倘若與基金的投資目標及策略一致並符合基金的投資目標及策略，預計基金可透過上述的適用方式直接獲得中國A股及／或中國境內債券，惟須在必須時取得適當的許可及／或註冊。亦可能透過投資於其他合資格的集體投資計劃或參與票據而間接投資於中國A股、中國B股及／或中國境內債券。

### 互聯互通機制及相關風險

互聯互通機制是香港聯合交易所（「聯交所」）、香港交易及結算所有限公司（「香港交易所」）、上海證券交易所（「上交所」）／深圳證券交易所（「深交所」）（視情況而定）及中國證券登記結算有限責任公司（「中國結算」）建立的證券交易及結算互聯互通機制，旨在實現中國內地及香港兩地互相直接進入對方股票市場的目標。

根據滬股通，投資者或可在遵循滬港股票市場交易互聯互通機制規則的情況下，透過其香港經紀，經由聯交所設立的證券交易服務公司買賣在上交所上市的中國A股（「滬股通股票」）。截至本基金章程日期，滬股通股票包括在上交所上市的 (a) 上證180指數的成份股；(b) 上證380指數的成份股；(c) 不屬上證180指數或上證380指數的成份股但在上交所上市並有相應的中國H股獲接納在聯交所上市及買賣的中國A股；惟前提是：(i) 該等證券並非以人民幣以外貨幣於上交所買賣 (ii) 該等證券並無被實施風險警示。

同樣地，根據深股通，香港及海外投資者或可在遵循深港股票市場交易互聯互通機制規則的情況下，透過其香港經紀，經由聯交所設立的證券交易服務公司買賣在深交所上市的中國A股（「深股通股票」）。截至本基金章程日期，深股通股票包括 (a) 市值不少於人民幣60億元的深證成份指數和深證中小創新指數的所有成份股；及(b)在深交所上市並有相應的中國H股獲接納在聯交所上市及買賣的中國A股；惟前提是：(i) 該等證券並非以人民幣以外貨幣於深交所買賣 (ii) 該等證券並無被實施風險警示或正接受除牌安排。深港股票市場交易互聯互通機制開通初期，合資格通過深股通買賣在深交所創業板上市的股票的投資者，僅限於相關香港規則及規例定義的機構專業投資者（包括各相關基金）。

聯交所可將證券納入或不納入為滬股通股票／深股通股票，並可改變股份在滬股通／深股通（視情況而定）上買賣的資格。當一些原本為互聯互通機制合資格股票被調出互聯互通機制範圍時，該股票只能被賣出而不能被買入。這可能會在（舉例而言）基金有意購入被調出合資格股票範圍的股票時影響基金的投資組合或策略。

為確保市場公平有序及風險得到審慎管理，預期聯交所及上交所／深交所將保留於必要時可暫停北向及／或南向交易的權利。啟用暫停交易機制前將需取得相關監管機構的同意。如果北向交易實施暫停，則若干基金透過互聯互通機制進入中國A股市場的能力將受到不利影響。

中國股票市場及互聯互通機制運作的日子之間的交易日差異亦可能導致基金須承受價格波動的風險，並可能對基金的資產淨值產生負面影響。投資者亦應注意互聯互通機制的相關規則及規例可能變更，且有關變更可能具有潛在追溯效力；亦可能於日後頒佈有關互聯互通機制的額外規則及規例。互聯互通機制設有額度限制。如果透過該機制進行的交易暫停，基金透過該機制投資中國A股或進入中國市場的能力將受到不利影響。在該情況下，基金實現其投資目標的能力可能受到負面影響。

基金的滬股通股票及深股通股票由保管人持有，並存放於香港中央結算有限公司（「香港結算」）在中央結算及交收系統（「中央結算系統」）開立，作為香港中央證券存管處的賬戶內。香港結算繼而以代名持有人的身份，經其於中國結算以其名稱註冊，為各互聯互通機制設立的綜合證券賬戶持有滬股通股票及深股通股票。儘管相關中國證監會規例及中國結算規則就「代名持有人」的概念大致訂定條文，而香港及海外投資者（例如本公司及基金）將被認為擁有滬股通股票及深股通股票的實益擁有權，惟根據中國法律，基金透過作為代名人之香港結算成為滬股通股票及深股通股票的實益擁有人之確切性質及權利定義並不清晰。根據中國法律，「法定擁有權」與「實益擁有權」之間缺乏清楚定義及區別，且於中國法院牽涉到代名人賬戶架構的案例甚少。因此，基金在中國法律下之權利及權益之實際性質及執行方法仍不明確。此外，投資者（例如相關基金）在互聯互通機制的架構下作為滬股通股票及深股通股票的實益擁有人如何於中國法院行使及執行其權利仍有待測試。由於此不確定性，就香港結算在香港進行清盤程序這一大可能發生的情況而言，滬股通股票及深股通股票會否被視為基金實益擁有而持有，或被視為香港結算可作一般分派給債權人的一般資產之一部份仍未能夠確定。

與深交所主板（「主板」）的上市公司相比，投資於深交所中小企業板（「中小企業板」）及／或創業板上市的股票的基金可能承受較高的股價及流動性波動，以及較高的風險和周轉率。在中小企業板及／或創業板上市的股票可能估值過高及未必得以持續。股價可能會因較少流通股份而較容易受到操控。與主板及中小企業板相比，有關創業板上市公司的規則及規例在盈利能力及股本方面較為寬鬆。中小企業板及／或創業板上市公司出現除牌的情況，可能較為普遍及快速。如果基金投資的公司被除牌，可能對基金產生不利影響。投資於中小企業板及／或創業板可能導致基金及其投資者蒙受重大損失。

透過互聯互通機制作出的投資亦須承受額外風險，例如註冊／違約風險、監管風險及與其他中國特定投資要求／規則／規例（例如短線交易利潤規則及外資持股限制）有關的風險、貨幣風險、企業行動及股東大會的參與限制可能更大、與市場參與者系統有關的操作風險、與前端監控要求有關的風險。因此，基金進入中國A股市場（從而執行其投資策略）的能力可能受到不利影響及／或基金的資產淨值可能受到負面影響。亦應注意基金透過互聯互通機制下的北向交易作出的投資將不會受惠於任何當地投資者賠償計劃。

與互聯互通機制的操作有關的規則及規例不一，包括交易安排、結算、交收及存管處安排、投資者及參與者資格等。進一步資料可透過以下網站獲得：[https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc\\_lang=zh-HK](https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=zh-HK)

#### 境外投資機制（定義見下文及相關風險）

基金可透過中國銀行間債券市場措施、債券通投資於中國銀行間債券市場，並須遵守中國內地機關頒佈的任何其他規則及規例及行政程序（「境外投資機制」）。

根據中國現行規例，擬直接投資中國銀行間債券市場的境外機構投資者可通過境內結算代理人（如中國銀行間債券市場措施所述）或境外託管代理人（如債券通所述）進行，而該代理人將向有關當局進行相關報備及開戶手續，並不涉及額度限制。因此，相關基金須承受該代理人本身違約或出現錯誤的風險。

境外投資機制規則及規例或會有變，且可能具潛在追溯效力。倘若有關中國內地當局暫停在中國銀行間債券市場上的賬戶開立或買賣，則基金投資於中國銀行間債券市場的能力將會受到不利影響。在此情況下，基金達成其投資目標的能力將會受到負面影響。

中國銀行間債券市場內若干債務證券的成交量低所引致的市場波動性及潛在缺乏流動性，或會導致該等證券的價格大幅波動。投資於該等證券的基金因此須承受流動性及波動性風險。該等證券價格的買賣差價可能很大，因此基金於出售該等證券時或會產生重大交易及變現成本，甚至可能會蒙受損失。

倘若基金在中國銀行間債券市場內進行交易，基金亦可能會承受與結算程序及對手方違約相關的風險。與基金訂立交易的對手方於透過交付相關證券或作出有值付款以結算交易時，或會違反其責任。

投資於中國債券市場亦可能須承受信貸評級風險。中國境內信貸評級機制尚未與國際標準統一化。除了政府實體、大型銀行及由國際信貸標準評級的企業發行的若干債券外，大部份債券信貸評估仍然建基於國內信貸評級機構給予的評級。這可能使基金難以正確評估其債券投資的信貸質量及信貸風險。基金投資的中國境內債券可能被評為低於投資等級，或未被任何具國際水平的信貸評級機構評級。有關證券一般承受較高的信貸風險及較低的流動性風險，這可能導致更顯著的價值波動。該等證券的價值亦可能更難以確定，故投資有關證券的基金的資產淨值或更為波動。因此，投資者應注意，相比投資於較成熟市場的債券產品，對有關基金的投資須承受更高的波動性、價格波動及風險。

透過中國銀行間債券市場措施及／或債券通投資於中國境內債券亦須承受監管風險。該等制度的相關規則及規例或會有變，且可能具潛在追溯效力。倘若有關中國內地當局暫停在中國銀行間債券市場上的賬戶開立或買賣，或自投資債券範圍調出任何類型的債券產品，則基金投資於中國境內債券的能力將會受到不利影響。在此情況下，基金達成其投資目標的能力將會受到負面影響，及在用盡其他交易方式後，該基金可能因此蒙受重大損失。

中國銀行間債券市場措施要求基金透過有關舉措進行投資，以委任境內託管人／代理銀行。倘若該託管人／代理銀行拒絕按照基金的指示行事，或在罕有的情況下，如託管人／代理人破產，交易文件及相關資產的執行可能須承受延遲及不確定因素的影響。根據中國法律，如清盤或破產，儘管由中國託管銀行保管的有利於基金的資產乃受到託管人專有資產的限制，託管人資產的檢索仍可能受到各種耗時的法律程序所約束。

透過債券通進行的交易於新開發的交易平台及操作系統進行。概不保證該等系統將正常運作或將繼續適應市場的變化和發展。如果有關系統未能正常運作，透過債券通進行的交易可能受到干擾。基金透過債券通進行交易（從而執行其投資策略）的能力可能因此受到不利影響。此外，如基金透過債券通投資於中國銀行間債券市場，其可能須承受配售及／或結算系統固有的延遲風險。



根據債券通，交易指令僅可由中國監管機構批准作為交易對手方的境內做市商執行。根據適用規則，透過債券通購買的債務證券一般不得透過債券通以外的渠道出售、購買或以其他方式轉讓。倘若交易對手方違約，可能使基金面臨結算風險，而基金與不同交易對手方執行交易的能力亦會受到限制。

透過債券通購買的債務證券將以債務工具中央結算系統之名義持有。基金對該等債務證券的擁有權可能不會直接反映在中央結算公司／上海清算所的紀錄條目，反而將反映於債務工具中央結算系統的紀錄中。因此，基金可能視乎債務工具中央結算系統作為根據債券通購買的債務證券的記錄持有人的能力或意願，以代表基金並為基金的利益強制執行所有權。倘若基金欲對債券發行人直接執行其所有權或債權人權利，中國缺乏司法先例以釐定有關行為是否將得到中國法院的認可及執行。

## **QFI制度及相關風險**

QFI 制度允許合格境外投資者直接投資於中國內地的若干證券，乃受中國內地相關機構（包括中國證監會、國家外匯管理局（「外管局」）及中國人民銀行（「中國人民銀行」）及／或其他相關機構）頒佈的規則及規例所監管。透過 QFI 制度進行的投資須通過 QFI 牌照持有人進行。

倘若基金透過QFI制度進行投資，投資者應注意基金能否進行相關投資或充分實施或奉行其投資目標及策略，受限於中國的適用法律、規則及規例（包括當時的現行外匯管制及中國的其他現行規定，如投資限制及匯出及匯入本金與利潤的規則），該等法律、規則及規例可能有所變更，而有關變更可能具有追溯效力。相關規則的任何變更可能對股東在基金的投資有重大不利影響。

此外，無法保證QFI規例不會被廢除。透過QFI制度投資於中國市場的基金可能因該等更改而受到不利影響。

倘若基金透過QFI制度投資於中國A股或其他證券，該等證券將會由QFI委任的當地託管人（「QFI託管人」）按照QFI規例持有。根據現時的QFI規例，QFI可委任多名當地託管人。QFI託管人可能按照中國法律以QFI牌照持有人的名義為相關基金開立一個或以上證券賬戶，而基金可能須承受託管風險。倘若QFI託管人違約，基金可能因此蒙受重大損失。存放於相關基金於QFI託管人處開立的現金賬戶的現金，將不會分開存放但將成為QFI託管人欠負相關基金（作為存款人）的債務。有關現金將與屬於QFI託管人的其他客戶之現金混合。倘QFI託管人破產或清盤，相關基金對存放於該現金賬戶的現金將無任何所有權，而相關基金將成為QFI託管人的無抵押債權人，與QFI託管人所有其他無抵押債權人具同等地位。相關基金在追回有關債務時可能會遭遇困難及／或有所延誤，或未必能夠追回全部債務或甚至完全無法追回，在該情況下，相關基金將蒙受損失。

透過QFI制度投資的基金亦可能因QFI託管人或中國經紀於執行或結算任何交易或進行資金轉賬或證券過戶的違約事宜、行動或遺漏招致損失。在此情況下，透過QFI制度投資的基金可能於執行或結算任何交易或進行資金轉賬或證券過戶時受到不利影響。

QFI進行的匯出現時並不受任何鎖定期、事先批准或其他匯出限制所限，儘管匯出程序可能受相關規例所載的若干規定（例如：審視真確性、就匯出提交若干文件等）所約束。匯出程序的完成時間可能延誤。概不保證QFI規例將不會變更或日後不會實施匯出限制。對匯出的任何限制，可能影響相關基金應付贖回要求的能力。於極端情況下，相關基金可能因投資能力有限而招致重大損失，或因QFI投資限制、中國證券市場的流動性不足以及交易執行或交易交收時有所延誤或阻礙而未必能夠全面實施或實現其投資目標或策略。

此外，由於適用法律、規例、政策、慣例或其他情況的變化、QFI牌照證持有人的作為或不作為或任何其他原因，QFI牌照持有人的QFI牌照可能隨時被撤銷或終止或以其他方式失效。如QFI的批准被撤銷／終止或以其他方式被廢止無效而基金被禁止買賣相關證券，或如任何關鍵的營運者或相關方（包括QFI託管人／經紀）破產／違責及／或喪失履行責任（包括執行或結算任何交易或進行資金轉賬或證券過戶）的資格，基金可能蒙受損失。

QFI規例訂明規則和限制，包括有關匯入本金、投資限制及匯出資金等規則，有關規則將整體適用於QFI牌照持有人及不僅適用於為基金作出的投資。由於基金以外的其他方亦可透過QFI牌照持有人進行投資，投資者應注意，因有關其他方的活動而引致違反QFI規例中有關投資的部份，可導致QFI牌照持有人整體遭撤銷或面對其他規管。因此，基金進行投資的能力可能受到透過相同QFI牌照持有人投資的其他基金或客戶的不利影響。

## **投資於封閉式基金**

與其他證券相比，在次級市場買賣封閉式基金（包括房地產投資信託基金（REIT））的能力可能更為有限。封閉式基金（包括REIT）在主要證券交易所的流通性平均低於在標準普爾500指數或富時100指數所上市的證券的流通性。

## **投資於商品／天然資源**

商品（包括但不限於黃金及天然資源）及所涉及的公司的價值，可能受到世界事件、貿易管制、全球競爭、政治及經濟狀況、國際能源保護、勘探項目的成功、稅收及其他政府法規的（負面及正面）重大影響。

## 環境、社會及管治（「ESG」）融合及推動 ESG 特性的方法

所有基金將 ESG 融合至其投資程序：除 ESG 融合外，部分基金在其投資政策內推動 ESG 因素或特性。此等基金載列於下文及有關補充文件內該等基金的相應詳情。

### ESG 融合

投資經理將 ESG 資料融合至不同資產類別的投資程序。透過「由下而上」的基本分析，投資經理致力全面了解影響投資可持續性的因素。投資經理考慮 ESG 資料及長遠可能影響投資風險與回報的其他重要可變數。具體而言，投資經理考慮與特定行業及行業趨勢和特性有關的 ESG 準則，以識別投資的風險。一旦作出投資，投資經理繼續監察每項投資，以確保其理論（包括有關 ESG 事宜）維持不變，而投資的風險與回報狀況仍然較市場提供的其他機會吸引。投資經理可能考慮的可持續風險為環境、社會或管治事件或狀況，若出現有關事件或狀況可為投資價值帶來實際或潛在重大負面影響，例如實體環境風險、過渡風險（如被投資公司的資產因環境法例收緊而失去其財務價值）或法律責任風險（如在被投資公司的司法管轄區內因違反人權／僱員權利所致的法律責任風險）。

### ESG 融合之外—推動 ESG 特性

所有基金將 ESG 融合至其投資程序，但以下基金亦將透過投資或致力為業務做法帶來正面影響以改善 ESG 特性，從而推動 ESG：

- 霸菱歐洲機會基金
- Barings Global Dividend Champions Fund
- Barings Europe Select Fund

基金分析及運用 ESG 資料的方式可能不同。運用 ESG 資料可能影響基金的投資表現，因此，其表現可能有別於類似集體投資計劃的表現。除投資經理的內部 ESG 風險評估外，投資經理亦可利用提供 ESG 資料的第三方來源。投資經理在評估投資時會依賴有關資料及數據，而有關資料及數據可能不完整、不準確或不可取得。基金、投資經理、保管人及基金經理概不就該等 ESG 資料或其實行方式的公平性、正確性、準確性、合理性或完整性作出任何明示或暗示的陳述或保證。投資者及社會氣氛對 ESG 概念和主題的看法日後可能改變，因而可能影響 ESG 為本投資的需求及其表現。

### 投資於小型／中型公司

一般而言，小型及中型公司的股票可能有較低流動性，且其價格相對較大型公司的股價於面對不利經濟發展時會更為波動。風險包括經濟風險，例如有關產品深度欠奉、地域分散有限及對業務週期的敏感度較高。該等風險亦包括組織風險，例如集中管理及依賴股東及主要人員等。如較小型公司在證券交易所的「次級」部份上市，該等公司可能會面臨一個規管較低的環境。此外，較小型公司的股份可能較為難以買賣，以致執行投資決定時的靈活性較低，並有時可能須承擔較高成本。

### 投資於特定國家、地區或界別

基金的投資集中於特定行業界別、工具、國家或地區。相對於投資組合更為多元化的基金，基金的價值可能較為波動。

基金的價值可能較易受到影響某一國家或地區市場之不利經濟、政治、政策、外匯、流動性、稅務、法律或監管事件所影響。

### 獨立負債責任風險

本公司為傘子基金，各基金之間承擔獨立負債責任。故此，在愛爾蘭法律上，任何與某特定基金有關的責任，只可以該基金的資產解除，而其他基金的資產不得用作解除該責任。此外，由本公司訂立的任何合約，藉法律的實施，將包括一項隱含條款，表明合約的對手方除訂立合約所涉及的基金外，對任何基金的資產並無任何追索權。於無力償債情況下，此等條文對債權人及清盤人均具有約束力。然而，倘任何法律的規則基於欺詐或失實陳述理由而需要運用任何基金的資產，該法律規則的運用將不受限制。此外，此等條文並未於其他司法管轄區試行，故仍存在債權人或會在不承認獨立負債責任原則的司法管轄區尋求扣押或沒收一項基金的資產，以履行對另一基金的責任之可能性。

### 大額投資於中東及北非（「中東北非」）地區

部份基金將大額投資於中東北非地區。投資於中東北非地區的證券市場，須承受投資於新興市場一般會面對的風險，以及中東北非市場特有的風險。基金的投資者應注意，投資於中東北非市場可能受此中東北非地區內政治及經濟情況所影響。高風險可能對投資價值產生不利的影響。

中東北非國家的政府及政府機構公佈的官方數據，在質素、時間及可靠性方面未必時刻都能與已發展國家看齊。

在中東北非地區，上市股份在可銷性方面受到已發展市場準則之限制，這是基於交易所的有限制開放時間、散戶投資者相對於機構投資者的高比例，以及相對高比例的股份擁有權集中於少數投資者及政府或半政府機構投資基金所致。成交量一般低於已發展的股票市場，而且股票的流動性一般亦較低。在中東北非國家，為第一和第二市場提供結算、交收、登記及保管服務的基礎設施在某些情況下會不如若干其他市場般發展完善，因此在若干情況下，基金在此等市場投資時，可能在結算及/或登記交易上遇到延滯，倘若在中東北非國家的外國和本土投資持續增長，令有關投資基礎設施承受過大壓力，延滯情況尤其嚴重。

## 稅務申報

投資者亦應注意，鑑於基金能夠投資於多種不同的工具，基金在不同會計期間產生的收入水平及性質可能會有重大差異。因此，視乎投資者的稅務狀況以及可能須要繳稅的地方而定，這亦可能對其任何收入一部份的申報及徵稅方式構成影響。有關投資者潛在稅務待遇的進一步資料，載於基金章程中標題為「稅務」一節。

## 倫敦銀行同業拆息（LIBOR）改革

於2017年7月27日，金融市場行為監管局公佈將於2021年前逐步淘汰LIBOR。在此之前，基金可繼續基於有利的流動性或定價而投資於參考LIBOR的工具。在2021年之前，預期業界將制定一個過渡機制，容許現有參考LIBOR的工具和合約參考新利率。然而，LIBOR的終止為基金帶來風險。現時全面識別有關風險並不可能，但其中包括無法覓得合適的過渡機制或過渡機制可能不適合基金的風險。此外，任何取代LIBOR的參考利率及任何由監管機構或對手方單邊實施的定價調整可能不適合基金，從而可能導致平倉及作出替代交易時招致額外成本。

## 股票風險

### 投資於股票

基金於股本證券的投資須承受一般市場風險，其價值可能因多項因素（例如投資情緒、政治及經濟情況變化以及發行人特定因素）而波動。在股票市場極端反覆時，基金的資產淨值可能會有大幅波動。

### 股票相關證券

基金可投資於股票相關證券（例如結構性票據、參與票據或股票掛鉤票據）。該等投資工具一般由經紀、投資銀行或公司發行，並因而須承受發行人的無力償債或違責風險。如該等投資工具並無活躍市場，可能會導致流動性風險。此外，與其他直接投資於類似相關資產的基金相比，投資於股票掛鉤證券可能會因票據附帶的費用而攤薄基金的業績表現。上述情況可能會對基金的每股資產淨值構成不利影響。

### 可轉換債券

可轉換債券是債務與股票之間的混合體，准許持有人於指定的未來日期轉換為發行債券的公司之股份。因此，可轉換債券將面對股本變動及較傳統債券投資承受較大波動性。於可轉換債券的投資承受與可比較傳統債券投資相關的相同利率風險、信貸風險、流動性風險及提前還款風險。基金不會大量投資可轉換為股票的債務證券。

## 固定收益證券風險

### 投資於固定收益證券

投資於債券或固定收益證券須承受流動性、利率及信貸風險（即違責風險）。如發行人違責，債券將會貶值。

固定收益證券通常由信貸評級機構評級。信貸評級反映發行人將未能按照證券條款及時支付應付予投資者的本金及/或利息的可能性，即違責風險。若干信貸評級機構獲美國證券交易委員會指定為全國認定的評級組織（Nationally Recognized Statistical Rating Organizations（NRSRO））。各NRSRO均設有反映其評級的字母或字母數字尺度。其中一個NRSRO為標準普爾，其評級尺度（在本文中以違責風險的遞增順序排列）為AAA、AA+、AA、AA-、A+、A、A-、BBB+、BBB、BBB-、BB+、BB、BB-、B+、B、B-、CCC+、CCC、CCC-、CC、C。評級D亦予使用，以表示某證券已經違責。

根據基金的投資政策，基金可能僅獲准投資於獲若干信貸評級的證券/投資。然而，信貸評級並不能夠時刻準確地或可靠地量度所投資證券/投資的實力。評級機構給予的信貸評級亦受到限制，且證券及/或發行人的信貸能力並非時刻獲得保證。如該等信貸評級被證實為不準確或不可靠，則任何投資於該等證券/投資的基金可能招致虧損。

若干國際債券市場進行交易的成交量，可能明顯低於全球最大市場，例如美國。故此，基金於該等市場的投資可能較不流通，而價格相對於較大成交量市場買賣的證券的可比較投資更為波動。此外，若干市場的結算期可能較其他為長，影響投資組合的流通性。



## 信貸風險－固定收益

基金可投資於信貸狀況較差的固定收益證券，這可能代表與其他並無投資於該等證券的基金相比，該等基金具有較高信貸風險。投資於由公司發行的證券亦可能較投資於由政府所發行的證券具較高信貸風險。

概不保證基金可能投資的固定收益證券的發行人將不會面臨信貸困難，以致該等證券或工具的評級下降，或導致損失部份或全部投資金額，或到期支付予該等證券或工具的款項。

## 利率風險

基金可投資的固定收益工具須承受利率風險。一般而言，當利率下降，債務證券的價格則上升，而當利率上升，其價格則下降。

## 評級下降風險

債務工具或其發行人可能隨後被下調信貸評級。在評級下降的情況下，基金的價值可能會受到不利影響。投資經理未必能夠出售該等被降級的債務工具。

## 投資於次投資級別及／或未獲評級的債務證券的相關風險

基金可投資於獲評為次投資級別及／或未獲評級的債務證券。與較高評級的債務證券相比，該等證券一般因發行人未能履行本金及利息責任而須承受較大的信貸風險或本金及利息損失風險。由於次投資級別證券一般無抵押，且通常在債權人的優先次序較低，故因該等發行人違責而蒙受虧損的風險明顯較高。

次投資級別債務證券及未獲評級的債務證券因特定的企業發展、利率敏感度、對金融市場的普遍負面看法及較低的次級市場流動性等因素而可能須承受較大的價格波動。次投資級別證券的市值往往比投資級別企業債務工具的市值升跌較快往往比較高評級工具的市值更能反映個別企業發展，因為較高評級工具的市值主要反映一般利率水平波動。

因此，倘基金投資於該等工具，其達致投資目標的能力相對於投資於較高評級工具的基金，可能較大程度上取決於投資經理對發行人借貸能力的判斷。投資經理為基金作出投資決策時，將考慮信貸風險及市場風險。

倘任何次投資級別證券出現違約情況，且基金出售或以其他方式處置其對該工具的投資參與，則所得收益可能會低於未付本金及利息。即使該等工具持有直至到期，仍未能確定基金是否可收回其初始投資以及任何預期收入或升值。

次投資級別債務工具及／或未獲評級的債務工具的次級市場可能集中在相對較少的做市商，並以機構投資者為主，包括互惠基金、保險公司及其他財務機構。因此，相比較高評級工具的次級市場，該等工具的次級市場須承受較低的流動性，並且更為波動。此外，高收益工具的市場交易量一般較低，該等工具的次級市場可能會在不利的市場或經濟狀況下收縮，而不受特定發行人狀況的任何特定不利變化所影響。

投資於次投資級別證券的投資者較少，出售該等證券的難度可能較高。高收益債務證券可能並無市場報價，因此與具有較多外在報價資料及最近期銷售資料的證券比較，評估高收益公司債務證券價值時更加需要運用判斷。

## 投資於資產抵押證券及抵押擔保證券

基金可投資於非常缺乏流動性及容易出現大幅價格波動的資產抵押證券及／或抵押擔保證券。與其他債務證券相比，該等工具可能承受較大的信貸、流動性及利率風險。資產抵押證券為其價值及收益付款乃從某一特定的相關匯集資產所產生及作為抵押（或「支持」）的證券。匯集資產普遍為一組小額、缺乏流動性並且無法獨立出售的資產。將資產匯集為金融工具（被稱為證券化的過程）可令其向一般投資者出售，並容許投資於相關資產的風險予以分散，原因是各個證券將會代表分散的相關匯集資產的總值之一部份。相關匯集資產可包括來自信用咭、汽車貸款、以及抵押貸款的一般付款，以至來自出租飛機、權利金及電影票房的隱密現金流。

此等證券的價值及質素，視乎保證該等證券之相關資產的價值及質素而定。

資產抵押及抵押擔保證券的發行人在強制執行相關資產的擔保權益方面之能力有限，而在發生違約事件時，為保證證券而提供的信用提升（如有）可能不足以保障投資者。

利率變動可能對資產抵押證券及抵押擔保證券的投資造成重大影響。例如，如果相關按揭的擁有人在利率下跌時提早償還按揭，則持有按揭抵押證券的回報可能會減少。於資產抵押及抵押擔保證券的投資經常涉及延長還款及提早還款風險，兩者均屬利率風險類別，以及相關資產未能履行付款義務的風險，因而可能對證券回報產生不利影響。一如抵押擔保證券，資產抵押證券的價值一般會在利率上升時下滑。

## 主權債務風險

基金投資於由政府發行或擔保的證券或會承受政治、社會及經濟風險。在不利的情况下，主權發行人未必能夠或願意償還已到期的本金及／或利息，或可能要求基金參與該等債務的重組。倘主權債務發行人違約，基金可能承受重大損失。

政府機構如期償還到期本金和利息的意願或能力可能受（包括其他原因）其現金流動狀況、外匯儲備水平、到期還款日當天是否有足夠的外匯、債務償還的規模相對其整體經濟的負擔、政府機構對國際貨幣基金組織的政策，和政府機構可能受制的政治限制所影響。政府機構亦可能倚賴外國政府、多邊機構和其他外國組織的預計支款以減低其債務的本金和利息欠款。這些承諾可能是以政府機構推行經濟改革及／或達致某水平的經濟表現，和準時履行債務人責任作為條件。政府機構未能推行改革、達到某水平的經濟表現或準時償還本金或利息時，可能導致該等第三者取消向政府機構借款的承諾，繼而削弱債務人準時還債的能力和意願。

## 新興市場風險

### 投資於新興市場（及／或前緣市場）

基金可投資於新興市場，或會涉及投資於較成熟市場不常有的額外風險以及特別考慮因素，例如流動性風險、貨幣風險／管制、政治及經濟不確定因素、法律及稅務風險、結算風險、託管風險，且波幅很可能偏高。若干市場的高市場波動性及潛在的結算困難亦可能導致在該等市場買賣證券的價格出現大幅波動，繼而可能對基金的價值產生不利影響。基金的貨幣兌換及將投資收入、資本及銷售所得款項調撥回國的能力或會受到限制，或需要政府同意。倘政府延遲或拒絕授予批准調撥資金回國或作出任何官方干預而影響交易結算程序，基金可能受到不利影響。證券交易所或其他該等結算基礎設施可能缺乏流動性及穩健的程序，並可能容易受到干擾。

#### 政治、社會及經濟不穩

若干國家的國有化、徵用或沒收稅項風險較一般為高，任何有關風險可能對基金於該等國家的投資構成不利影響。發展中國家的政治變動、政府規管、社會不穩或外交發展（包括戰爭）風險亦可能較一般為高，可能對該等國家的經濟造成不利影響，從而對基金在該等國家的投資構成不利影響。此外，基金可能難以於若干發展中國家要求有效強制執行其權利。

#### 市場流動性及外國投資基礎建設

大部份發展中國家的證券交易所成交量可能遠少於發達國家的主要股票市場，因此購買及銷售所持股份可能較為需時。價格波幅可能較發達國家為大。此情況可能導致基金價值大幅波動。倘須於短時間內出售大量證券以應付贖回要求，可能須以不利價格出售，從而對基金價值並繼而對資產淨值造成不利影響。

於若干發展中國家，各基金等外國投資者進行投資組合投資或須徵求同意或遵守若干限制。此等限制及日後施加的任何其他限制可能阻礙基金把握投資良機。

#### 企業披露、會計及監管標準

發展中國家的公司一般毋須遵守與發達國家公司適用者相若的會計、審計及財務報告準則、慣例及披露規定。此外，與備有較為先進的證券市場之國家相比，大部份發展中國家的政府對證券交易所、經紀公司及上市公司的監管及規例一般亦較為寬鬆。因此，投資者可以取得有關發展中國家證券的公開資料可能較少，而且該等可得資料的可靠性亦可能較低。

#### 官方數據的提供及可靠性

有關發展中國家證券市場可得的統計數據，較可從（例如）英國的證券市場可得者為少；該等可得數據的可靠性亦可能較低。

#### 法律風險

發展中國家有許多法律仍屬嶄新及未經試驗。因此，基金可能須承受多項風險，包括但不限於投資者保障不足、法律互相矛盾、法律不完整、不清晰及持續變更、缺乏具規模的索取法律賠償途徑及缺乏執行現有規例。此外，在基金投資資產的若干國家可能難以取得及實施判決。

#### 稅項

發展中國家的外國投資者就股息、利息及資本增值須繳付的稅項各有不同，部份國家的徵稅相對較高。此外，若干發展中國家屬於稅務法例及程序的界定較不清晰，而且該等法例可能容許追溯徵稅的國家，導致投資於該國家的基金日後可能須承擔並未合理預期的當地稅務責任。該等不明朗因素可能使基金需要在計算其資產淨值時就外國稅項作出大額撥備。該等撥備的作出及潛在影響的進一步詳情載於基金章程「一般風險－稅務」一節。

## 結算及託管風險

由於基金可投資於在買賣、結算及託管系統仍未發展完善的市場，故因欺詐行為、疏忽大意、無心之失或災難（如火災）而損失基金於該等市場買賣的資產的風險可能增加。在次級託管人或過戶登記處無力償債或追溯應用法例等其他情況下，基金不一定可以就所作投資確定擁有權，因而或會蒙受損失。在該等情況下，基金可能無法對第三方強制執行其權利。由於該等基金可能投資於買賣、結算及託管系統仍未發展完善的市場，該基金在該等市場買賣的資產及託管予該等市場的次級託管人的資產，在保管人毋須負責的情況下，要承受一定風險。

風險包括但不限於：

- 非真正的貨銀對付結算，可能增加對手方的信貸風險。貨銀對付是一項規定現金支付必須於交付證券之前或同時作出之結算制度；
- 一個實質的市場（而非電子記賬記錄），及因此出現虛假證券的流通；
- 有關企業行動的資料欠奉；
- 影響證券可得性的登記程序；
- 缺乏適當的法律/金融基礎意見；
- 缺乏設有中央存管的賠償/風險基金。

## **大額投資於俄羅斯**

基金可大額投資於俄羅斯。投資於在俄羅斯成立或主要在俄羅斯經營業務的公司面對特殊風險，包括經濟及政治不穩及可能缺乏具透明度和可靠的法律制度以執行基金債權人及股東的權利。此外，俄羅斯的企業管治及投資者保障水平不一定等同於其他司法管轄區所提供的水平。俄羅斯公司股份的法定擁有權以簿記方式記錄。如欲登記基金的股份權益，有關人士須親臨公司過戶登記處開設賬戶。有關人士將獲發詳列其所持權益的股份登記冊摘錄，惟只有登記冊方為擁有權的認可最終證明文件。過戶登記處毋須受政府有效監管。基金可能因欺詐行為、疏忽大意、無心之失或災難（如火災）失去登記記錄。過戶登記處毋須就上述事宜購買保險，且很大可能並無充足資產補償基金的損失。在次級保管人或過戶登記處無力償債或追溯應用法例等其他情況下，基金不一定可以就所作投資確定擁有權，因而或會蒙受損失。在該等情況下，基金可能無法對第三方強制執行其權利。

## 合成產品

部份俄羅斯及其他股票及債務工具可能在外國投資者擁有權，以及將該等工具的資本及收入以及本金及利息的付款匯返方面受到限制。鑑於此等限制，基金可以與本身在相關國家擁有在岸實體或於該等國家與在岸實體設有安排的對手方簽訂合約，使其免受或無意受外國擁有權及資金匯返的限制。根據該等合約，基金將向相關對手方支付一項或多項本金付款，其回報（連同任何相關收益）視乎（其中包括）股票工具的資本及/或收入付款或銷售所得款項或債務工具的利息及/或本金付款以及任何相關貨幣之間的相關現行匯率而定並與其掛鈎。基金將致力與屬於聲譽良好的財務機構的對手方訂立合約。在該等情況下，對手方的風險在於基金為進行投資而與之簽訂合約的各方（對手方），以及（如相關）對手方為確保於相關國家設有在岸實體而與其作出安排的相關國家的實體。基金未必有權對並無合約關係的俄羅斯實體聲稱任何權利。基金未必能夠促使對手方對與之作出安排的俄羅斯在岸實體聲稱其本身的權利（如有）。如果對手方無力償債，基金只能列為無擔保債權人。如果與基金並無直接合約關係的任何相關國家的任何實體無力償債，基金很可能會失去其全部投資。合成產品結構的效果，特別是基金的對手方從海外對相關國家作出有效投資的能力，受到相關機關的詮釋以及相關法律及法規變更所限。因此，基金未必收回其投資於合成產品的全部或任何部份投資，或可能無法匯回其投資所得收益。

## 銀行體系

俄羅斯及該地區大部份其他國家的銀行體系仍在發展。俄羅斯境內的公司受到銀行因（其中包括）進行資本不足、債務人集中風險、管理欠缺效率及缺乏經驗以及銀行轉賬的低效率及欺詐等原因而面臨無力償債風險的影響。此外，銀行尚未建立基礎設施以將國內儲蓄投放於需要融資的公司，因此可能難以獲得營運資本。

## **金融衍生技巧及工具風險**

### **投資於金融衍生工具**

基金的投資可包含具有不同波動性的證券，並可不時包含金融衍生工具。由於金融衍生工具可以是槓桿性工具，使用該等工具可能導致有關基金面對較大的資產淨值波動。與金融衍生工具相關的風險包括對手方/信貸風險、流動性風險、估值風險、波動性風險及場外交易風險。金融衍生工具的槓桿元素/組成部份可導致損失遠大於基金投資於金融衍生工具的金額。投資於金融衍生工具可導致基金蒙受重大損失的高風險。

基金可為有效管理投資組合目的(包括嘗試對沖或降低其投資的整體風險)而使用金融衍生工具,或(如按任何基金所披露)使用金融衍生工具作為主要投資政策及策略之一部份。基於市況,該等策略或許不成功,並會使基金造成虧損。基金利用該等策略之能力,可能受到市況、監管限制及稅務考慮因素之限制。投資於金融衍生工具須承受正常市場波動及投資於證券的其他固有風險。此外,運用金融衍生工具涉及特殊風險,包括:1.依賴投資經理準確預測相關證券的價格走勢之能力;2.金融衍生工具合約所依據的證券或貨幣的走勢與相關基金的證券或貨幣的走勢之間的低關連性;3.任何特定工具在任何特定時間缺乏流通市場,以致抑制基金以有利的價格將金融衍生工具平倉的能力;4.由於金融衍生工具帶有的槓桿作用,合約的價格出現相對微小變動,便可立即使基金產生重大虧損;及5.由於基金資產的某部份比會被分開用作償付其責任,可能對有效管理投資組合或應付購回要求或其他短期責任的能力造成阻礙。

## 信貸掛鈎證券

信貸掛鈎證券乃一種同時承擔相關參考實體和信貸掛鈎票據發行人的信貸風險的債務工具。票據支付息票(利息),故亦附帶息票付款的風險;倘若在一籃子的信貸掛鈎票據內某參考實體發生信貸事件,該息票將會重組並以較低面值付款。剩餘的本金和息票會承受更多信貸事件,在極端情況下,甚至會虧損所有資本。而且,票據發行人亦有違約的風險。

上文所述的信貸掛鈎票據、結構性票據、股票掛鈎票據、總回報票據及參與票據包括發行人的可轉讓證券,並通常用作代替直接投資於證券或一組證券(例如股票、債務證券、一籃子股票、一籃子債務證券)。實際上,基金將從發行人購買該等工具,其價值與相關證券或一組證券掛鈎。該等工具的發行人一般為投資銀行及公司,並應注意,基金面對有關該等工具發行人的對手方風險。然而,基金亦面對相關證券本身的經濟風險。該等結構性產品涉及特殊類型的風險,包括信貸風險、利率風險、對手方風險及流動性風險,有關詳情載於基金章程「風險考慮因素」一節。

## 遠期外匯交易

遠期合約與期貨合約不同,並非在交易所進行買賣,亦無標準化規定;再者,銀行及交易商擔當此等市場的主事人,按個別情況就每項交易進行議價,故會有較高的對手方風險。若對手方違約,基金或不能取回預期的款項或收回資產,導致損失未變現利益。

## 期貨合約

期貨合約是雙方之間以當日議定價格(期貨價格或行使價)交換具標準數量及質量的特定資產,並於特定未來日期(即交付日期)交付的標準化合約。該等合約普遍會在期貨交易所進行買賣。虧損金額(以及利潤金額)並無上限。

舉例而言,如相關特定資產為商品,期貨合約可能缺乏流動性,理由為若干商品交易所透過規例對若干期貨合約價格在某單一日子內的波動作出限制,即所謂「每日價格波動限額」或「每日限額」。某一特定期貨的合約價格所增加或減少的金額一旦相等於每日限額,則該期貨的倉盤不可進行或平倉,除非交易商願意按照該限額或在該限額內進行交易。

如與對手方進行交易或就交易向對手方存置保證金或抵押品,基金亦可能會承受與對手方有關的信貸風險,以及須承受對手方違責的風險。基金可以投資於若干期貨合約,故或會涉及承擔若干責任及權利和資產。作為保證金存於經紀的資產未必會由經紀存於獨立賬戶。因此,倘若經紀無力償債或破產,有關經紀的債權人可能取得有關資產。

## 對沖技巧

基金可運用各種金融工具,例如期權、利率掉期、期貨及遠期合約等,以尋求對沖基金倉盤因貨幣匯率變動、股票市場、市場利率及其他事件所致的價值下滑。如基金倉盤價值下滑,對沖該等倉盤的價值下滑將不會消除該等倉盤的價值波動或避免虧損,但有關對沖將設立其他倉盤,旨在從相同發展中獲利,以減少基金的價值下滑。然而,如基金倉盤價值上升,對沖交易亦會限制基金獲利機會。如出現任何變更或發生任何事件,基金可能無法以足以保障其資產免受該變更而預期所致的基金倉盤價值下滑影響的價格對沖該等變更或事件。此外,可能無法對沖若干變更或事件,或投資經理可能選擇不進行任何對沖。此外,概不保證基金為對沖而運用金融衍生工具將會完全有效,在不利情況下,如運用金融衍生工具無效,基金可能會蒙受重大損失。

## 槓桿風險

當基金購買證券,基金的風險限於損失其投資。如交易涉及期貨、遠期、掉期或期權,基金的負債可能無限大,直至平倉為止。

## 高槓桿風險

倘基金的淨槓桿比率可能超過基金資產淨值的100%,這將進一步擴大相關資產價值的任何變動對基金造成的任何潛在負面影響,同時亦會增加基金價格的波動性,並可能導致重大損失。

## 場外交易

場外交易在金融工具由雙方直接而非透過認可交易所買賣時進行。如基金透過場外交易購入證券，由於該等證券傾向流動性有限，故概不保證基金將能夠將該等證券的公平價值變現。

### 缺乏規例

一般而言，場外交易的規例及監管較在證券交易所訂立的交易為少。此外，許多提供予若干證券交易所參與者的保障未必可就場外交易而提供。

### 對手方違責

基金亦可能會因其在掉期協議、回購交易、期貨外匯匯率及其他金融衍生工具合約的持倉而承受對手方的信貸風險。場外交易乃根據基金與對手方之間協定的條款及條件執行。倘若對手方面臨信貸問題並因而違反其責任及基金被延誤或妨礙行使其有關其投資組合之投資的權利，基金可能會遭遇其倉盤價值下跌或損失收入及/或因維護其權利而招致成本。對手方風險會按照基金的投資限制而定。不論基金施行何種措施以減輕對手方風險，概不能保證對手方不會違責或基金不會因此而就該等交易蒙受虧損。

## 期權

期權交易也可能涉及高度風險。就已購入的倉盤而言，期權持有人的風險限於設立該倉盤的購入成本。價外(Out of the Money; OTM)倉盤（特別是即將到期的倉盤）將出現期權倉盤的價值下滑。

## 掉期協議

掉期協議可就多種不同類型投資或市場因素而個別商議及構建而成。掉期協議會視乎其結構而提高或減低基金所涉及的策略、長期或短期利率、外幣價值、企業借貸率或其他因素。掉期協議可有多種不同形式，並有多種名稱。

視乎該等掉期協議的用法而定，掉期協議可提高或減低基金的整體波動性。掉期協議表現的最重要因素為特定利率、貨幣或其他因素的變更，上述各項釐定應支付予對手方或可從對手方獲得的金額。如掉期協議需要基金支付款項，基金必須準備在到期時付款。此外，如對手方的信用可靠性下滑，可預期與該對手方訂立的掉期協議價值亦會下滑，並可能會令基金蒙受虧損。

## 證券融資交易的相關風險

訂立總回報掉期為本公司及其投資者帶來數項風險。相關基金須承受的風險，是證券融資交易的對手方可能未能履行責任，退還相等於相關基金向其提供的資產。如相關基金未能變現向其提供的抵押品以支付對手方違約，亦須承受流動性風險。該等交易亦可能附帶法律風險，運用標準合約進行證券融資交易可能會令基金承受法律風險，例如有關合約或未能準確反映合約各方的意向，或未能於對手方註冊成立的司法管轄區執行有關合約。該等交易亦可能涉及營運風險，運用證券融資交易及抵押品的管理須承受因內部程序、人事及系統的不足或失敗，或外在事件所致的虧損風險。對手方再用任何抵押品的任何權利亦可能產生風險，有關內容載於下文「與抵押品管理有關的營運風險」。

## 稅務

倘基金投資於金融衍生工具，「一般風險－稅務」一節的所述事宜亦可能適用於金融衍生工具、金融衍生工具對手方、組成金融衍生工具相關投資的市場或基金的註冊或營銷市場的監管法律之稅務法律或其詮釋的任何變更。

## 法律風險

一般而言，場外金融衍生工具會根據按國際掉期及衍生工具協會(International Swaps and Derivatives Association)為衍生工具主協議(derivatives master agreement；由合約各方之間議定)設立的標準訂定的合約進行。運用該等合約可能會令基金承受法律風險，例如有關合約或未能準確反映合約各方的意向，或未能於對手方註冊成立的司法管轄區執行有關合約。

## 與抵押品管理有關的營運風險

場外金融衍生工具的運用及所獲抵押品的管理須承受因內部程序、人事及系統的不足或失敗，或外在事件所致的虧損風險。如根據中央銀行施加的條件重新投資現金抵押品，基金將須承受現金抵押品所投資的相關證券發行人失敗或違約的風險。

營運風險的管理乃透過投資經理的風險委員會設定的政策所設立。該等政策為高水平的風險評估設立標準，並監察及報告業務內的風險，以及分析該等已上報的營運風險事件。

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## 借款

章程細則賦予董事權力在UCITS規例下的限制下行使本公司所有借款權力，並有權將本公司資產押記為任何該等借款的抵押。

根據UCITS規例，基金不可批出貸款或擔任第三方擔保人，亦不得借入款項，惟不超過其資產淨值10%的款額的暫時借款以及UCITS規例另行准許者除外。基金可以對銷貸款協議的方式取得外幣。倘基金的外幣借款超過對銷存款的價值時，本公司須確保超出的金額就UCITS規例而言被視為借款。

根據UCITS規例及中央銀行的可轉讓證券集體投資計劃規例的規定，倘基金須就金融衍生工具交易向相關對手方提供抵押品，本公司可把不時價值與所需抵押品相關金額相等的相關基金投資，質押予相關金融衍生工具對手方。

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## 收費及開支

以下費用及開支適用於每一基金。

### 基金收費及開支

#### 基金經理

基金經理有權收取報酬作為其服務管理費，詳情見相關基金的補充文件。應付的管理費將為各類別資產淨值某一百分比，將每日累計，並按月期末支付。

基金經理可在基金註冊進行公開分銷或私人配售的司法管轄區委任第三方分銷商。該等第三方分銷商將從管理費、初期手續費或贖回費用中獲得償付其費用及開支。

至於基金在集體投資計劃的投資乃由：(i)基金經理直接或透過受委人管理；或(ii)因與基金經理受共同管理及控制而有聯繫的另一家公司，或因基金經理直接或間接持有其資本或投票權10%以上而有聯繫的另一家公司（統稱為「相關基金」）管理，則以下條件將適用：

- (a) 不得就基金於相關基金的投資收取認購費、轉換費用或贖回費用；
- (b) 相關基金不得收取任何管理費；及
- (c) 當基金經理或投資經理因其投資於相關基金而收取佣金（包括相關佣金）時，該佣金必須退回予相關基金的財產中。

#### 投資管理

基金經理將就本公司資產的全權管理從其本身的管理費中支付投資經理的費用及開支。

#### 行政管理、保管及營運費

基金經理亦有權收取相關基金補充文件所載的一項行政管理、保管及營運費（「行政管理、保管及營運費」）。應付的行政管理、保管及營運費將為各類別資產淨值某一百分比，將每日累計，並按月期末支付。基金經理將支付行政管理人及保管人的合計費用及開支，以及若干其他費用及經常性開支，例如應付董事的一般費用及開支、應付各基金常駐代表及其他代理的費用；各基金核數師及法律顧問的費用及開支；副託管人費用、開支及按一般商業費率計算的直接交易手續費；向愛爾蘭及任何其他國家的任何政府機構或證券交易所登記及維持登記基金所涉及的費用及開支（包括支付代理人的費用及開支）；有關投資組合及股份類別貨幣對沖的開支；報告及出版開支，包括印刷、編製、廣告及分派基金章程、主要投資者資料文件、解釋備忘錄、定期報告或註冊表的費用；以及向基金股東報告的費用。

行政管理、保管及營運費並不包括任何其他開支，包括但不限於對基金投資收取的預扣稅、印花稅或其他稅項（包括與處理及收回該等稅項相關的專業代理人的費用）；就基金投資產生的佣金及經紀費；在磋商、實施或更改該等借款的條款（包括

就基金訂立的任何流動性融資額度)時產生的借款利息及銀行收費;中介人就基金的投資收取的任何佣金以及可能不時產生的非常或特殊成本及開支(如有),例如有關本公司的重大訴訟。該等開支一般將以相關基金的資產淨值支付。

開支將自產生有關項目的基金扣除,或倘董事認為未能將開支歸入任何單一基金,有關開支一般將由董事按相關基金資產淨值的比例分配至所有基金。

### 付款代理人

歐洲經濟區成員國的當地法律/規例可規定委任付款代理人/代表/分銷商/代理銀行(「付款代理人」),以及由該等付款代理人維持供支付認購及贖回款項或分派的賬戶。股東如選擇或必須按照當地規例透過中介機構而非直接由保管人(例如是當地司法管轄區的付款代理人)支付或收取認購或贖回款項或分派,須承擔中介機構就(a)在為本公司或相關基金而向保管人傳遞認購款項之前的有關款項及(b)由該中介機構向相關股東應付贖回及/或分派款項之信貸風險。

### 董事

章程細則授權董事就所提供服務按董事釐定的費率收取費用,而倘本公司要求董事提供任何特別或額外服務,其可收取特別酬金。董事須獲付還一切合理差旅、酒店及其他就本公司業務或履行其職務而適當地招致的開支。

### 佣金/經紀佣金

基金經理及其任何正式委任的受委人有權根據管理協議,就彼等作為本公司代理進行的交易收取佣金及/或經紀佣金。

倘基金經理或其任何正式委任的受委人成功洽商從經紀或交易商就基金購買及/或銷售證券收取的佣金中取回一部份,則回扣的佣金應支付予基金。基金一般按慣常的機構經紀費率支付經紀佣金。基金交易可透過基金經理的聯繫人士進行。

基金經理及其聯繫人士不會就基金交易自經紀或交易商收取現金或其他回佣。基金交易將按照最佳執行準則執行。

### 從資本扣除的收費

除Barings Global Dividend Champions Fund外,每一基金普遍會自收入中支付其管理費及其他費用及開支。然而,如沒有充足收入,基金經理可從資本中,及從已扣除變現及未變現資本虧損後的變現及未變現資本收益中支付其部份或全部管理費及其他費用及開支。

就Barings Global Dividend Champions Fund而言,基金的部份或全部管理費及其他費用及開支可從資本中支付,以維持基金的可分派收入於令人滿意的水平。

### **股東費用**

董事保留權利,全權酌情就投資者所提出價值少於500美元外幣等值(或董事可能不時釐定的其他金額)的任何股份申請,收取最低交易費50美元。同樣地,倘本公司收到贖回價值少於500美元的股份之要求,董事可全權酌情收取交易費50美元(或董事可能不時釐定的其他金額),以支付贖回成本。

### 初期手續費

可能在每股資產淨值之上再收取最多5%的初期手續費並由本公司保留,基金經理可從中向授權代理支付佣金。

就F類別股份、I類別股份及X類別股份而言,董事將不收取初期手續費。

### 贖回費用

董事可就適當基金自每股資產淨值扣除不超過該每股資產淨值1%的贖回費用。董事可酌情豁免全部或部份贖回費用,或在許可限額之內向就不同股東類別收取該等贖回費用(如有)。任何有關贖回費用的詳情將載於基金的相關補充文件。董事無意在正常情況下收取該項費用。倘此政策改變,股東將會事先獲書面通知有關徵收贖回費用的意向。

### 轉換費用

董事有權收取最多達新類別每股資產淨值的5%的轉換費用。董事可就不同股東類別收取該等轉換費用



## 計算資產淨值

基金經理已將資產淨值及每股資產淨值的釐定轉授予行政管理人，有關釐定須按照公認會計原則進行。在計算資產淨值時，如因任何第三方定價服務提供的資料有任何不準確之處，而行政管理人獲基金經理或投資經理根據本公司的估值政策指示使用該等資料，行政管理人對基金經理或本公司因產生的任何錯誤而蒙受的任何損失概不負責。

在計算資產淨值及每股資產淨值時，行政管理人對基金經理或其受委人、投資經理、或彼等的代理及受委人（包括外聘估值師、主要經紀、做市商及／或獨立第三方定價服務）向其提供的財務資料、意見或建議的準確性不承擔任何責任。行政管理人可接受、使用及依賴基金經理或其受委人或其他協定的獨立第三方定價服務向其提供的價格，以釐定資產淨值及每股資產淨值，並且對於行政管理人獲基金經理、本公司或外聘估值師根據基金經理估值政策指示使用，並由基金經理、其受委人、外聘估值師或其他獨立第三方定價服務或其受委人提供的資料有任何不準確之處，而導致資產淨值的計算有任何錯誤，概不對本公司、基金經理、保管人、外聘估值師、任何股東或任何其他人士負責。基金經理承認並同意行政管理人並未獲聘用為外聘估值師或獨立估值代理。

倘本公司、基金或類別的資產淨值計算出現錯誤，導致股東從本公司收取款項，基金經理保留權利尋求向該股東追回其追回的任何多出款項，或重新發行標示本公司、基金或類別正確資產淨值的成交單據。

每股資產淨值的計算方法為將每項基金的資產價值扣除其負債後，除以該交易日已發行股份總數。每股資產淨值乃調整至兩個小數位（四捨五入）。

任何基金的資產淨值釐定方法載於章程細則及於下文概述。

就擁有不同類別的若干基金而言，基金資產淨值計算方法於下文概述，並於章程細則詳盡載列，且基於每個類別的價值分配至不同類別。相關類別應佔的資產淨值部份，乃除以相關類別當時已發行股份數目，而計算所得金額將為相關類別的每股資產淨值。本公司可於每股資產淨值上另加初期手續費，有關款項將由本公司保留，基金經理可用有關款項向授權代理支付佣金。然而，董事屬意初期手續費不應超過每股資產淨值的5%，直至另行通知為止。

一般而言，上市投資按其最後成交價估值，或倘並未取得最後成交價，則按中期市場價格估值。非上市投資則按董事或董事所挑選及保管人所批准的合資格人士、公司或法團（包括投資經理）以謹慎及真誠行事估計的可能變現的價值估值。章程細則亦規定，現金存款及類似投資一般須按面值連同累計利息估值；存款證參考期限、金額及信貸風險相若的存款證於相關交易日的最佳買入價估值；而國庫券及匯票則參考期限、金額及信貸風險相若的工具於相關交易日在適當市場的價格估值。集體投資計劃（倘適用）按最近期公佈每股資產淨值或最近期公佈每股買入價（撇除任何初期手續費）估值。利息及其他收入與負債（倘於可行情況下）每日累計。遠期外匯合約須參考現行市場莊家報價（即訂立相同價值及期限的新遠期合約的價格）或（如無有關價格）對手方所提供的結算價估值。於受規管市場買賣的金融衍生工具按市場釐定的結算價估值。倘無有關結算價，價值則為董事或董事所挑選及保管人所批准的合資格人士、公司或法團（包括投資經理）以謹慎及真誠行事估計的可能變現的價值。場外金融衍生工具將每日按以下其中一項基礎估值：(i)相關對手方提供的報價，該估值須由保管人就其認可並獨立於對手方的人士最少每週批准或核實一次（「對手方估值」）；或(ii)採用基金經理或基金經理或董事所委任並獲保管人就其認可的合資格人士所提供的替代估值（「替代估值」）。倘採用該替代估值方法，本公司將按照國際最佳慣例及依循由如國際證券事務監察委員會組織(IOSCO)及另類投資管理協會(AIMA)等機構所制定的場外投資工具估值原則，並將每月對照對手方估值進行調整。倘出現重大差異，將盡快作出調查及解釋。倘未能按照上述方法確定任何投資的價值，則按董事以謹慎及真誠行事或保管人就其批准的合資格人士所估計的可能變現的價值釐定。倘董事認為有需要，特定投資可以保管人批准的其他估值方法估值。章程細則亦規定，儘管上文所述，如董事經考慮貨幣、適用利率、到期日、可銷售性及／或其可能認為相關的其他考慮因素後，認為需要作出調整任何投資的價值以反映其公平價值，則可在保管人的同意下作出該調整。有關公平價值定價及可使用公平價值定價的情況之說明載於下文。

### 公平價值定價

公平價值定價(FVP)可定義為應用董事於基金的估值點對基金在出售一隻或以上證券甚或全部證券投資組合時可能獲得的金額，或在購買一隻或以上證券甚或全部證券投資組合時預期支付的金額之最佳估計，旨在提供一個較合理的交易價格，以保障繼續持有、新進及退資的投資者。

如董事認為市況可能出現最後適用實時報價或估值點不能最佳地反映某股票的買入及賣出價，則可採用公平價值定價。由於相關證券交易所的收市時間與基金的估值點不同，基金可能對其投資採用較其他證券頻密的公平價值定價，而就部份基金而言，可能每日進行公平估值。董事已決定，相關指數或其他適當的市場指標在證券交易所收市後出現變動，可顯示市場報價並不可靠，並可能觸發對若干證券進行公平價值定價。因此，就基金的投資給予的公平價值不一定是有關投資在一級市場或交易所的報價或公佈價格。如某證券暫停買賣（例如由於金融違規行為）或其價格可能已受到其最後市場定價後出現的重大事件或消息之影響，各基金會透過對該證券進行公平估值，試圖訂定基金在現時出售該證券時可合理預期獲得的價格。如在無預期的情況下市場因不可抗力事件仍然關閉，亦需要採用公平價值定價。

此一般政策對暫停買賣的證券而言屬例外。當個別證券因如不符合金融上的規定而暫停買賣，投資經理將就該證券建議一個其相信為合理的價格。此價格通常但非必定為對暫停買賣前的最後買賣價給予一個百分比折扣，並且向董事證明為合理價格。

## 攤薄調整

章程細則准許董事就贖回向下調整每股資產淨值。章程細則亦准許董事就認購任何基金向上調整每股資產淨值。此外，該等價格及該調整數額的計算，可能計及任何估計市場差價（相關證券的買/賣差價）、徵稅（例如交易稅項）及收費（例如結算成本或買賣佣金）及其他與調整或出售投資及保留相關基金的相關資產的價值有關的交易成本之撥備。董事僅擬於相關基金出現重大或經常性淨股份贖回或淨股份認購時，才行使此酌情權，以保障持續股東所持股份的價值。如董事採用估值政策，只要本公司或各個別基金（視乎情況而定）乃以持續基準運作，則該估值政策將一致地應用於本公司及（如適用）各個別基金，亦將會對基金或本公司的不同資產類別貫徹採用。

應用上述定價方法時將遵循中央銀行的規定。

## 每股資產淨值的提供

除暫停贖回基金股份的情況外（在下述情況下）各類別的每股資產淨值將可於霸菱網站[www.barings.com](http://www.barings.com)及Euronext Dublin網站[www.ise.ie](http://www.ise.ie)查閱。價格亦可於投資經理及付款代理人的辦事處查證。

該等資料將與前一個交易日的每股資產淨值相關，並僅供參考，並非作為按該每股資產淨值認購或贖回股份的邀請。如屬上市股份，每股資產淨值亦將於計算後立即通知Euronext Dublin，並可於網站[www.ise.ie](http://www.ise.ie)上查閱。

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## 分派政策

除非相關補充文件另有指明，否則有關基金的分派政策載於下文。

章程細則訂明，可以就基金收取分派及利息的方式，向相關基金股東分派相關基金於各會計期間經扣除基金收入應佔的開支及各項其他項目後的盈餘收入淨額，詳情載於下文。就Barings Global Dividend Champions Fund而言，計算分派金額時，部份或全部費用及開支可從資本而非收入中扣除。此外，本公司或會就其認為維持合理分派水平而言屬合適的情況下，向基金股東分派任何資本收益（經扣除相關基金或類別應佔的已變現及未變現資本虧損）的部份。董事可酌情就任何類別宣佈額外的股息支付日期。

由宣佈有關分派的日期起計的六年期間後任何未領取的分派將告失效，並應退還相關基金。

在本公司有關重新投資分派的政策（見下文「重新投資收入分派」）的規限下，分派款項將以相關類別的相關貨幣，電匯至開戶表格所載的賬戶，有關風險由合資格獲發分派款項的人士承擔。如投資者有意對付款指示作出任何變更，有關變更必須以書面方式，由唯一股東或所有聯名股東簽署，通知基金經理。以電子方式付款所招致的任何收費可能由股東支付。然而，倘股東（或倘為聯名持有股份，則各股東）向基金經理提出書面要求，分派款項可以任何其他主要貨幣支付，惟所安排款項的開支及風險由股東承擔。透過銀行過戶支付任何分派付款所涉及的開支由股東承擔。

為確保任何類別股份的應付分派水平不會於相關會計期間受到該類別股份的發行、轉換或贖回所影響，董事將採取均等化安排。

## 重新投資收入分派

基金經理將自動把任何分派權益重新投資於相關基金的其他股份：

- (i) 除非於相關分派日期前最少 21 日接獲股東提出相反的書面指示；或
- (ii) 在所有情況下，倘若股東的反洗黑錢文件不齊全或尚未完全致令行政管理人滿意，及/或股東並未提供開戶表格正本。

額外股份將於分派當日，或倘當日並非交易日，則為下一個交易日，按其他股份發行的相同方式計算所得價格發行，惟不會產生任何初期手續費。然而，可供認購的額外股份數目不設下限，有需要時將發行零碎股份。股東亦可於申請股份時或其後書面要求基金經理向彼等支付所有應得分派。股東提出的所有要求將一直有效，直至以書面方式收回要求或（倘為較早者）提出要求人士不再為股東為止。

居於英國的投資者應注意，自本公司作出的所有分派，即使重新投資於本公司的額外股份，仍須根據附表D第V項徵收英國所得稅或企業稅（見下文稅項－英國）。如已向股東作出分派，並因任何理由被退回，有關款項將存於收款賬戶內，直至提

供有效的銀行詳情為止。投資者應注意，除非適用於特定基金的補充文件另有訂明，否則每一基金均提供分派類別股份及累計類別股份。

## 認購股份

股份申請必須於各交易日的估值點或之前收妥。股份將按相關交易日適用的每股資產淨值發行。倘該股份所屬類別現時並無發行股份，股份將按相關類別的貨幣的100元的首次發售價或董事釐定的其他價值發行。

如股份所屬類別現時並無發行股份，首次發售期將於2021年3月6日上午9時正（愛爾蘭時間）開始並於2021年9月3日中午12時正（愛爾蘭時間）結束，或董事可能同意並通知中央銀行的其他日期及／或時間。

根據章程細則，董事獲賦予獨有權利，就本公司發行任何類別股份，並於保管人及中央銀行同意下，增設新類別，亦可全權酌情接納或拒絕任何股份申請的全部或其中部份。

## 開戶

首次認購股份的投資者必須填妥開戶表格，並根據開戶表格所載向基金經理提交（由行政管理人轉交）。開戶表格可向基金經理或行政管理人索取。已簽署的開戶表格正本必須連同有關反洗黑錢活動規定的證明文件一併收妥，申請方會被接納。倘提供的任何詳情有所變更，包括閣下的地址、其他聯絡資料（例如電話號碼、電郵地址）或銀行賬戶資料，請立即致函通知行政管理人，地址載於「各方名錄」一節，否則，可能導致延遲處理認購或贖回指令。

有意投資者應注意，彼等填妥開戶表格，即表示向本公司提供個人資料，這可能構成資料保障法例所界定的個人資料。有意投資者及登記股東的個人資料須按私隱聲明處理。

即使投資者已從基金全面贖回，行政管理人仍可及將根據適用法律持有全部或部份所提供的資料。

有意投資者簽署開戶表格，即表示同意本公司、其受委人、其正式委任代理及任何彼等各自的相關、關聯或聯屬公司出於記錄保存、安全性及／或培訓目的，記錄向投資者致電及由投資者致電的電話內容。

## 申請股份

股份認購可於填妥認購表格後，根據認購表格所載向基金經理提交（由行政管理人轉交）。投資者可於基金經理及行政管理人的同意下，透過電子訊息服務（例如SWIFT）作出認購。即使其後並無書面確認，基金經理收到的所有要求將當作落實申請處理。一經本公司接納，不得撤回申請。基金經理於交易日中午12時正（愛爾蘭時間）前接獲的已填妥的認購表格，將參考於該交易日估值點所釐定的每股資產淨值處理。於中午12時正（愛爾蘭時間）後接獲的認購要求將視為於下一個交易日接獲的要求處理。

已結算的認購金必須在結算日期前收取。到期款項一般以相關基金的相關類別的貨幣支付。基金經理及本公司可接納以其他幣值付款，惟有關款項將會兌換為相關類別的貨幣，而本公司僅會動用按現行匯率兌換後的所得款項（扣除兌換相關開支後）支付認購款項。基金經理及本公司已設立常設安排，規定認購款項按認購表格所訂明以電子轉賬方式繳付。

電子轉賬繳款應列出申請人姓名、銀行、銀行賬戶號碼、基金名稱及確認通知號碼（倘已發出有關通知）。電子轉賬繳款產生的任何收費將由申請人支付。

將向每名成功申請人寄交確認通知。倘未能於結算日期前收訖全數已結算款項，申請可遭拒絕，而任何據此所配發或轉讓的股份可被註銷，或基金經理及本公司可能將該項申請視為以該筆付款申請購買或認購的股份數目處理。倘於到期還款日尚未能收妥已結算款項而註銷認購，本公司保留向申請人追討所產生虧損的權利。基金經理及本公司保留權利限制未有事先收訖結算資金的交易。在該情況下，投資者須就其於到期還款日前未有匯寄其認購款額或因其他原因未能遵守該認購表格的條款而導致任何有關人士蒙受或招致的任何及一切索賠、損失、責任或損害賠償（包括律師費及其他相關實報實銷的開支），彌償基金經理、行政管理人、保管人、本公司、適用分銷商、投資經理及任何彼等各自的關聯公司。

股份將以記名形式發行。申請過程涉及的股份登記，一般於本公司接獲相關登記詳情後二十一日內生效。擁有權將記錄於股份登記冊，而投資者會獲配發個人賬戶號碼，該號碼將顯示於本公司接獲相關登記詳情後二十一日內寄發的登記通知內。所有與相關基金有關的通訊必須列明個人賬戶號碼。

本公司、基金經理、行政管理人或分銷商可基於任何原因或毋須任何原因，包括特別是在本公司或行政管理人（如適用）合理認為認購指令可能代表本公司的過度交易或選時交易活動的模式時，全權酌情拒絕全部或部份的股份認購指令。倘股份申請遭拒絕，認購款項須在有關申請之日起計十四日內退還給申請人，成本及風險由申請人承擔，並且概不會就該退回的款項支付利息或其他賠償。

本公司有絕對酌情權宣佈停止接受任何基金或類別的進一步認購。相關基金或類別的現有股東在停止前會獲得通知，本公司亦會通知分銷商及／或配售代理。本公司因應當時市況，基於信納符合基金股東的最佳利益而行使此酌情權，以停止接受基金的進一步認購。本公司將可酌情決定在任何交易日重新接受相關基金或類別的認購，而現有股東將會在該重新接受認購前獲得通知。

於股東要求贖回股份的權利按下文「贖回股份」所述方式遭暫停的任何期間，本公司或不得發行或出售股份。股份申請人將獲通知有關延誤或註銷，除非撤回申請，否則有關申請將於暫停結束後的下一個交易日處理。在暫停計算每類別資產淨值的該等情況下，有關暫停事宜將（立即及於任何情況下，在同一營業日內）通知中央銀行及 Euronext Dublin（如適用），不得延誤，且於可行情況下，將採取一切合理措施盡快結束任何暫停期間。

## 股份種類

股份將以記名形式發行，但不會發出股票。可發行不少於一股千份之一的零碎股份。認購較此少的零碎股份的申請款項不會退還申請人，惟將保留作相關基金資產一部份。

各類別所有股份將享有同等權益。發行基金股份的詳情，包括各類別的最低投資額／最低持有額（包括任何初期手續費）載於相關補充文件。基金經理可酌情豁免各類別的最低投資額／最低持有額。

## 實物認購

章程細則准許董事按每股資產淨值發行股份，作為本公司所批准可由相關基金根據其投資政策及限制購買的實物證券或其他資產的代價。與實物認購有關的成本應由投資者負擔。董事可酌情拒絕任何實物認購的要求。

## 反洗黑錢及反資助恐怖活動措施

旨在反洗黑錢及反恐怖活動的措施規定詳細核實投資者身份，及在適當情況下，根據風險敏感程度對實益擁有人進行詳細身份核實。高知名度政治人物（Politically exposed persons（「高知名度政治人物」），在上年的任何時候獲委託重要公眾職務的個別人士），以及該人士的直繫親屬或所知與該等人士有緊密關係的人士的身份亦需被核實。舉例而言，個別人士可能需要出示護照或身份證副本，連同其住址證明（例如公用事業賬單或銀行月結單及稅務居住地證明的副本）。如屬企業投資者，該等措施可能規定其出示公司註冊（及任何更改名稱）證書、說明書及組織章程細則（或同等文件）、所有董事的名稱、職業、出生日期以及居住及營業地址的經核證副本。視乎每一申請的情況，可能毋須呈交詳細的身份核實證明，舉例而言，倘有關申請乃透過相關第三方作出（按《Criminal Justice (Money Laundering and Terrorist Financing) Act 2013》（經修訂）中界定）。在上文所指的相關第三方位於獲愛爾蘭認可，具有同等反洗黑錢及反資助恐怖活動規例，並符合其他適用情況（例如可出示承諾書，以確實其已進行適當的投資者身份核實，並將根據規定期間保留該等資料，並將按要求向基金經理、行政管理人或本公司提供該等資料）的國家的情況下，此項特例方予以適用。

上述詳情僅為舉例例子，基金經理及行政管理人各自保留在申請本公司股份時（以及在保持業務關係期間）要求任何該等為遵守反洗黑錢活動條例而所需的資料或文件的權利，以核實投資者（及投資者的實益擁有人（如適用））的身份。特別是，基金經理及行政管理人各自保留權利，以進行與被歸類為高知名度政治人物的投資者有關的額外程序。

核實投資者身分須在確立業務關係前進進行。在任何情況下，所有投資者均須在首次接觸後的合理切實可行情況下盡快給予身份證明。如投資者或申請人延遲或未能為核實目的給出示任何所需資料，基金經理、行政管理人或本公司可拒絕申請及認購款項，並將所有認購款項退回或強制贖回該股東的股份。此外，在股東提供該等資料前，不會支付贖回所得款項。倘在該等情況下，股份申請未獲處理，或股份被強制贖回或延遲支付贖回所得款項，基金經理、投資經理或行政管理人概毋須向認購人或股東負責。如申請的全部或其中部份被拒絕，行政管理人可能會根據任何適用法律，以電子轉賬方式將申請款項或其餘額退回其原先支付的賬戶，有關成本及風險概由申請人承擔。倘行政管理人並未接獲開戶表格正本，基金經理或行政管理人將會拒絕支付贖回所得款項。倘股東並未出示核實身份所需資料，任何該等贖回所得款項將存於收款賬戶。

就強制贖回的現有所持股份而言，贖回所得款項將存於傘子現金賬戶，直至基金經理或行政管理人已核實股東的身份至滿意為止。

## 傘子現金賬戶

在股份因未能提供核實所需的資料而遭強制贖回的情況下，贖回所得款項將存於「傘子現金賬戶」（於下文詳述），因此，投資者應注意，該等所得款項應被視為相關基金的資產。傘子現金賬戶是代表本公司以保管人的名義開立的賬戶，其目的為持有到期應付投資者但無法向相關投資者轉賬的贖回所得款項。相關投資者將為相關基金的無抵押債權人，直至基金經理或行政管理人信納已完全遵守反洗黑錢及反資助恐怖活動程序為止，方會發放贖回所得款項。基金終止後的任何有關未領取的款項亦將存於傘子現金賬戶（見標題為「本公司清盤及基金終止」一節）。

如果相關基金或本公司無力償債，概不保證相關基金或本公司將有足夠資金全數支付無抵押債權人。到期應收存於傘子現金賬戶的贖回所得款項之投資者，將與相關基金所有其他無抵押債權人具相同地位，並將有權按比例獲得由處理無力償債的人員向所有無抵押債權人提供的款項。因此，在該等情況下，投資者未必能夠收回原先支付予傘子現金賬戶以轉發予該投資者的所有款項。

倘若另一基金無力償債，基金有權收取但可能因為傘子現金賬戶的運作而已轉移至有關其他基金的任何金額的收回將須符合愛爾蘭法律的原則及傘子現金賬戶的營運程序條款。收回有關金額時可能出現延誤及／或糾紛，及破產基金可能並無足夠資金償還結欠相關基金的金額。因此，概不保證有關基金或本公司將收回有關金額。此外，概不保證有關基金或本公司在該等情況下將有足夠資金償還任何無抵押債權人。

因此，投資者應確保基金經理或行政管理人為遵守反洗黑錢及反欺詐程序所需的所有文件，均於認購股份時及時提交予基金經理或行政管理人。

基金經理、行政管理人及本公司保留權利在與投資者保持業務關係的任何時候，向該等投資者收取任何額外資料或文件，以及在獲得本公司滿意的額外資料或文件前不得為投資者提供服務。基金經理、行政管理人及本公司不得依賴第三方履行此項責任，該責任應為基金經理、行政管理人及本公司的最終責任。

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## 收款賬戶

行政管理人根據中央銀行的投資者資金規例（Investor Money Regulations）為多個由基金經理管理的集體投資計劃操作收款賬戶。收款賬戶乃以行政管理人名義在投資者資金規例規定的信貸機構（「相關銀行」）存管，並獲命名為「收款賬戶」或「Coll a/c」。收款賬戶內的所有款項將由行政管理人以獨立方式在相關銀行存管，為其持有該投資者資金的投資者之利益及代表該等投資者進行託管，風險由投資者承擔。相關銀行將會代表行政管理人在獨立賬戶中持有現金（為其持有投資者資金的投資者之利益而持有），所得款項與相關銀行為行政管理人本人持有的任何款項分開處理。如相關銀行無力償債，行政管理人應代表其持有收款賬戶的款項之投資者向相關銀行提出申索。如行政管理人無力償債，收款賬戶的款項概不會構成行政管理人資產的一部份。

行政管理人在投資於基金前所收取的任何認購款項將存於收款賬戶中，並將不會構成相關基金資產的一部份，直至該等款項由收款賬戶轉移至相關基金的賬戶為止。

贖回所得款項將於結算日期支付至收款賬戶，而分派則將於相關支付分派日期作出，其時該等款項將不會再被視為相關基金的資產。此外，由某一基金或類別（「原有基金」）轉換至另一基金或類別（「新基金」）的任何轉換將會被視為自原有基金進行贖回，以及向新基金進行認購，相關所得款項將存於收款賬戶中，直至轉入新基金為止。

基金經理或行政管理人概不會就已存入收款賬戶的款項支付利息。

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## 贖回股份

基金經理於交易日中午12時正（愛爾蘭時間）前接獲的基金股份贖回申請，將參考於相關交易日適用的每股資產淨值（定義見「計算資產淨值」）處理。於中午12時正（愛爾蘭時間）後接獲的贖回要求將視為於下一個交易日接獲的要求處理。

股份贖回的要求可根據贖回表格所載向基金經理提出（由行政管理人轉交）。所有指示必須經由登記股東簽署，或於收到填妥的授權委託書後由委任的代表簽署。即使其後並無書面確認，基金經理收到的所有要求將當作落實指示處理，一經基金經理接納，不得撤回要求。此外，投資者可在基金經理及行政管理人的同意下，透過電子訊息服務（例如SWIFT）贖回股份。只有在向記錄上所示的賬戶付款的情況下，方可於接獲電子指示後處理贖回要求。

股東可贖回部份所持股份，惟不得導致股東所持金額少於最低持有額。在基金暫停接受贖回的情況下，贖回要求將在不再暫停交易的下一個交易日處理。

在基金經理收到開戶申請表格正本（連同證明文件）前，不會支付贖回款項。股份亦需在支付贖回款項前予以悉數登記及結算。基金經理及行政管理人將不予支付股份贖回所得款項及收入，並可自動重新投資分派權益，直至接獲投資者發出的開戶表格正本為止，屆時會根據法定、監管或歐洲聯盟責任向股東進行或落實其認為必要或合宜的完整識別程序。

贖回所得款項將按照基金經理獲知會的首次贖回付款指示向登記股東或以聯名登記股東為受益人（視適用情況而定）支付。倘投資者擬改變贖回付款指示，有關變動須以經唯一登記股東或所有聯名登記股東簽署致基金經理的書面通知作出。基金經理將被視作獲授權處理任何據報為股東且列明相關賬戶號碼的人士所發出任何贖回指示。

付款一般於結算日期（不包括非交易日及因相關國家公眾假期而未能以該類別的相關貨幣結算付款的日子）或之前支付，或倘為較遲者，則會在基金經理接獲由股東提交的交易確認書後四個營業日內（不包括因相關國家公眾假期而未能以相關貨幣結算付款的日子）支付。倘某基金的相關證券之結算有所延誤，則可能使贖回款項的支付出現延遲，惟延遲情況不會超過由收到贖回要求之日起計10個營業日。如已持有所有與股東有關的相關文件及資料，所得款項將支付至股東所提供的銀行賬戶。如已支付贖回所得款項，但該款項被股東的收款銀行拒絕收款，則有關款項將退還至收款賬戶，直至股東提供其有效的銀行詳情為止。

在上述規限下，到期應付的股份贖回金額一般將以類別的相關貨幣支付。然而，倘股東有意透過電子轉賬方式，以類別之相關貨幣以外的貨幣收取贖回股份款項，本公司可另作安排。股東可能會被徵收貨幣兌換成本及其他行政開支。

倘股東未能於到期支付日期前支付認購款項，基金經理可全權酌情決定贖回該股東的部份或全部股份，並根據「認購股份」一節「申請股份」下所述的彌償，動用該贖回所得款項以償還股東對本公司、基金經理、投資經理或任何彼等各自的關聯公司的負債。

### 贖回遞延政策

基金經理有權可於任何交易日贖回的股份數目限制於相關基金資產淨值的10%（「贖回遞延政策」）。贖回遞延政策將按比例適用於有意於相關交易日贖回股份的所有股東，而在該情況下，基金經理將進行合計佔相關基金資產淨值10%的股份贖回。倘基金經理決定應用此贖回遞延政策，超出相關基金資產淨值10%而又尚未贖回的金額將結轉至下一個交易日，並將於下一個交易日贖回（須受下一個交易日繼續操作贖回遞延政策所限）。如果贖回要求被結轉，基金經理將即時通知受影響的股東。

### 暫停贖回

此外，董事可於下列期間，經諮詢保管人後，隨時暫停釐定任何基金或歸屬於某類別的資產淨值及股東要求贖回任何類別股份的權利及/或可能延遲支付任何有關贖回所涉及的任何金額：

- (i) 相關基金重大部份投資報價、上市或買賣的任何市場被關閉，或於有關市場進行買賣受限制或被暫停的任何期間；
- (ii) 於任何有關市場進行買賣受到限制或被暫停的任何期間；
- (iii) 出現董事認為未能正常出售相關基金投資或出售對該類別股東利益構成嚴重影響的任何情況；
- (iv) 一般用於釐定相關基金資產淨值的通訊方式出現任何故障，或基於任何其他理由未能迅速及準確釐定相關基金任何投資價值；
- (v) 保管人未能調動所需資金以支付贖回股份應付款項，或董事認為變現投資或有關贖回所涉及資金轉讓未能按正常價格或一般匯率進行的任何期間；
- (vi) 計劃將本公司清盤或終止某基金；或
- (vii) 基於任何其他理由，導致不能或無法釐定相關基金或本公司重大部份資產的價值，例如本公司接獲召開相關基金或本公司股東特別大會的通告，而將於有關大會提呈將相關基金或本公司清盤的普通決議案。

已要求贖回任何股份的股東將獲知會任何有關暫停，而除非股東撤回要求（但須符合上述限制），否則彼等的要求將於解除暫停後首個交易日處理。中央銀行及Euronext Dublin將即時獲知會任何暫停買賣，及在任何情況下，如在同一營業日內實際可行，亦知會本公司營銷所在成員國的其他主管機關。一旦解除有關暫停，中央銀行亦須即時獲通知。倘在21個工作日內尚未解除有關暫停，則中央銀行須在21個工作日期間屆滿時獲更新通知，以及倘持續實施有關暫停，則中央銀行須在各後續21個工作日期間獲更新通知。

### 流動性風險管理

基金經理已制定一項流動性風險管理政策，有關政策可供基金經理識別、監察及管理本公司的流動性風險，並確保每一基金的投資流動性狀況將可促進遵循基金的相關責任。基金經理的流動性風險管理政策將基金的投資策略、流動性狀況、贖回政策及其他相關責任納入考慮。流動性管理系統及程序包括適當的伸價措施，以應付預計或實際的流動性不足或本公司的其他困境。

總括而言，流動性風險管理政策監察由本公司及每一基金所持投資的狀況，並確保該等投資就上文贖回股份所載的贖回政策而言為適當，並將促進其遵循每一基金的相關責任。此外，流動性風險管理政策包括有關由基金經理為管理本公司於非常及特殊情況下的流動性風險而進行的定期壓力測試的詳情。

基金經理尋求確保每一基金的投資策略、流動性狀況及贖回政策相一致。在投資者有能力以與所有投資者的公平對待一致的方式，並按基金經理的贖回政策及其責任贖回其投資時，將視為符合本公司的投資策略、流動性狀況及贖回政策。在評核是否符合投資策略、流動性狀況及贖回政策時，基金經理將須考慮到贖回可能會對每一基金的獨立資產之相關價格或差價造成的影響。



有關股東贖回權利的詳情，包括股東於正常及特殊情況下的贖回權利，以及現有的贖回安排載於上文本節內。

## 實物贖回

董事可按其酌情在股東有意於單一交易日贖回相當於某基金資產淨值5%或以上的股份時及在股東要求作實物分派或已同意進行該實物形式贖回時，以實物分派形式應付任何贖回要求。任何該等實物贖回將按所贖回股份的贖回價估值，猶如贖回所得款項以現金支付，並減去董事可能釐定的任何贖回收費及其他轉讓開支。用作分派的資產將經諮詢保管人及獲保管人批准後按董事認為屬公平的基準而被挑選，以致無損其餘股東的權益。如贖回股東已選擇或已同意接受以股票實物形式分派相當於任何基金資產淨值5%或以上股份的贖回所得，在為決定是否可於某交易日應用贖回遞延政策而計算就已收到贖回要求的股份之百分比時，該等已按實物形式結算的股份將不計算在內。如股東已選擇或已同意接受部份或全部實物形式的贖回所得，董事應知會股東，贖回遞延政策可在被要求以現金結算時而實施。

股東將承擔所分派證券的任何風險，並可能須支付經紀佣金或其他費用以出售該等證券。然而，股東可要求董事代其出售有關投資，並向其支付出售所得款項（減去就該出售產生的任何費用）。董事可酌情決定拒絕任何實物贖回的要求。任何實物分派資產，均不會對其餘股東的利益造成重大損害。

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## 強制贖回股份

董事有權（但無責任）施加其認為必需的限制，以確保由任何人士收購或持有的任何基金股份不會導致違反任何國家或政府機構的法律或任何要求（包括任何外匯管制規例）、任何基金股份不會由美籍人士或日本人士收購或持有（惟獲豁免遵守《1933年美國證券法》（經修訂）的要求及適用國家證券法的交易則除外），或任何基金股份不會由下文(a)至(f)所述的任何人士收購或持有。

本公司可隨時發出書面通知，以贖回或要求轉讓由下列人士直接或實益持有的股份：

- (a) 如其持有違反任何國家或政府當局之任何法律或要求之任何人士或基於該等法律或要求不合資格持有該等股份之任何人士；
- (b) 任何美籍人士；
- (c) 任何日本人士；
- (d) 如董事認為其持有情況（不論是否直接或間接影響該等人士及不論單獨觀之或連同任何其他關連或非關連人士觀之，或董事認為相關的任何其他情況）可能導致本公司、相關基金或其股東產生或蒙受彼等原應不會產生或蒙受的任何稅務負擔或金錢損害之任何人士；
- (e) 本公司依據有關股東的情況，有合理理由相信其從事的任何活動可能導致本公司、相關基金或其整體股東蒙受彼等原應不會蒙受的任何法規、金錢、法律、稅務或其他重大行政不利影響的任何股東；或
- (f) 持有價值少於最低持有額的股份之任何人士。

本公司有權向該等人士發出通知，要求彼等將該等股份轉讓予合資格或有權擁有股份的人士或遞交贖回要求。倘若獲發上述通知的任何該等人士於該通知發出日期後30日內未能按上述轉讓該等股份或要求本公司購買該等股份，有關人士將被視為在30日屆滿時已立即要求本公司購買其股份，以及本公司有權委任任何受委人代表該人士簽署就本公司購買有關股份而言屬必需的文件。

任何類別或任何基金的所有股份可予以贖回：

- (a) 在本公司向有意贖回該等股份的股東發出不少於四個星期但不多於12個星期及於交易日屆滿的通知時；或
- (b) 倘若持有相關類別或基金價值75%的持有人在正式召開及舉行的股東大會上決議該等股份應予以贖回。

基金經理可酌情議決在進行股份全數贖回前保留足夠款項以支付與本公司或基金其後終止有關的成本。

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## 股份轉換

除非相關補充文件另有訂明，否則股東可以「贖回股份」下所載方式通知基金經理，申請於任何交易日將彼等所持任何類別（「原有類別」）的全部或其中部份股份，轉換為同一基金或另一基金當時提呈發售的另一類別（「新類別」）的股份。轉換程序按先從原有類別贖回，再認購新類別的方式處理。「贖回股份」下所載有關贖回的一般條文及程序將同等適用於轉換情況。

視乎新類別的供應量，並在遵守任何合資格規定及新類別的其他特定條件（例如最低認購及持有額）下，基金經理可酌情決定拒絕任何轉換要求。如股份轉換將導致股東於原有類別或新類別的持有價值少於相關類別的最低持有額，則不會進行轉換。

將予發行新類別股份數目將按照下列公式計算：

$$N = \frac{P(R \times CF)}{S}$$

當中：

N 指將予配發新類別的股份數目

P 指將予轉換原有類別的股份數目

R 指適用於相關交易所接獲贖回要求的原有類別的每股資產淨值

CF 指董事釐定的貨幣兌換因素，相當於原有類別及新類別貨幣（倘兩者貨幣有別）於相關交易日的實際匯率

S 指適用於相關交易所接獲認購申請的新類別的每股資產淨值。

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## 轉讓股份的擁有權

每一基金的股份將可以透過向基金經理發出書面指示（由行政管理人轉交）予以轉讓。該等指示應經轉讓人簽署（或如屬由法人團體進行的轉讓，則須代表轉讓人簽署或由轉讓人蓋章），惟有關轉讓概不得令轉讓人或承讓人持有價值少於該基金的最低持有額的股份數目。董事可酌情豁免轉讓股份的最低持有額要求。在轉讓人及承讓人填妥開戶表格，並向基金經理及本公司提供其身份證明（基金經理及本公司為遵循適用的防止洗黑錢活動調查目的而可能需要的身份證明），及本公司或其受委人已接獲相關文件前，本公司將不會登記股份轉讓，亦不會就已作出轉讓一事進行確認。如其中一名聯名股東死亡，（一名或多名）尚存者將會獲本公司及基金經理認可為擁有以該等聯名股東名義登記的股份所有權或權益的唯一人選。如董事得悉或有合理理由相信有關轉讓將會令某一人士的股份實益擁有權違反由董事施加的任何擁有權限制，或可能會對相關基金或類別或整體股東構成法律、法規、金錢、稅務或重大行政不利影響力，董事可拒絕任何股份轉讓要求。

除獲豁免投資者外，愛爾蘭居民股東必須提前通知本公司任何擬進行的股份轉讓。

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## 基金經理、投資經理、保管人、行政管理人及過戶登記處

### 基金經理

Baring International Fund Managers (Ireland) Limited 已根據管理協議獲本公司委任為基金經理。根據管理協議的條款，基金經理在董事整體監察及控制下，負責本公司事務的管理和行政及股份分派。

基金經理於1990年7月16日在愛爾蘭註冊成立為私人有限公司。基金經理的已發行股本為100,000英鎊，經已全部繳足股款。基金經理及本公司的公司秘書為Matsack Trust Limited。

每位董事均為基金經理的董事。

管理協議規定，基金經理的委任須由任何一方對對方發出不少於三個月書面通知確定。

管理協議載有規管基金經理職責的條文，並規定基金經理於若干情況下將獲得彌償，惟因其故意失責、欺詐行為或疏忽大意等例外情況除外。

基金經理為MassMutual Financial Group旗下Massachusetts Mutual Life Insurance Company的間接全資附屬公司。MassMutual Financial Group為以增長為目標的全球性多元化金融服務機構，提供人壽保險、年金、傷殘收入保險、長期護理保險、退休計劃產品、結構性結算年金、信託服務、財務管理及其他金融產品及服務。

除管理本公司外，基金經理亦管理以下愛爾蘭註冊基金：霸菱傘子基金公眾有限公司、Barings Alpha Funds plc、霸菱貨幣傘子基金、霸菱新興市場傘子基金、霸菱環球組合傘子基金、霸菱環球傘子基金、霸菱國際傘子基金、霸菱韓國聯接基金、Barings Component Funds及Barings Global Investment Funds plc。只有本公司、霸菱環球傘子基金、霸菱國際傘子基金及霸菱新興市場傘子基金為《金融服務及與市場法案》的認可計劃。

基金經理將時刻充份顧及對其管理的每一基金（包括本公司中的每一基金）所負責的職務。倘在任何該等基金之間產生了任何利益衝突，基金經理將考慮到其於管理協議下的義務，以其客戶的最佳利益為先行事，以求確保公平地解決該衝突。

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## 薪酬政策

基金經理已制定好薪酬政策（「薪酬政策」），旨在確保其薪酬常規可推動健全及有效的風險管理，並與其相一致，並不鼓勵冒險，並與基金的風險概況一致。基金經理視薪酬政策為適合其規模、內部運作、性質、比例及複雜性，並符合本公司及其基金的風險概況、風險承擔及策略。薪酬政策將適用於已識別員工所獲得的固定及浮動（如有）薪酬。如已識別員工的專業活動對基金經理及基金的風險狀況有重大影響，基金經理則負責釐定該等員工的所屬類別。基金經理的董事會及代表基金經理擁有預先批准控制職能的員工現時屬於薪酬政策的條文範圍之內。薪酬政策的詳情包括但不限於如何計算薪酬及利益，以及識別負責給予薪酬及利益的人員的說明，有關說明可於[www.barings.com/remuneration-policies](http://www.barings.com/remuneration-policies)上瀏覽，投資者亦可索取印刷本。

就任何投資管理受委人而言，基金經理規定：(i)獲分授該等活動的實體須遵守與薪酬有關的監管規定，該等規定與該等在ESMA指引/UCITS指令的第14條下適用的規定同等有效；或(ii)與獲分授該等活動的實體訂立適當的合約安排，以確保其並無規避ESMA指引/UCITS指令所載的薪酬規則。

## 投資經理

根據投資管理協議條款，基金經理已授權投資經理負責每一基金的投資管理。投資管理協議規定，投資經理的委任可由任何一方向對方發出書面通知終止，亦規定投資經理在有關情況下有秩序交接職務。投資經理為全球機構及零售客戶提供在已發展及新興股票及債券市場的資產管理服務。投資經理獲金融市場行為監管局認可及受其規管。投資經理亦為本公司的發起人。

投資經理在獲得中央銀行批准下可以將有關投資管理責任分授予其他集團公司。有關該等副投資經理之披露將應要求提供予股東，亦會載於本公司的定期報告內。

投資經理及本公司服務提供者於經營業務時可能與本公司產生利益衝突。然而，在進行可能產生利益衝突的任何投資時，投資經理將以客戶的最佳利益為先行事，並尋求公平地解決該衝突。當基金與投資經理的其他客戶之間出現共同投資機會時，投資經理將確保基金以公平方式參與該等投資機會，並公平分配該等共同投資機會。

## 保管人、行政管理人及過戶登記處

### 保管人

本公司的保管人為Northern Trust Fiduciary Services (Ireland) Limited。

保管人為一家私人有限公司，於1990年7月5日在愛爾蘭註冊成立。保管人的主要業務為向集體投資計劃提供託管服務。保管人為Northern Trust Corporation的間接全資附屬公司。Northern Trust Corporation及其附屬公司組成Northern Trust Group，Northern Trust Group為向機構及個人投資者提供全球託管及行政服務的全球主要服務提供者之一。於2018年12月31日，Northern Trust Group所託管及行政管理的資產總值逾10.1萬億美元。

根據保管人協議，保管人可轉授其保管義務，前提是：(i) 保管人並無意因避免遵守UCITS規例的規定而轉授服務；(ii) 保管人可證明其有客觀理由作出該項轉授；及(iii) Northern Trust已在挑選及委任任何其有意轉授部份服務的第三方時行使一切妥善技巧、審慎及盡責，並在定期審核及持續監察任何其已轉授其部份保管服務的第三方，以及第三方就其所獲轉授的事宜所作的安排時保持行使一切妥善技巧、審慎及盡責。保管人的責任將不會因任何有關轉授而受到影響。保管人已向其全球副託管人Northern Trust Company（倫敦分行）轉授其保管本公司的金融工具及現金之責任。全球副託管人建議進一步將該等責任轉授予副受委人，該等副受委人的名單載於附錄IX。有關保管人的詳情，包括有關其職責之說明及任何可能出現的利益衝突、任何由保管人轉授的任何保管職務以及最近期的副託管人名單須向投資者免費提供。

保管人協議規定，保管人應就(i)其（或其正式委任的受委人）所託管持有的金融工具的虧損負責，除非其可證明有關虧損乃因保管人合理控制範圍以外的外來事件所致（即使已盡一切合理努力，該外來事件的所致後果仍屬不可避免），則保管人將毋須承擔責任；及(ii) 所有其他因保管人的疏忽或故意不妥善履行其根據UCITS規例下的義務而產生的虧損負責。保管人載有若干為保管人（及其各高級員工、僱員及受委人）的利益而設的彌償保證，惟該彌償保證設有限制，概不包括保管人根據UCITS規例須承擔責任的事宜，或因保管人的疏忽或故意不履行其職務所致的事件。

### 行政管理人及過戶登記處

根據行政協議條款，基金經理已委任行政管理人為本公司的行政管理人及過戶登記處。行政協議規定，行政管理人的委任可由任何一方向對方發出不少於24個月書面通知而終止。行政管理人於1990年6月15日在愛爾蘭註冊成立，專門從事投資基金行政事宜，並為Northern Trust Corporation的間接全資附屬公司。Northern Trust Corporation及其附屬公司組成Northern Trust Group，Northern Trust Group為向機構及個人投資者提供全球託管及行政服務的全球主要服務提供者之一。

行政管理人的職責及職能包括（其中包括）計算資產淨值及每股資產淨值，就其根據行政協議承擔的義務而保管所需的有關基金的所有相關記錄，編製及維持本公司及本公司的賬目及賬戶，就本公司財務報表的審核與核數師聯絡，以及就本公司的股份提供若干股東登記及過戶代理服務。

行政管理人並無直接或間接涉及本公司的業務事務、組織、保薦業務或管理，且概不負責備擬本文件（備擬上述說明除外），亦不會就本文件所載的任何資料（與行政管理人有關的披露除外）負責或承擔責任。截至本基金章程日期，行政管理人概不知悉任何與其因其獲委任為本公司的行政管理人有關的利益衝突。如有任何利益衝突，行政管理人將確保該衝突已根據行政協議、適用法律及以合乎股東的最佳利益解決。

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## 報告及賬目

本公司的年度結算日期為每年的4月30日。有關本公司的經審核賬目及報告將於各會計期間結束後4個月內編製並刊載於基金經理的網站[www.barings.com](http://www.barings.com)，並將向Euronext Dublin呈報。未經審核中期報告亦將於截至半年度會計日期止六個月期間結束後2個月內編製並刊載於基金經理的網站[www.barings.com](http://www.barings.com)。最近期年度及半年度賬目的副本亦可在本公司、基金經理及投資經理的註冊辦事處索取。

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## 本公司的董事

本公司的董事說明如下：

### **David Conway**

David Conway（愛爾蘭居民）為一名公司董事，曾任Ulster Bank的高級行政人員。彼於投資管理行業擁有豐富的領導經驗，包括投資組合管理、資產管理、基金行政管理、保管服務、私人客戶及財富管理。Conway先生為愛爾蘭人，在Ulster Bank工作逾26年，擔任多個不同職務，最近擔任Ulster Bank財富管理部門的董事。彼目前為多個資產類別的多個集體投資計劃的董事。Conway先生持有Trinity College Dublin的經濟學榮譽學位，並為一名經認許之投資基金董事（Certified Investment Fund Director, CIFD）。

### **Barbara Healy**

Barbara Healy（愛爾蘭居民）是專業特許會計師，在資產管理行業擁有超過25年的經驗。Healy女士曾擔任JPMorgan Hedge Fund Services的全球業務主管，兼任執行董事及歐洲、中東和非洲以及亞洲地區的技術解決方案主管（2004年至2009年）。在Healy女士任職期間，資產從50億美元增長至1,000億美元，使公司成為對沖基金管理市場的頂級服務提供者。Healy女士曾為Tranaut Fund Administration Ltd運營業務（2002年至2004年），該公司後來被JPMorgan收購，此前則擔任SEI Investments Europe的會計主管。Healy女士亦曾於Banker's Trust及Chase Manhattan Bank擔任基金會計職位。自2009年起，彼一直擔任愛爾蘭及開曼登記投資基金及對沖基金的獨立非執行董事。Healy女士持有University College Dublin的商業學士學位（榮譽）及專業會計研究生文憑。彼為愛爾蘭特許會計師協會的成員，亦為愛爾蘭董事學會的成員。Healy女士曾於2011年出席在瑞士洛桑國際管理發展學院舉行的High Performance Boards Corporate Governance Programme。

### **Julian Swayne**

Julian Swayne（英國居民）為「霸菱」在歐洲的行政總裁。彼負責霸菱的英國主要經營實體的日常管理。他曾擔任「霸菱」的國際首席財務官，亦曾於1989年在Baring Asset Management成立時加入該公司。Swayne先生於1997年成為財務總監，其後於2016年成立新「霸菱」時成為國際首席財務官。在加入Baring Asset Management之前，彼曾於Baring Brothers & Co

工作。在此之前，Swayne先生曾在位於倫敦市的審計公司Neville Russell工作。Swayne先生持有Leicester University的經濟學學位，並於1985年獲得特許會計師資格。

### **Alan Behen**

Alan Behen（愛爾蘭居民）為基金經理的行政總裁。Alan負責霸菱的愛爾蘭實體的日常管理。他在投資行業擁有超過20年的經驗，當中涉及離岸基金、資產管理及固定收益市場。在獲霸菱委任之前，Alan曾擔任State Street International Ireland Limited的董事總經理。Alan持有Columbia University 之文學士學位。

### **Paul Smyth**

Paul Smyth（愛爾蘭居民）為基金經理的投資總監。Paul於2019年3月加入基金經理，並負責監督投資團隊及其監管義務。Paul自2000年起於投資管理行業內工作，加盟前於Aberdeen Standard Investments擔任環球客戶團隊的資深成員，亦負責管理多元資產事宜。

除了Alan Behen及Paul Smyth外，上述每位董事均以非執行董事身份行事。董事的地址為本公司的註冊辦事處。

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## **稅務**

### **愛爾蘭**

以下為就購買、擁有及出售股份時所承擔的若干愛爾蘭稅務後果的摘要。該摘要並無表明為所有可能相關的愛爾蘭稅務考慮的完整描述。該摘要只關於作為股份絕對實益擁有人之人士的情況，並不適用於若干其他類別的人士。

該摘要乃根據於本基金章程日期生效的愛爾蘭稅法及愛爾蘭稅務局的慣例而編製（並且可作出任何預期或具追溯效力的更改）。股份的潛在投資者應就購買、擁有及出售股份所承擔的愛爾蘭或其他稅務後果諮詢其本身的顧問。

### **本公司的稅務**

本公司擬於進行業務時，使其屬於愛爾蘭稅務居民。在本公司屬於愛爾蘭稅務居民的基礎上，本公司就愛爾蘭稅務目的而言符合「投資計劃」的資格，因此獲豁免就其收入及收益繳付愛爾蘭企業稅。

倘股份由非豁免愛爾蘭居民股東持有（及在若干其他情況下），如下文所述，本公司將有責任向愛爾蘭稅務局繳付愛爾蘭所得稅。「居民」及「普通居民」的解釋載於本概述的結尾。

### **非愛爾蘭股東的稅務**

若股東就愛爾蘭稅務而言並非愛爾蘭居民（或普通居民），一旦本公司收到開戶表格內所作的聲明，確認股東的非居民身份，本公司將不會就股東的股份扣除任何愛爾蘭稅項。該聲明可由代表非愛爾蘭居民（或普通居民）的投資者持有股份的中介人提供，惟中介人須盡其所知，該等投資者並非愛爾蘭居民（或普通居民）。

如本公司未收到該聲明，本公司將就股東的股份扣除愛爾蘭稅項，猶如股東為非豁免愛爾蘭居民股東（見下文）。若本公司掌握資料可合理顯示股東的聲明不正確，本公司亦將扣除愛爾蘭稅項。除非股東為一家公司並透過愛爾蘭分行持有股份，及在若干其他少數情況下，否則股東通常無權收回該等愛爾蘭稅項。若股東成為愛爾蘭稅務居民，必須通知本公司。

一般而言，並非愛爾蘭稅務居民的股東將毋須就其股份繳付其他愛爾蘭稅項。然而，如股東為一家透過愛爾蘭分行或代理人持有其股份的公司，該股東或須就該等股份所帶來的盈利及收益繳付愛爾蘭企業稅（基於自我評稅）。

### **獲豁免愛爾蘭股東的稅務**

倘股東就愛爾蘭稅務目的而言為居民（或普通居民），並屬於《愛爾蘭稅務綜合法令》（Taxes Consolidation Act of Ireland）（「稅務綜合法令」）第739D(6)條所列的任何種類，一旦本公司收到開戶表格所載的聲明，確認股東的豁免資格，本公司將不會就股東的股份扣除愛爾蘭稅項。

稅務綜合法令第739D(6)條所列的種類可概述如下：

1. （稅務綜合法令第774條、第784條或第785條界定的）退休金計劃。

2. (稅務綜合法令第706條界定的) 經營人壽保險業務的公司。
3. (稅務綜合法令第739B 條界定的) 投資企業。
4. (稅務綜合法令第739J 條界定的) 投資有限合夥。
5. (稅務綜合法令第737條界定的) 特殊投資計劃。
6. (稅務綜合法令第731(5)(a)條所適用的) 未經認可單位信託計劃。
7. (稅務綜合法令第739D(6)(f)(i)條界定的) 慈善機構。
8. (稅務綜合法令第734(1)條界定的) 合資格管理公司。
9. (稅務綜合法令第734(1)條界定的) 特定公司。
10. (稅務綜合法令第739D(6)(h)條界定的) 合資格基金及儲蓄經理。
11. (稅務綜合法令第739D(6)(i)條界定的) 個人退休儲蓄賬戶(PRSA)行政管理人。
12. (《1997 年儲蓄互助社法》第2條界定的) 愛爾蘭儲蓄互助社。
13. 國家資產管理局 (National Asset Management Agency)。
14. 財務部 (Minister for Finance) 為其唯一實益擁有人的國庫管理局或基金投資工具 (定義見《2014年國庫管理局 (修訂) 法》第37 章), 或透過國庫管理局行事的愛爾蘭。
15. (稅務綜合法令第110條界定的) 合資格公司。
16. (根據法例或愛爾蘭稅務局明確特許) 獲准持有本公司的股份而不會導致本公司須扣除或繳付愛爾蘭稅項的居於愛爾蘭的任何其他人士。

聲稱具有豁免資格的愛爾蘭居民股東將須自我評稅, 就股份繳付任何應付的愛爾蘭稅項。

如本公司未收到股東作出該聲明, 本公司將就股東的股份扣除愛爾蘭稅項, 猶如股東為非豁免愛爾蘭居民股東 (見下文)。除非股東為一家愛爾蘭企業應課稅網內的公司, 及在若干其他少數情況下, 否則股東通常無權收回該等愛爾蘭稅項。

### 其他愛爾蘭股東的稅務

倘股東就愛爾蘭稅務目的而言為愛爾蘭居民 (或普通居民) 以及並非「獲豁免」股東 (見上文), 本公司將扣除分派、贖回及轉讓以及額外的「八週年」事件之愛爾蘭稅項, 詳情如下。

#### 本公司之分派

倘本公司向非豁免愛爾蘭居民股東支付分派, 本公司將從分派中扣除愛爾蘭稅項。扣除的愛爾蘭稅項金額將為:

1. 分派之25%, 當中分派乃支付予屬於公司並已就應用25%費率作出適當聲明之股東; 及
2. 在所有其他情況下, 分派之41%。

本公司將向愛爾蘭稅務局支付此扣除的稅項。

一般而言, 股東就分派不會有其他愛爾蘭稅務責任。然而, 倘股東為公司, 而分派為營業收入, 則分派總額 (包括已扣除之愛爾蘭稅項) 將構成其自我評稅之應課稅收入之一部份, 而股東可以扣除的稅項抵銷其企業稅務責任。

### 股份的贖回及轉讓

倘本公司贖回非豁免愛爾蘭居民股東持有的股份，本公司將從支付予股東之贖回付款中扣除愛爾蘭稅項。同樣地，如該愛爾蘭居民股東（以出售或其他方式）轉讓股份之權利，本公司將就有關轉讓繳付愛爾蘭稅項。扣除或繳付的愛爾蘭稅項金額將參考股東從贖回或轉讓之股份中累計之收益（如有）計算，並將相等於：

1. 倘股東屬於公司並已就應用**25%**費率作出適當聲明，則為該收益之**25%**；及
2. 在所有其他情況下，該收益之**41%**。

本公司將向愛爾蘭稅務局支付此扣除的稅項。如屬股份的轉讓，為提供資金支付此愛爾蘭稅務責任，本公司可使用或註銷股東持有的其他股份。此舉可導致應付額外愛爾蘭稅項。

一般而言，股東就贖回或轉讓不會有其他愛爾蘭稅務責任。然而，倘股東為公司，而贖回或轉讓付款為營業收入，則付款總額（包括已扣除的愛爾蘭稅項）減購買股份之成本將構成其自我評稅之應課稅收入之一部份，而股東可以扣除的稅項抵銷其企業稅務責任。

股東可能須就贖回或轉讓股份所產生之任何貨幣收益支付（按自我評稅基準）愛爾蘭資本增值稅。

### 「八週年」事件

倘非豁免愛爾蘭居民股東於購買股份後八年內並無出售股份，則股東就愛爾蘭稅務目的而言將被視為於購買股份之第八週年（以及任何其後的第八週年）已出售股份。在被視為出售時，本公司將就該等股份於該八年期間的增值（如有）繳付愛爾蘭稅項。繳付之愛爾蘭稅項金額將相等於：

1. 倘股東屬於公司並已就應用**25%**費率作出適當聲明，則為該增值之**25%**；及
2. 在所有其他情況下，該增值之**41%**。

本公司將向愛爾蘭稅務局支付此稅項。為提供資金支付愛爾蘭稅務責任，本公司可使用或註銷股東持有的股份。

然而，倘非豁免愛爾蘭居民股東持有相關基金之股份不足**10%**（按價值計），本公司可選擇不就是在次當作出售繳付愛爾蘭稅項。本公司要求具有選擇權時，必須：

1. 每年向愛爾蘭稅務局確認，已符合是項**10%**規定，並向愛爾蘭稅務局提供任何非豁免愛爾蘭居民股東之詳情（包括其股份價值及其愛爾蘭稅務參考編號）；及
2. 通知任何非豁免愛爾蘭居民股東，本公司將選擇要求是項豁免。

倘本公司要求該豁免，任何非豁免愛爾蘭居民股東必須按自我評稅基準向愛爾蘭稅務局繳付本應由本公司於第八週年（以及任何其後的第八週年）繳付之愛爾蘭稅項。

就股份於八年期間的增值支付的任何愛爾蘭稅項，可按比例用於抵銷任何日後就該等股份原應支付之愛爾蘭稅項，而任何多出之金額可於最終出售股份時收回。

### 股份交換

倘股東按公平準則將股份交換為本公司之其他股份或另一基金之股份而股東並無收取任何付款，則本公司將不會就交換扣除愛爾蘭稅項。

### **印花稅**

愛爾蘭印花稅（或其他愛爾蘭轉讓稅）將不適用於股份之發行、轉讓或贖回。倘股東從本公司收取實物資產分派，可能須繳付愛爾蘭印花稅。

## 饋贈稅及遺產稅

愛爾蘭資本取得稅（稅率33%）可適用於屬於位於愛爾蘭之資產之饋贈或遺產，或給予饋贈或遺產之人士為居籍、居留地或通常居留地為愛爾蘭之人士或收取饋贈或遺產之人士為居留地或通常居留地為愛爾蘭之人士。

股份可視為位於愛爾蘭之資產，因為股份由愛爾蘭公司發行。然而，凡屬於以下情況，任何屬於饋贈或遺產之股份將獲豁免愛爾蘭饋贈稅或遺產稅：

1. 股份於贈予或繼承日期及於「估值日期」（就愛爾蘭資本取得稅所定義）包含於饋贈或遺產之中；
2. 給予饋贈或遺產之人士於出售股份日期之居籍或通常居留地均並非愛爾蘭；及
3. 收取饋贈或遺產之人士於贈予或繼承日期之居籍或通常居留地均並非愛爾蘭。

如本公司因股東或股份的實益擁有人就其股份獲得分派或以任何方式出售（或被視為出售）其股份（「應課稅事件」）而須於任何司法管轄區繳納稅項，基金經理將有權從因應課稅事件產生的付款扣減一項相等於適當稅款的金額及／或（如適當）動用、註銷或強制贖回股東或該實益擁有人若干數目的股份，以應付有關稅款。如無作出有關扣減、動用、註銷或強制贖回的情況下，相關股東應就發生應課稅事件而導致本公司須在任何司法管轄區繳付稅項，對本公司因而產生的損失向本公司作出彌償保證或使本公司獲得彌償保證。

## 經合組織共同匯報標準

經濟合作及發展組織提出的自動交換資料制度（一般稱為「共同匯報標準」）於愛爾蘭適用。根據該等措施，本公司須向愛爾蘭稅務局申報有關股東的資料，包括股東的身份、居住地及稅務識別編號，以及股東就股份收取的收入及出售或贖回所得款項金額的詳情。此項資料可隨後由愛爾蘭稅務局與實施經合組織共同匯報標準的其他成員國及其他司法管轄區的稅務機關共用。

經合組織共同匯報標準制度由歐盟於指令2014/107/EU 中採納。於愛爾蘭，實施經合組織共同匯報標準的規例已於2015年12月31日生效。

## 詞語含義

### 對公司而言，「居民」的含義

其中央管理及控制位於愛爾蘭的公司，不論其註冊成立的所在地，均為愛爾蘭的稅務居民。在愛爾蘭並無擁有其中央管理及控制但於2015年1月1日當天或之後在愛爾蘭註冊成立的公司為愛爾蘭的稅務居民，除非該公司根據愛爾蘭與另一國家之間訂立的雙重課稅條約不被視為愛爾蘭居民。

任何公司若非在愛爾蘭中央管理及控制，但於2015年1月1日之前在愛爾蘭註冊成立，則該公司被視為愛爾蘭居民，惟下列情況除外：

1. 該公司（或關連公司）在愛爾蘭從事貿易，而該公司由居住在成員國或愛爾蘭與其擁有雙重課稅條約的國家的人士最終控制，或該公司（或關連公司）為在歐盟或課稅條約國家的認可證券交易所報價的公司；或
2. 根據愛爾蘭與另一國家簽訂的雙重課稅條約，該公司被當作並非愛爾蘭居民。

最後，倘符合以下條件，於2015年1月1日之前在愛爾蘭註冊成立的公司亦被視為愛爾蘭居民：(i)該公司在與愛爾蘭訂立有效雙重課稅協議的管轄區（「相關管轄區」）受管理和控制，且此類管理和控制若在愛爾蘭實施，則足以使該公司成為愛爾蘭稅務居民；及(ii)倘該公司在相關管轄區註冊成立，則應依法成為該管轄區的稅務居民；及(iii)該公司不會因為任何管轄區之法律實施而被視為該管轄區的稅務居民。

### 對個人而言，「居民」的含義

倘個人進行下列事項，則該個人將於一個曆年被當作愛爾蘭稅務居民：

1. 在該曆年中，在愛爾蘭逗留183天或更長時間；或



2. 在愛爾蘭度過的總日數超過280天，包括該曆年中在愛爾蘭逗留的日數以及上一年在愛爾蘭逗留的日數。個人在一個曆年中在愛爾蘭逗留的日數如果少於30天，將不計入上述的「兩年」檢查中。

如果該個人於該日任何時候身處愛爾蘭，將被視為於愛爾蘭逗留一天。

#### 對個人而言，「普通居民」的含義

「普通居民」一詞（有別於「居民」）涉及個人的日常生活方式並指某程度上連續居住在同一個地方。連續三個稅務年度居住在愛爾蘭的個人為普通居民，自第四個稅務年度起生效。普通定居在愛爾蘭的個人於該個人並未居住在愛爾蘭的第三個連續稅務年度結束時不再為普通居民。舉例來說，於2020年居住及普通定居在愛爾蘭但於該年離開愛爾蘭的個人在直至2023年稅務年度結束為止將仍為愛爾蘭普通居民。

#### 「中介人」的含義

「中介人」指以下人士：

1. 所從事的業務包含或包括代表其他人士向愛爾蘭的受監管投資企業居民收取款項；或
2. 代表其他人士於該投資企業持有單位。

#### **外國稅項**

本公司可能須在愛爾蘭以外的國家就其所賺取的收入及自其投資產生的資本收益繳納稅項（包括預扣稅）。本公司未必能夠藉著愛爾蘭與其他國家之間的雙重徵稅條約受惠於該外國稅項的稅率調減。因此，本公司可能無法在特定國家收回其繳付的任何外國預扣稅。若此情況有變及本公司獲償還外國稅項，則本公司的資產淨值將不會重列，而有關利益將於償還稅項時按比例分配給當時的現有股東。

#### **英國**

以下陳述涉及作為投資（而非作為交易商）持有股份的股東。

#### 本公司

本公司為於愛爾蘭成立的UCITS計劃，因此就稅務而言並非英國居民。因此，在本公司並無於英國境內行使交易或通過常設機構在英國進行交易的前提下，本公司將毋須繳納英國稅項（若干類別的英國來源收入之英國稅項除外），而其對英國來源投資收入之英國稅項責任將限於從源頭扣除的任何英國稅項金額。大部份英國來源利息及股息目前毋須繳納任何英國預扣稅。

預期本公司的業務就英國稅務而言不會被視為交易活動。然而，倘於英國進行交易活動，來自該等活動的利潤可能原則上須繳納英國稅項。然而，在本公司及投資經理符合若干條件的前提下，根據《2003年英國金融法案》，該等交易利潤不會為英國稅項課稅。董事、基金經理及投資經理有意就本公司及投資經理進行相關事務，以在該等條件在彼等各自的控制範圍內達成所有該等條件。

就《2009年離岸基金（稅務）規例》（Offshore Funds (Tax) Regulations 2009）中英國有關離岸基金的特別稅制而言，每個股份類別均構成一個離岸基金。因此，該等規例的條文與股東在收入及收益方面的稅項相關。

多個股份類別已獲英國稅務機關（英國稅務海關總署或「HMRC」）認證為就英國稅務而言的「申報基金」。有關將尋求申報基金資格的股份類別之詳情，載於本基金章程隨附的基金補充文件。最新名單亦可於HMRC的網站<https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>瀏覽。

#### 股東

#### 收入

就稅務而言居於英國的股東，根據其個人情況，一般須就所持股份而獲支付的任何分派以及向投資者申報為「須申報收入」的任何款額，繳納英國所得稅或企業稅。

除下文所述的情況外，該收入就英國稅務而言將被視為所得稅及企業稅的股息或利息收入。

倘股息乃支付或視作支付予英國居民個人，並且屬於個人每年5,000英鎊的股息免稅額範圍，則毋須繳納所得稅。如超出該範圍，就基本稅率納稅人而言，適用於股息的稅率為7.5%，較高稅率納稅人的稅率為32.5%，附加稅率納稅人的稅率為38.1%。股息並無附有稅收抵免。須繳納企業稅的公司股東一般獲豁免就股息繳納企業稅。

然而，倘於基金年度會計期間的任何時間，基金無法通過合資格投資測試（整體來說，當基金於帶息及經濟等價證券的投資之市值超過其總投資市值的60%，基金則屬無法通過測試），則英國居民股東應視之為下文所述的債券基金，致使所支付或申報的股息就所得稅而言將為利息，而公司股東應視其持股為貸款關係。

倘股息乃支付或視作支付予英國個人，該款額將就英國稅務而言被視為利息，而納稅人將受惠於個人儲蓄免稅額，該免稅額豁免首1,000英鎊的利息，包括豁免基本稅率納稅人就英國居民個人收取或視作收取的應課稅利息。較高稅率納稅人的豁免金額將減至500英鎊，而附加稅率納稅人將不會獲得免稅額。扣除免稅額後，英國個人納稅人將須繳納20%（如屬基本稅率納稅人）、40%（如屬較高稅率納稅人）或45%（如屬附加稅率納稅人）的所得稅。並無稅收抵免可減低該等實際稅率。

債券基金中須繳納企業稅的公司股東應根據貸款關係稅制，按公平價值為對其股份（包括收取的任何股息）進行會計處理。

## 收益

倘於股東投資於某股份類別的整個期間，該股份類別曾經具有申報基金資格（及（如相關）先前具有分派基金資格），則贖回、出售或以其他方式出售投資所得的任何收益（須扣除申報為收入但無實際分派的任何金額）將須作為資本收益繳納稅項。

就公司投資者而言，根據貸款關係制度須徵稅的任何金額就稅務目的而言不會被視為應課稅收益。

倘於股東投資於某股份類別的整個期間，該股份類別並無申報基金資格（及（如相關）先前具有分派基金資格），則贖回、出售或以其他方式出售（包括於死亡時的視作出售）投資所得的任何收益，屆時將須作為收入（並稱為「離岸收入收益」）繳納稅項。

## 英國反避稅規定

英國稅務規則載有多項反避稅守則，可於特定情況下適用於離岸基金的英國投資者。預期該等守則一般不會適用於股份的投資者。持有基金超過25%的任何英國納稅股東（連同關連人士）均應採納具體意見。

在英國居籍或就英國稅務而言被視為在英國居籍的任何個人股東，在死亡或進行若干類別的終身轉讓時，可能須就其股份繳納英國繼承稅。

## GITA

GITA於2018年1月1日生效。新稅制將GITA第1章第2段所界定的「投資基金」與GITA第26章所界定的「特別投資基金」區分。本公司所有基金根據GITA應被視為「投資基金」，故毋須遵守「特別投資基金」的稅制。

視乎相關基金根據GITA獲分類為「股票基金」或「混合基金」而定，各基金股東自各基金收取的所有收入（即分派、來自出售／贖回股份的資本收益及年度「預付費」（Vorabpauschale））或享有部份稅項豁免。基金根據GITA分類為「股票基金」或「混合基金」的方法取決於該基金是否符合GITA界定的若干規定。一般來說，「股票基金」必須根據其投資條件將其50%以上的總資產永久投資於股權參與，而「混合基金」必須根據其投資條件將其最少25%的總資產永久投資於股權參與。另一方面，股權參與額度可參考資產淨值計算。在計算股權參與額度時，該基金籌集的任何貸款均按照於該基金總資產的股權參與金額比例從股權參與中扣除。此外，基金可能考慮其目標投資基金在每個估值日公佈的實際股權參與額度。就此而言，只會考慮每週進行至少一次估值的目標基金的股權參與額度。

基金根據GITA獲分類為「股票基金」或「混合基金」的方法載於相關補充文件。

## 其他

一般而言，根據經《美國財政部規例》詮釋的守則第1471至1474條、國稅局的指引、跨政府協議（「跨政府協議」）及實施中的非美國法律及法規，並遵守任何進一步指引（統稱「FATCA」），倘非美國基金進行的投資將產生美國來源收入，則若干美國來源利息、股息，以及向該非美國基金支付有關該投資的若干其他付款將須繳納30%的預扣稅，除非在一般情況下，該非美國基金(i)與美國財政部部長訂立有效協議，規定非美國基金須向其投資者獲取並核實若干資料，並遵守有關若干直接及間接美國投資者的年度申報要求及其他要求，或(ii)符合適用的跨政府協議的要求（或以其他方式符合資格獲豁免上述規定）。就此而言，愛爾蘭與美國已訂立跨政府協議，據此，本公司及每一基金或須向其投資者取得並向愛爾蘭政府提供若干資料並符合若干其他要求。愛爾蘭亦已頒份法規，將跨政府協議的條款引入愛爾蘭法律。

倘本公司及每一基金遵守其在跨政府協議下的義務，及倘愛爾蘭遵守其在跨政府協議下的義務，則本公司及每一基金一般毋須根據 FATCA 繳納預扣稅，惟倘其「聯屬集團」或「相關實體」的成員未能遵守 FATCA，則本公司或基金可能須繳納預扣稅。根據 FATCA 作出的預扣可能減少股東的回報。

本公司向愛爾蘭稅務局報告的任何資料均會根據跨政府協議傳送至美國國稅局。愛爾蘭稅務局有可能根據任何適用的雙重徵稅條約的條款、跨政府協議或資料交換機制，將該資料傳送至其他稅務機關。

倘任何股東未能向基金提供基金為履行其根據 FATCA 的義務而要求的任何資料、文件或證明，可能須就上述向該股東作出的付款繳納30%的預扣稅，並可能須就該股東未能提供資料而產生的其他稅項及成本彌償基金及本公司。本公司及每一基金可於必要時或在適當情況下，向稅務機關及其他方披露股東提供的資料，以遵守 FATCA 或據其減低預扣稅。股東如未能提供適用資料、文件或證明，可能承受額外的不利後果，並可能須自其投資的每一基金進行強制贖回。

FATCA 的規定複雜，在若干方面仍未清晰，並可能會因任何日後指引而有重大變動。務請股東就向本公司、每一基金及股東施加的規定，以及任何規定對股東的可能影響諮詢其顧問。

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## 股東會議

章程細則載有一般股東會議及各特定類別股東會議的詳細條文。會議可由基金經理或最少持有已發行股份或特定類別已發行股份價值10%人士透過發出不少於21日通知召開。大會通告將寄交股東或特定類別的股東。股東可委任受委代表，受委代表毋須為股東。會議法定人數將為持有或代表不少於當時已發行股份或相關類別股份10%的親身出席或透過受委代表出席的股東。通過普通決議案的法定人數將為兩名親身出席或透過受委代表出席的股東，或如為續會，則為親身出席或透過受委代表出席的股東，而人數或所持股份數目不限。

舉手表決時，（如屬個人）親身出席或透過受委代表出席的每名股東或（如屬公司）由代表或擔任其受委代表的高級職員出席的每名股東可各投一票。於按股份數目投票表決時，親身出席或透過代表或受委代表出席的每名股東可就其登記為持有人的每股股份各投一票。有關投票權可按章程細則任何其他條文以相同方式修訂。

特別決議案為於有法定人數出席的股東會議提呈的決議案，並獲佔總票數75%的大多數通過。

章程細則規定，如某決議案僅影響一個股份類別，則決議案於該類別股東的獨立會議通過，將為正式通過；倘決議案影響一個以上的股份類別，但不會引致各類別的股份持有人之間產生利益衝突，如該項決議案於該等類別的股份持有人的單一會議通過，將為正式通過；倘決議案影響一個以上的股份類別，並引致或可能引致各類別的股份持有人之間產生利益衝突，則該項決議案須分別於該等類別的股份持有人的會議通過（而非於有關類別的股份持有人的單一會議通過），方為正式通過。

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## 本公司清盤及基金終止

在下列情況下，本公司將根據章程細則清盤：

- (a) 於本公司註冊成立滿一週年後任何時間，本公司的資產淨值相等於或少於最低資產淨值，則以股東普通決議案；或
- (b) 倘由以下日期起計三個月內：
  - (i) 於保管人通知本公司有意根據保管人協議條款辭任之日（且並無撤回辭任意向通知）；
  - (ii) 本公司根據保管人協議條款終止保管人的委任之日；或
  - (iii) 保管人不再獲中央銀行認可擔任保管人，且並無委任新保管人，董事將指示公司秘書立刻召開本公司股東特別大會，並於會上提呈將本公司清盤的普通決議案。儘管上文有所規定，保管人的委任僅於中央銀行撤銷本公司的認可時，方會終止。保管人已知會本公司有意辭任或不再合資格擔任保管人或其委任已被終止，而並無委任新保管人，且股東透過普通決議案議決將本公司清盤；
- (c) 隨時透過股東大會通過特別決議案；
- (d) 股東通過普通決議案，據此，股東議決本公司基於負債而無法繼續經營，故將被清盤；或
- (e) 倘若董事於任何時候絕對酌情議決就股東的最佳利益而言須將本公司清盤或終止某基金，則可作出有關決定。

章程細則規定，本公司或任何基金被清盤後，保管人須：

- (a) 出售為本公司或相關基金持有的全部投資；及
- (b) 於有關股東出示股票（倘已發行）或提交保管人可能規定的要求表格後，按彼等各自於相關基金的權益比例，向彼等分派變現每一基金資產所產生的一切現金款項淨額。

保管人有權保留手頭任何款項，作為本公司財產一部份，以就一切成本、費用、開支、索償及付款要求作出全數撥備。

終止後任何未領取的所得款項或不可向投資者分派的款項將從基金終止之日期起轉移至及存於傘子現金賬戶。存於傘子現金賬戶的基金之任何該等未領取的終止所得款項，可於基金終止之日期起計12個月屆滿後支付予法院，或如不可能或不實際可行或基金經理認為並非適當之舉（基於任何原因），可於基金終止之日起計三年屆滿後支付予慈善機構，惟保管人有權從中扣除作出有關付款可能產生的任何開支。在未領取的終止所得款項存於傘子現金賬戶期間，有權獲得未領取的終止所得款項的相關部份的股東可就其權利向基金經理或行政管理人提出款項申索，並將於提供基金經理及／或行政管理人要求的所有必需資料及／或文件後獲支付。亦請參閱本基金章程中標題為「收款賬戶」一節。

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## 委託投票政策及程序

本公司將根據投資經理的程序就基金所持有的證券進行委託投票。投資經理已制定委託投票政策，乃由投資經理的投票委託工作小組監督。該政策旨在確保投票乃按照投資經理的客戶（如基金）的最佳經濟利益進行。投資經理使用獨立第三方服務提供者的服務，該提供者提供委託分析、需要進行投票的事件及投票建議之資料，以及執行投資經理的投票決定。投資經理通常根據獨立第三方服務提供者的委託投票建議進行委託投票。投資經理會就所有提案進行委託投票，惟在投票委託工作小組的指引下（如需要），投資經理確定委託投票的成本大於投資經理的客戶的經濟利益時，則屬例外。

投資經理的詳細委託投票政策可向投資經理索取。

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## 最佳執行

本公司依賴投資經理的執行政策。最佳執行是一個用以描述旨在採取一切足夠措施以為投資經理就基金的計劃財產進行的各項交易取得最佳可能的結果之詞彙。為了取得最佳可能的結果，投資經理需要考慮多項因素，包括價格、交易的顯性和隱性成本、交易規模及執行速度，以及任何其他與該交易有關的具體考慮因素。

投資經理的詳細執行政策可向投資經理索取。

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## 誘因

在提供投資組合管理服務的過程中，投資經理禁止接受及保留由任何第三方或代表第三方行事的人士支付或提供的任何費用、佣金或金錢利益，或接受任何非金錢利益（可接納的少量非金錢利益及許可的研究除外）。投資經理認為：

- (a) 有關金融工具或投資服務，屬普通性質或為反映個別客戶的情況而特設的資料或文件；
- (b) 由公司發行人或潛在發行人委託並支付的第三方為宣傳該發行人的新發行而提供的書面材料，或倘第三方公司由發行人以合約委聘並支付以持續編製有關材料，惟該材料須清楚披露該關係並同一時間向有意獲得材料的任何公司或向一般公眾提供；
- (c) 參與有關特定金融工具或投資服務的利益及特性的會議、研討會及其他培訓活動；
- (d) 具合理最低價值的款待，包括本條文所指明的商業會議或會議、研討會及其他培訓活動的食物及飲料；
- (e) 有關發行人發行股份、債權證、認股權證或代表若干證券的證明書的研究，而有關研究：
  - 於完成發行前由就該次發行向發行人提供包銷或配售服務的人士編製；及
  - 向該次發行的有意投資者提供；及
- (f) 於試用期間接獲，讓投資經理可根據金融市場行為監管局規則評估研究提供者的研究服務的研究，

被視為可接納的少量非金錢利益，因該等利益可提高投資經理向股東提供服務的質素；其規模及性質不能被評為損害投資經理遵守其誠實、公平及專業地為股東的最佳利益行事的義務；以及合理、合比例及其規模不大可能會以任何方式影響投資經理行為並因而損害股東利益。

倘投資經理收取任何該等費用、佣金或金錢利益，其將為相關基金的利益轉讓該等費用、佣金或金錢利益，並將於標準報告中通知相關基金。

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## 一般資料

本公司是在2004年10月18日於愛爾蘭註冊成立的可變資本投資有限公司，各基金之間獨立負債，註冊號碼為392526。本公司已成立Baring Investments (Mauritius) Limited為全資附屬公司。

本公司的章程細則第3條規定，本公司的唯一目標是將由公眾籌集所得的資金投資於可轉讓證券或規例第4 (3)條所述的其他流動金融資產或投資於兩者，並規定本公司按風險分散原則經營。

本公司的法定股本為500,000,000,000股無面值股份，並將2歐元分為兩股每股面值1歐元的可贖回非參與股份。非參與股份並無賦予其持有人任何分派權利，及於清盤時讓其持有人有權收取其繳足款項但並無賦予其參與本公司資產的權利。董事有權按其認為適合的條款及方式配發本公司股本中的股份。目前已發行2股非參與股份並已獲本公司認購人認購。

依據股東的持股賦予股東的權利受章程細則、愛爾蘭的一般法律及法案的監管。

任何投資者如欲就本公司或其營運的任何方面作出投訴，可直接向本公司或投資經理作出投訴，地址載於本基金章程「各方名錄」一節。

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## 備查文件

以下文件副本可向本公司免費索取，亦可於營業日的一般營業時間於投資經理的辦事處查閱，地址載於本基金章程「各方名錄」一節：

- (a) 章程細則；
- (b) 基金章程；
- (c) 主要投資者資料文件；及
- (d) 本公司最近期編製及刊發與本公司有關的年度及半年度報告；

有關本公司的最近期編製年度報告及任何其他經審核資料，有意投資者亦可向基金經理的辦事處或付款代理人索取。

## 附錄I — 投資限制

投資只可投資於章程細則及規例許可的項目，並須遵守章程細則及規例所載任何限制及限額。下文載列在董事所訂限制或其他限制之上本公司及每一基金適用的規例所載有關投資限制的相關條文。董事可不時制定配合或符合股東利益的限制或其他投資限制（例如：以遵從每一基金股份所在國家的法例及規例）。任何進一步限制或其他限制均應載於基金的相關補充文件，並須按照規例作出。

### 1 許可投資

UCITS的投資限於：

- 1.1 獲接納可在成員國或非成員國證券交易所正式上市或在成員國或非成員國受規管、定期營運、獲認可及向公眾公開的市場買賣的可轉讓證券及貨幣市場工具。
- 1.2 於一年內獲接納可在證券交易所或其他市場（如上文所述）正式上市的可轉讓證券。
- 1.3 貨幣市場工具，惟於受規管市場買賣者除外。
- 1.4 UCITS的股份。
- 1.5 另類投資基金的股份。
- 1.6 信貸機構的存款。
- 1.7 衍生工具。

### 2 投資限制

- 2.1 UCITS可將淨資產不多於10%投資於第1段所述以外的可轉讓證券及貨幣市場工具。
- 2.2 UCITS可將淨資產不多於10%投資於將在一年內獲接納在證券交易所或其他市場（如第1.1段所述）正式上市的可轉讓證券。此項限制將不適用於UCITS在若干稱為第144A條證券的美國證券之投資，條件為：
  - 證券乃承諾於發行後一年內在美國證券及期貨管理委員會（US Securities and Exchanges Commission）登記而發行；及
  - 證券並非低流動性證券，即UCITS可於7日內按UCITS所評估價格或相若價格變現的證券。
- 2.3 UCITS可將淨資產不多於10%投資於同一機構所發行的可轉讓證券及貨幣市場工具，惟其在當中投資超過5%的發行機構所持有的可轉讓證券及貨幣市場工具之總值不得超過40%。
- 2.4 如債券由註冊辦事處位於成員國的信貸機構發行，而該信貸機構須遵守專為保障債券持有人而設的特定公眾監督法例，則第2.3段所述的10%限額可提高至25%。倘若UCITS將其淨資產多於5%投資於單一發行人所發行的債券，此等投資總值不得多於UCITS資產淨值的80%。（本條文必須事先徵得中央銀行批准方可生效。）
- 2.5 倘可轉讓證券或貨幣市場工具由成員國或其地方機構或由有一個或多個成員國為成員的非成員國或公眾國際機構發行或擔保，則第2.3段所述10%限額可提高至35%。
- 2.6 就應用第2.3段所述40%限額而言，第2.4及2.5段所指可轉讓證券及貨幣市場工具不被計算在內。
- 2.7 記入賬戶及作輔助流動資金持有的現金不得超過基金淨資產的20%。基金不得將多於20%的淨資產投資於同一信貸機構的存款。存款或記入賬戶及作輔助流動資金持有的現金只可存放於屬以下最少一個類別的信貸機構：(i)歐洲經濟區認可的信貸機構；(ii)在1988年7月巴塞爾統一資本協議的簽署國（歐洲經濟區成員國以外）（瑞士、加拿大、日本、英國或美國）獲認可的信貸機構；或(iii)在第三方國家的信貸機構，而該機構被視為等同於歐洲議會及理事會於2013年6月26日有關信貸機構及投資公司的審慎規定及修訂規例(EU) 648/2012號的規例 (EU) 575/2013號第107(4)條所述者。
- 2.8 UCITS所面對場外衍生工具對手方風險不得多於淨資產5%。

如屬歐洲經濟區認可信貸機構、1988年7月巴塞爾資本協定簽署國（歐洲經濟區成員國除外）認可信貸機構或澤西島、根西島、馬恩島、澳洲或新西蘭認可信貸機構，此限額將提高至10%。

- 2.9 不論上文第2.3、2.7及2.8段所載，同一機構所發行、作出或承擔兩項或以上下列項目合共不得多於淨資產20%：
- 於可轉讓證券或貨幣市場工具的投資；
  - 存款；及/或
  - 場外衍生交易所產生的風險。
- 2.10 上文第2.3、2.4、2.5、2.7、2.8及2.9段所指限額不得合併計算，故對單一機構的投資不得多於淨資產的35%。
- 2.11 就第2.3、2.4、2.5、2.7、2.8及2.9段而言，同一集團旗下公司視作同一發行人。然而，淨資產20%的限額可應用於在同一集團內的可轉讓證券及貨幣市場工具的投資。
- 2.12 UCITS可將淨資產最多達100%投資於由任何成員國、其地方機構、非成員國或有一個或多個成員國為成員的公共國際組織發行或擔保的不同可轉讓證券及貨幣市場工具。

個別發行人須名列本基金章程及由下列名單抽取：

經合組織成員國政府（惟有關證券須屬投資級別）、中華人民共和國政府、巴西政府（惟證券須屬投資級別）、印度政府（惟證券須屬投資級別）、新加坡政府、歐洲投資銀行、歐洲復興開發銀行、國際金融公司、國際貨幣基金組織、歐洲原子能共同體、亞洲開發銀行、歐洲中央銀行、歐洲理事會、Eurofima、非洲開發銀行、國際復興開發銀行（世界銀行）、美洲開發銀行、歐洲聯盟、聯邦國民抵押協會（房利美）、美國聯邦住宅貸款抵押公司（Freddie Mac）、政府全國抵押協會（Ginnie Mae）、學生貸款推廣協會（Sallie Mae）、聯邦住宅貸款銀行、聯邦農業信貸銀行、田納西河谷管理局、Straight-A Funding LLC。

UCITS必須持有最少6個不同發行人所發行的證券，任何單一發行人所發行證券不得多於淨資產30%。

### 2.13 存款

在任何單一信貸機構（中央銀行的可轉讓證券集體投資計劃規例的規例7所載明的信貸機構除外）中，以附屬流動資產形式作出的存款不得超出：

- (a) UCITS的資產淨值的10%；或
- (b) 如存款乃存於保管人，UCITS的淨資產之20%。

### 2.14 近期已發行的可轉讓證券

- (i) 在第(ii)段的規限下，基金不得投資任何多於其資產的10%於UCITS規例的規例68(1)(d)所適用的類別證券。
- (ii) 第(i)段並不適用於由負責人對美國證券所作出的投資，即「規則144 A證券」，前提是：
  - (a) 已發行相關證券，並承諾在發行後1年內將該等證券在美國證券交易委員會登記；及
  - (b) 該等證券並非低流動性證券，即該等證券可在7日內由UCITS按UCITS對該等證券作出估價的價格或大約價格變現。

## 3 集體投資計劃（「集體投資計劃」）的投資

- 3.1 UCITS不得將淨資產多於20%投資於任何單一集體投資計劃。然而，董事已決定不可將基金淨資產多於10%投資於集體投資計劃。
- 3.2 於另類投資基金的投資合共不得多於淨資產30%。
- 3.3 倘若UCITS投資於其他集體投資計劃的單位/股份，而該集體投資計劃由UCITS管理公司或與UCITS管理公司有關連的任何其他公司（因受共同管理或控制或直接或間接持有大量股份而有關連）直接管理或獲指派管理，則該UCITS管理公司或其他公司不得就UCITS投資於該其他集體投資計劃的單位/股份而收取認購、轉換或贖回費用。
- 3.4 集體投資計劃不得將淨資產多於10%投資於另一集體投資計劃。
- 3.5 倘若UCITS管理公司或投資經理就另一集體投資計劃單位或股份的投資收取佣金（包括回佣），此筆佣金必須撥歸UCITS所有。



## 4 指數追蹤UCITS

4.1 倘若UCITS的投資政策為復現某項指數（該指數須符合中央銀行的可轉讓證券集體投資計劃規例所載準則並且獲中央銀行認可），則UCITS可將淨資產最多20%投資於同一機構所發行的股份及/或債務證券。

4.2 倘若在特殊市況下有充份理由，第4.1段所指限額可提高至35%，並可應用於單一發行人。

## 5 一般規定

5.1 投資公司或管理公司就其管理的所有集體投資計劃行事時，不得購入任何附帶投票權的股份，致使其可對發行機構的管理行使重大影響力。

5.2 UCITS不得購入超過：

- (i) 任何單一發行機構10%的無投票權股份；
- (ii) 任何單一發行機構10%的債務證券；
- (iii) 任何單一集體投資計劃25%的單位；
- (iv) 任何單一發行機構10%的貨幣市場工具。

**注意：** 倘若購入時無法計算債務證券或貨幣市場工具總額或已發行證券淨額，則當時毋須理會上文(ii)、(iii)及(iv)項所訂的限額。

5.3 第5.1及5.2段不適用於：

- (i) 成員國或其地方機構發行或擔保的可轉讓證券及貨幣市場工具；
- (ii) 非成員國發行或擔保的可轉讓證券及貨幣市場工具；
- (iii) 由有一個或多個成員國為成員的公眾國際機構發行的可轉讓證券及貨幣市場工具；
- (iv) UCITS所持有於非成員國註冊成立公司股本的股份，該公司的資產主要投資於註冊辦事處設於該國的發行機構所發行證券，而根據該國法例，持有該公司股份乃UCITS投資該國發行機構證券的唯一途徑。該非成員國公司的投資政策必須符合第2.3至2.11、3.1、3.2、5.1、5.2、5.4、5.5及5.6各段所訂限額，是項豁免方適用。倘若超出此等限制，則須遵守下文第5.5及5.6段的規定；
- (v) 由一間或多間投資公司應股東代表彼等本身提出回購股份的要求而持有在某些附屬公司股本的股份，有關附屬公司僅於所在國家經營管理、顧問或市場推廣業務。

5.4 當UCITS行使屬其資產一部份的可轉讓證券或貨幣市場工具所附認購權時，毋須遵守本文所訂投資限制。

5.5 中央銀行可容許近期獲認可的UCITS於認可日期起計六個月內豁免第2.3至2.12、3.1、3.2、4.1及4.2段各條文的約束，惟須遵守分散風險原則。

5.6 倘由於UCITS無法控制的理由或因行使認購權而超出本文所訂限額，UCITS須在充分考慮其股東利益後對有關情況作出補救，並以此作為其銷售交易的首要目的。

5.7 代表單位信託基金行事的投資公司、管理公司或信託人或共同契約基金的管理公司，概不得以無擔保方式出售：

- 可轉讓證券；
- 貨幣市場工具；
- 集體投資計劃的單位/股份；或
- 衍生工具。

5.8 UCITS可持有輔助流動資產。

## 6 金融衍生工具

6.1 UCITS於全球有關衍生工具的投資（按UCITS規例所規定）不得超過其資產淨值總額。

6.2 衍生工具（包括可轉讓證券或貨幣市場工具內附衍生工具）相關資產所涉及的持倉，連同直接投資所產生的持倉（如適用），不得超過規例/指引所載的投資限額。（此條文不適用於指數相關衍生工具，惟有關指數須符合中央銀行的可轉讓證券集體投資計劃規例所載準則。）

- 6.3 UCITS可投資於場外交易市場買賣的衍生工具，惟場外交易的對手方須為受到嚴密監管且屬中央銀行認可類別的機構。
- 6.4 投資於衍生工具須遵守中央銀行所訂條件及限制。

## 7. 國家特定投資限制

基金註冊所在的若干司法管轄區對基金的投資政策有額外規定。與基金有關的國家特定註冊資料載於基金經理網站 [www.barings.com/fund-registration-matrix](http://www.barings.com/fund-registration-matrix)。若基金在任何此等指定司法管轄區註冊（可於上述網站確認），則以下額外規定及投資限制將適用：

### 7.1 適用於香港註冊基金的投資限制：

- 7.1.1 若基金在香港獲認可公開發售，香港證券及期貨事務監察委員會（「香港證監會」）規定本公司根據其預期最高衍生工具風險承擔淨額（「衍生工具風險承擔淨額」）為基金分類。香港證監會規定衍生工具風險承擔淨額乃根據香港證監會《單位信託及互惠基金守則》及香港證監會發出的規定及指引（可經不時更新）計算。這規定本公司須將所有為投資目的而取得且會在基金的投資組合層面令槓桿遞增的金融衍生工具換算成該等金融衍生工具的相關資產的對應持倉。應用此等規定後，預期在香港獲認可公開發售的基金的衍生工具風險承擔淨額現時可高達基金資產淨值的50%，惟在相關香港監管規定容許的情況下可超過該上限。
- 7.1.2 為免生疑問，遵守香港證監會根據其衍生工具風險承擔淨額為基金分類的規定不會改變其投資目標或政策，或以其他方式影響基金的管理或其使用金融衍生工具的情況，因為如上所述，規定僅利用香港證監會的方法計量基金的預期金融衍生工具使用情況。

### 7.2 適用於韓國註冊基金的投資限制：

- 7.2.1 基金可將其資產淨值不多於40%投資於以韓圻計值的證券。

### 7.3 適用於台灣註冊基金的投資限制：

- 7.3.1 除非獲金融監督管理委員會（「金管會」）豁免，否則基金為增加投資效率所持的非沖銷金融衍生工具倉盤的風險在任何時候不得超過基金資產淨值的40%；為對沖目的所持的非沖銷金融衍生工具短倉總值則不得超過基金所持相應證券的總市值。
- 7.3.2 基金獲准在中國內地作出的直接投資限於在中國內地交易所或中國內地銀行間債券市場上市的證券，而基金對該等證券的持倉在任何時候不得超過基金資產淨值的20%（或金管會可能不時規定的其他百分比）。
- 7.3.3 台灣的證券市場不得構成多於基金資產淨值的50%或金管會可能決定的其他百分比。

#### 與具有股票為主策略的台灣註冊基金有關的限制：

- 7.3.4 股票投資總額必須多於基金資產淨值的70%。
- 7.3.5 若股票基金的名稱指明投資於特定目標、領域或市場，基金在此等目標、領域或市場的投資必須多於基金資產淨值的60%。

#### 與具有均衡／多元資產策略的台灣註冊基金有關的限制：

- 7.3.6 股票、債券及其他固定收益證券的投資必須多於基金資產淨值的70%，其中股票投資必須少於基金資產淨值的90%及不少於10%。
- 7.3.7 非投資級別債券的投資總額不得多於基金資產淨值的30%。

## 附錄II—合資格證券及衍生工具市場

除未上市證券的許可投資外，本公司將僅投資於在符合規管準則（受規管、定期營運、獲認可及開放予公眾投資）的證券交易所或市場買賣的證券並於以下市場上市的證券。

就本公司而言，市場應為：

與構成可轉讓證券或交易所買賣衍生工具的任何投資有關：

(i) 屬以下任何國家、證券交易所或市場：

- 位於歐洲經濟區的任何成員國；或

- 位於任何下列國家：

澳洲  
加拿大  
日本  
香港  
新西蘭  
瑞士  
英國  
美國；或

(ii) 下列名單載列的任何國家、證券交易所或市場：

阿根廷	在布宜諾斯艾利斯的證券交易所；
巴林	在麥納麥的證券交易所；
孟加拉	在達卡及吉大港的證券交易所；
波斯尼亞和黑塞哥維那	在塞拉耶佛的證券交易所；
波黎那	在嘉柏隆的證券交易所；
巴西	在聖保羅的證券交易所；
保加利亞	在索菲亞的證券交易所；
智利	在聖地牙哥及Valpariso的證券交易所；
中國	在上海及深圳的證券交易所；
哥倫比亞	在Bolsa De Valores De Colombia的證券交易所；
哥斯達黎加	在聖荷西的證券交易所；
埃及	在開羅及亞歷山大的證券交易所；
愛沙尼亞	在塔林的證券交易所；
迦納	在阿克拉的證券交易所；
香港	在香港的證券交易所；
印度	在孟買證券交易所；
以色列	在特拉維夫及MTS以色列的證券交易所；
印尼	在雅加達及蘇臘巴亞的證券交易所；
約旦	在安曼的證券交易所；
哈薩克	在阿拉木圖及哈薩克斯坦的證券交易所；
肯亞	在奈羅比的證券交易所；
科威特	在Safat, Kuwait City的證券交易所；
拉脫維亞	在里加的證券交易所；
立陶宛	在維爾紐斯的證券交易所及NASDAQ OMX Vilnius；
馬來西亞	在吉隆坡的證券交易所；
毛里裘斯	在路易港的證券交易所；
墨西哥	在墨西哥城的證券交易所；
摩洛哥	在卡薩布蘭卡的證券交易所；
那米比亞	在溫特和克的證券交易所；
尼日利亞	在尼日利亞的證券交易所；
阿曼	在Rawi的證券交易所；
巴基斯坦	在卡拉奇的證券交易所；
巴拿馬	在巴拿馬的證券交易所；
秘魯	在利馬的證券交易所；

菲律賓	在馬尼拉的證券交易所；
卡塔爾	在卡塔爾的證券交易所；
俄羅斯	在莫斯科的證券交易所；
沙特阿拉伯	在利雅德的證券交易所；
塞爾維亞	在貝爾格萊德的證券交易所；
新加坡	在新加坡的證券交易所；
南非	在約翰尼斯堡的證券交易所；
南韓	在釜山的證券交易所；
斯里蘭卡	在科倫坡的證券交易所；
台灣	在台北的證券交易所；
坦桑尼亞	在達累斯薩拉姆的證券交易所；
泰國	在曼谷的證券交易所；
突尼西亞	在突尼斯的證券交易所；
土耳其	在伊斯坦堡的證券交易所；
阿拉伯聯合酋長國	在阿布扎比及杜拜的證券交易所；
烏干達	在坎帕拉的證券交易所；
烏拉圭	在蒙得維的證券交易所；
越南	在胡志明市及河內的證券交易所；
贊比亞	在盧薩卡的證券交易所；

(iii) 以下任何一家交易所或市場：

- 由國際資本市場協會組織的市場；
- 英倫銀行刊發的《The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, Foreign currency and bullion)》所述的「上市貨幣市場機構」運作的市場；
- 由紐約聯邦儲備銀行及美國證券交易委員會規管的交易商組成的市場；
- 由美國全國證券交易商協會及美國證券交易委員會規管的交易商組成的市場；
- 歐洲經濟區成員國及英國認可的衍生工具市場；
- 納斯達克；及
- 由日本證券交易商協會規管的日本場外市場。
- 由全國證券交易商協會有限公司(National Association of Securities Dealers Inc.)規管的美國場外市場，亦可稱為由美國證券交易委員會及全國證券交易商協會（以及由美國貨幣監理署(U.S. Comptroller of the Currency)、聯邦儲備系統(Federal Reserve System)或聯邦存款保險公司(Federal Deposit Insurance Corporation)規管的銀行機構）規管的一級交易商及二級交易商運作的美國場外市場；
- 法國的可轉讓債務票據場外市場(Titres de Créances Négotiables)；
- 南韓的科斯達克市場(KOSDAQ Market)；
- 倫敦國際金融期貨及期權交易所(LIFFE)；
- 在阿根廷的布宜諾斯艾利斯期貨及期權交易所 (Bolsa de Comercio de Buenos Aires)；
- 在巴西的巴西證券期貨交易所(BM&FBovespa)；
- 在中國的大連商品交易所、上海期貨交易所及鄭州商品交易所；
- 印度聯合證券交易所(United Stock Exchange of India)；
- 在馬來西亞的衍生工具交易所；
- 墨西哥衍生工具交易所；
- 南非期貨交易所(SAFEX)；

- 新加坡交易所場外結算(Singapore Exchange OTC Clearing) (新交所亞洲結算(SGX Asia)) ；
- 臺灣期貨交易所；
- 土耳其衍生工具交易所(TURKDEX) ；
- 泰國期貨交易所(Thailand Futures Exchange PCL) ；及
- 中國銀行間債券市場。

上述的市場及交易所乃根據中央銀行的要求而於本文件刊載，該局並無刊發獲核准市場名單。

## 附錄III—有效投資組合管理

基金章程的本節闡明本公司可用作有效投資組合管理或短期投資目的之工具及／或策略。本公司將按要求向股東提供有關所採用的風險管理方法的補充資料，包括採用的數量限制以及基金主要投資類別的風險及收益特徵的任何最新發展。

每一基金可以運用下文列出的技術及工具作有效投資組合管理目的。本公司擬運用下文所述的金融衍生工具及投資技術而達到的有效投資組合管理目的，是在考慮基金的風險概況及UCITS規例的一般規定後，為相關基金降低風險、降低成本及在適當的風險水平下產生額外資本或收入。本公司可為此等目的使用各種金融衍生工具，包括但不限於認股權證、交易所買賣期貨及期權、遠期貨幣合約、掉期協議、差價合約、指數掛鈎票據及股票及商品指數期貨合約。

任何因運用有效投資組合管理技巧而產生的直接營運成本及／或費用（可於交付予基金的收入中扣除）應按一般商業利率計算，且不應包括任何隱藏收入。該等直接成本及費用將會支付予交易的相關對手方。透過運用有效投資組合管理技巧所產生的所有收入（扣除直接及間接營運成本）將交還予相關基金。獲支付任何直接及間接成本及費用的實體將於本公司的定期報告中披露，並將表明該等實體是否與基金經理、投資經理或保管人相關的各方。

投資者應注意，本公司須遵守中央銀行根據UCITS規例不時規定並載列如下的條件及限額。

在基金運用任何金融衍生工具作有效投資組合管理之前，本公司須就適當的風險管理程序向中央銀行呈報。

該等交易所產生收益的資料，連同獲支付與該等交易相關的直接及間接營運成本及費用之實體，須在本公司的年度及半年度報告中披露。該等實體可包括與基金經理、保管人或與基金經理或保管人相關的實體。

投資者應查看本基金章程「風險考慮因素」一節以了解對手方風險、信貸風險及與證券融資交易的相關風險的資料。

### 對手方程序

投資經理已成立管治委員會，負責根據公司的整體對手方風險管理政策載列的條文及規定，批准及監察買賣及金融衍生工具對手方。

倘對手方被標準普爾、惠譽或穆迪下調評級至A2或以下（或類似評級），則會導致進行新的信貸評估。

就場外金融衍生工具而言，所有對手方均為投資級別或投資經理認為具類似信貸狀況的對手方。該等掉期合約的對手方概不會對基金的投資組合或相關投資有任何酌情決定權，而基金的任何投資組合交易亦毋須取得對手方批准。

管治委員會監察的主要準則為有關對手方的結構、管理、財務實力、內部控制及一般聲譽，以及相關市場的法律、監管及政治環境。及後，該等對手方會被持續監察（利用股份價格走勢資料及其他市場資訊）。對手方風險將每日記錄及監察，並向管治委員會匯報。

所選的對手方將屬於根據歐盟金融工具市場指令（EU MiFID Directive）(2004/39/EC)獲認可的投資公司，或從美國聯邦儲備局獲發行銀行控股公司牌照的實體的集團公司，而該集團公司須受聯邦儲備局的銀行控股公司合併監管，或「認可信貸機構」。認可信貸機構是：

- (i) 獲歐洲經濟區認可的信貸機構；或
- (ii) 獲1988年7月《巴塞爾資本統合協議》(Basle Capital Convergence Agreement)簽約國（歐洲經濟區成員國除外）（瑞士、加拿大、日本、美國）認可的信貸機構；或
- (iii) 獲澤西島、根西島、馬恩島、澳洲或新西蘭認可的信貸機構。

每一對手方亦將須遵守以下各項：

- (i) 最佳執行—透過具規模的第三方分析系統監察對手方及作出評級，以優化交易策略
- (ii) 經營效率—投資經理的交易商根據其服務質素為對手方評級。

就每一交易而言，最佳執行較任何其他考慮事項優先，且投資經理概不得進行直接交易。

在UCITS規例所載條件及限制規限下，基金可運用回購協議、逆回購協議及／或借股協議作有效管理投資組合用途，即為基金帶來額外收入。回購協議指一方向另一方出售證券，而同時訂立協議於固定未來日期按指定價格購回有關證券的各項交易，有關指定價格反映與證券票面利率無關的市場利率。逆回購協議指基金向對手方買入證券，而同時承諾於協定日期及按協定價格將有關證券售回對手方的各項交易。借股協議指「貸方」將「借出」證券的所有權轉讓予「借方」，而借方立約於

較後日期將「等價證券」交回貸方的協議。截至本基金章程日期，概不擬運用回購協議、逆回購協議或代表任何基金進行借股。如基金確實打算運用該等技巧及工具，股東將獲通知，而基金章程亦會根據中央銀行的規定予以修訂。

投資經理將就每一基金運用風險管理程序，讓其可準確地計量、監控及管理與金融衍生工具相關的各項風險。

## 抵押品管理

根據中央銀行規定，投資經理將就因場外金融衍生工具交易而收到的抵押品（不論是為投資或有效管理投資組合目的以及為回購協議、逆回購協議及/或借股協議而收取）代表本公司及每一基金運用抵押品管理政策。

投資經理就基金採用的抵押品管理政策規定，與估值、發行的信貸質素、相關性及抵押品分散有關的現金及符合監管準則（於風險管理程序中披露）的高度流動性資產將為每一建議金融衍生工具交易的許可抵押品。除現金外所收到的抵押品將具有高度流動性，並在受監管市場或多邊交易設施上以透明的定價買賣，以便能夠以接近預售估值的價格迅速出售。抵押品將按照市場價格每日進行估值，如果抵押品的價值跌至低於承保要求，將使用每日變動保證金。收到的抵押品將由獨立於對手方的實體發行，且預期不會與對手方的業績表現出高度相關性。抵押品將在國家、市場及發行人方面充份多樣化，而對某一發行人的最大投資為基金資產淨值的20%。倘基金投資於不同對手方，則集合不同的抵押品籃子以計算單一發行人的20%投資限制。此外，基金可全數抵押在成員國、其一個或多個地方當局、第三國家或一個或多個成員國所屬的公共國際機構（載於標題為「投資限制」一節）發行或擔保的不同可轉讓證券及貨幣市場工具，惟基金須收到最少六次不同發行的證券，及任何一次發行的證券不可超過基金資產淨值的30%。

由投資經理操作的抵押品政策將設定投資經理就金融衍生工具交易所需的適當抵押品水平。投資經理亦將為各個作為抵押品收取的資產類別，在計入該等作為抵押品而收取的資產特性（例如其信貸地位或價格波動以及任何流動性壓力測試政策的結果）後，採用清晰的扣減政策（即將從用作抵押品的資產市值中扣減事先釐定的百份比之政策）。

投資經理代表相關基金不得出售、抵押或再投資相關基金接獲的任何非現金抵押品。

不可出售、抵押或再投資非現金抵押品及任何為及代表基金收取的現金抵押品可投資於以下任何一項：

- (i) 於相關機構的存款（定義見中央銀行的可轉讓證券集體投資計劃規例）；
- (ii) 高質素的政府債券；
- (iii) 逆回購協議，惟該等交易乃與信貸機構（定義見中央銀行的可轉讓證券集體投資計劃規例）作出，且 UCITS 可於任何時候以累計方式收回全額現金；
- (iv) 短期貨幣市場基金（定義見 ESMA Guidelines on a Common Definition of European Money Market Funds）。

已投資的現金抵押品將根據適用於非現金抵押品的分散規定予以分散，並可能不會存於對手方或有關連實體存款。

在基金接獲佔其資產最少 30%的抵押品的情況下，投資經理將採納適當的壓力測試政策，以確保可在正常及不尋常的的流動性狀況下進行定期壓力測試，以令投資經理可評估抵押品附帶的流動性風險。流動性壓力測試政策應在投資經理所採用的風險管理過程中披露。

### 抵押品的估值

基金接獲的抵押品將至少每日估值，而價格波動大的資產，除非設有適當保守的扣減率，否則將不獲接受為抵押品。由於抵押品的規定流動性質，基金接獲的非現金抵押品將按市價計值。

### 安全保管基金接獲的抵押品

基金按所有權轉讓所接獲的抵押品應由保管人或保管人正式委任的次級保管人持有。就其他類型的抵押品安排而言，抵押品可由保管人、保管人正式委任的次級保管人或第三方託管人持有，而該第三方託管人須受到審慎監管，並不得與抵押品供應人有任何關聯。

### 基金將抵押品過賬

基金向對手方提供的抵押品須與相關對手方協定，並可包括相關基金根據其投資目標及政策持有的現金或任何種類的資產，並須（如適用）符合 EMIR 的要求。抵押品可由基金按所有權轉讓轉交對手方，在該情況下，資產在託管範圍外轉移，並且不再由保管人或其次級保管人持有。在該等情況下，在 SFTR 規定的規限下，交易的對手方可絕對酌情決定使用該等資產。如抵押品由基金根據證券抵押品安排過賬至對手方，而相關證券的所有權仍屬相關基金所有，則該抵押品必須由保管人或其次級保管人安全保管。然而，在 SFTR 規定的規限下，對手方可能有權再用該等資產。與再用抵押品相關的風險載於「*風險考慮因素：與抵押品管理有關的營運風險*」。



## 附錄IV – 保管人的副託管人

保管人已將UCITS指令第22(5)(a)條所載的該等保管責任轉授予已獲委任為其全球副託管人的Northern Trust Company（倫敦分行）。

於本基金章程日期，全球副託管人的Northern Trust Company（倫敦分行）已委任下列地方副託管人。

司法管轄區	副託管人	副託管人的受委人
阿根廷	花旗銀行布宜諾斯艾利斯分行	
澳洲	香港上海滙豐銀行有限公司	HSBC Bank Australia Limited
奧地利	UniCredit Bank Austria AG	
孟加拉	渣打銀行	
比利時	Deutsche Bank AG	
百慕達	香港上海滙豐銀行有限公司	HSBC Bank Bermuda Limited
波斯尼亞和黑塞哥維那（波斯尼亞和黑塞哥維那聯邦）	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
波斯尼亞和黑塞哥維那（塞族共和國）	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
波札那	Standard Chartered Bank Botswana Limited	
巴西	花旗銀行巴西分行	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
保加利亞	Citibank Europe plc, Bulgaria Branch	
加拿大	The Northern Trust Company, Canada	
加拿大*	加拿大皇家銀行	
智利	花旗銀行	Banco de Chile
中國B股	香港上海滙豐銀行有限公司	滙豐銀行（中國）有限公司
Clearstream	Clearstream Banking S.A.,	
哥倫比亞	Cititrust Columbia S.A. Sociedad Fiduciaria	
哥斯達黎加	Banco Nacional de Costa Rica	
象牙海岸	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
克羅地亞	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
塞浦路斯	Citibank Europe PLC	
捷克共和國	UniCredit Bank Czech Republic and Slovenia, a.s.	
丹麥	Nordea Bank Abp	
埃及	花旗銀行開羅分行	
愛沙尼亞	Swedbank AS	
史瓦帝尼（原斯威士蘭）	Standard Bank Eswatini Limited	
芬蘭	Nordea Bank Abp	
法國	The Northern Trust Company	

司法管轄區	副託管人	副託管人的受委人
德國	Deutsche Bank AG	
加納	Standard Chartered Bank Ghana Limited	
希臘	Citibank Europe PLC	
香港	香港上海滙豐銀行有限公司	
香港（滬港通及深港通及債券通）	香港上海滙豐銀行有限公司	
匈牙利	UniCredit Bank Hungary Zrt.	
冰島	Landsbankinn hf	
印度	花旗銀行	
印尼	渣打銀行	
愛爾蘭	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
以色列	Bank Leumi Le-Israel B.M.	
意大利	Citibank Europe plc	
日本	香港上海滙豐銀行有限公司	
約旦	渣打銀行	
哈薩克斯坦	Citibank Kazakhstan JSC	
肯亞	Standard Chartered Bank Kenya Limited	
科威特	香港上海滙豐銀行有限公司	HSBC Bank Middle East Limited
拉脫維亞	Swedbank AS	
立陶宛	AB SEB bankas	
盧森堡	Euroclear Bank S.A./N.V.	
馬來西亞	香港上海滙豐銀行有限公司	HSBC Bank Malaysia Berhad
毛里裘斯	香港上海滙豐銀行有限公司	
墨西哥	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
摩洛哥	Société Générale Marocaine de Banques	
納米比亞	Standard Bank Namibia Ltd	
荷蘭	Deutsche Bank AG	
紐西蘭	香港上海滙豐銀行有限公司	
尼日利亞	Stanbic IBTC Bank Plc	
挪威	Nordea Bank Abp	
阿曼	香港上海滙豐銀行有限公司	HSBC Bank Oman S.A.O.G
巴基斯坦	花旗銀行喀拉奇分行	
巴拿馬	花旗銀行巴拿馬分行	

司法管轄區	副託管人	副託管人的受委人
秘魯	Citibank del Peru S.A.	
菲律賓	香港上海滙豐銀行有限公司	
波蘭	Bank Polska Kasa Opieki Spółka Akcyjna,	
葡萄牙	BNP Paribas Securities Services	
卡塔爾	香港上海滙豐銀行有限公司	HSBC Bank Middle East Limited
羅馬尼亞	Citibank Europe PLC	
俄羅斯	AO Citibank	
沙特阿拉伯	The Northern Trust Company of Saudi Arabia	
塞內加爾	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
塞爾維亞	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
新加坡	DBS Bank Ltd	
斯洛伐克	Citibank Europe PLC	
斯洛文尼亞	UniCredit Banka Slovenija d.d.	
南非	The Standard Bank of South Africa Limited	
南韓	香港上海滙豐銀行有限公司	
西班牙	Deutsche Bank SAE	
斯里蘭卡	渣打銀行	
瑞典	Svenska Handelsbanken AB (publ)	
瑞士	Credit Suisse (Switzerland) Ltd	
台灣	臺灣銀行股份有限公司	
坦桑尼亞	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
泰國	花旗銀行曼谷分行	
突尼西亞	Union Internationale De Banques	
土耳其	Deutsche Bank AG & Deutsche Bank AS	
烏干達	Standard Chartered Bank Uganda Limited	
阿拉伯聯合酋長國 (ADX)	香港上海滙豐銀行有限公司	HSBC Bank Middle East Limited (DIFC) Branch
阿拉伯聯合酋長國 (DFM)	香港上海滙豐銀行有限公司	HSBC Bank Middle East Limited (DIFC) Branch
阿拉伯聯合酋長國 (納斯達克)	香港上海滙豐銀行有限公司	HSBC Bank Middle East Limited (DIFC) Branch
英國	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
美國	The Northern Trust Company	
烏拉圭	Banco Itau Uruguay S.A.	
越南	香港上海滙豐銀行有限公司	HSBC Bank (Vietnam) Ltd

司法管轄區	副託管人	副託管人的受委人
贊比亞	Standard Chartered Bank Zambia PLC	

## 霸菱中國精選基金

基金已停止接受進一步認購，並將於適當時候向中央銀行申請撤銷認可。

### 投資目標及政策

基金的投資目標是透過投資於（本公司認為）將從經濟增長及中國發展中受惠的公司，在資產價值中達致長期資本增長。基金將尋求透過在任何時候把其總資產至少70%投資於已在中國或香港的認可交易所上市，或在中國或香港註冊成立的公司的股票，或在中國或香港擁有大部份資產或其他權益的公司的股票，或設於亞太區其他地方（日本除外），並有從中國發展中受惠的潛力（據投資經理的意見）的公司的股票，以達致其投資目標。就此而言，總資產並不包括現金及輔助流動資金。

基金亦可能投資於美國預託證及全球預託證，以增加對在中國或亞太區其他地方（日本除外）的認可交易所上市或買賣的公司所發行的股票的投資。基金亦可能投資於結構性票據、參與票據、與股票掛鈎的票據、類似的金融工具及金融衍生工具。該等工具的相關資產包括在中國的認可交易所上市的公司所發行的證券，及/或該等工具的表現與中國的認可交易所上市的公司所發行的證券掛鈎。該等工具將一般由發行人的可轉讓證券組成，儘管該等可轉讓證券的價值乃與相關股票或股票指數掛鈎。唯有具流動性、非槓桿式、「證券化」及可供自由銷售及轉讓予其他投資者，並於受規管市場上市或買賣的參與票據、結構性票據及股票掛鈎票據才會被視為「可轉讓證券」。於上述並無於受規管市場上市或買賣的參與票據及結構性票據的投資將限於基金資產淨值的10%。

投資經理在了解基金要投資的公司時，會參考整體市值範圍，亦可能會在投資情況許可下，把握機遇投資基金於地區內的中小型公司。

基金可能會根據中央銀行的規定，將基金的資產淨值最多10%投資於集體投資計劃（包括交易所買賣基金）。

就投資於中國而言，在任何時候均不可將基金資產淨值多於20%直接或間接投資於中國A股及B股。預期此項投資將可透過經互聯互通機制及/或透過根據QFI規例獲批准的額度（於基金章程中標題為「投資政策：整體政策」一節中進一步說明）投資於在上海證券交易所及深圳證券交易所上市的中國A股直接作出，或透過投資於其他合資格集體投資計劃或參與票據間接作出。

基金根據GITA第2章第6段遵守「股票基金」資格所需的投資限制，並將其資產淨值50%以上持續投資於符合GITA第2章第8段定義的股權參與。

### 策略

投資經理相信股票市場效率低（及並非時刻對證券進行正確估值），並尋求透過分析公司的業務模式，同時將更廣泛的經濟及社會管治趨勢納入分析（一般稱為基礎分析），從而識別低效率之處。投資經理的股票投資團隊擁有共同的投資方法，稱為合理價格增長(Growth at a Reasonable Price或GARP)。

GARP尋求透過進行結構性基礎分析（如下文所述），配合有紀律的投資過程，從而辨別出其質素被市場參與者忽略及定價合理的成長型公司。成長型公司的評估包括分析其未來財政表現以及其業務模式及管理風格，並同時專注於三至五年的長期盈利增長以尋找投資機會。

投資經理的策略有利業務專營權發展成熟或有改善、專注於盈利能力、其管理顧及少數股東及資產負債表讓公司可執行其業務策略的公司。投資經理認為此等公司的質素較高，因其提供透明度，讓投資專家能更有信心預測收益。這讓投資經理可提供隨著時間推移而波動性預期較低的基金。

### 金融衍生工具

基金亦可為投資目的及有效管理投資組合目的（包括對沖）而投資於金融衍生工具，惟其將不會廣泛地用作投資用途。基金可運用的金融衍生工具在基金章程中標題為「投資於金融衍生工具」項下有詳細描述。在運用金融衍生工具時，基金將透過運用金融衍生工具的固有槓桿作用產生槓桿效應。

### 典型投資者概覽

基金可向所有類別的投資者作市場推銷，惟須遵守相關司法管轄區的適用法律及監管規定。

## **Barings Dynamic Absolute Return Fund**

本基金並非獲證監會認可可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

# 霸菱歐洲機會基金

## 投資目標及政策

基金將尋求主要透過投資於較小型歐洲公司的證券，以達致長期資本增長。

基金將尋求透過把其總資產至少**75%**投資於在歐洲註冊成立或經營大部份經濟活動的較小型公司的股票及股票相關證券，或在歐洲的股票交易所上市或買賣的股票及股票相關證券，以達致其投資目標。就此而言，總資產並不包括現金及輔助流動資金。

小型歐洲公司的定義可以是在歐洲上市公司的總市值排名位於最低的**30%**的組成公司。

至於其總資產的其餘部份，基金可投資於歐洲以外的地區，以及較大型公司及固定收益與現金。

基金將把其總資產最少**50%**投資於展現正面或持續改善的環境、社會及管治（**ESG**）特性的公司的股票。基金透過利用第三方數據的專屬研究挑選該等公司。此分析亦是投資經理的主動公司參與政策背後的重要動力，在該政策下，投資經理致力影響（或識別有影響需要的）**ESG** 做法及改善披露。有關投資經理就股票基金（包括基金）制定的公開股票：**ESG**融合及主動參與政策的進一步詳情，可瀏覽基金經理網站[www.barings.com](http://www.barings.com)。

此外，基金亦可把其總資產最多**50%**投資於展現較少正面**ESG**特性的公司的股票及股票相關證券。

為實施投資政策，基金可透過美國預託證券、全球預託證券及其他股票相關證券（包括參與票據、結構性票據、股票掛鈎票據及可轉換為股票的債務證券）取得投資參與。基金亦可將其最多**10%**的資產淨值投資於集體投資計劃。

基金根據GITA第2章第6段遵守「股票基金」資格所需的投資限制，並將其資產淨值**50%**以上持續投資於符合GITA第2章第8段定義的股權參與。

## 策略

投資經理相信股票市場效率低（及並非時刻對證券進行正確估值），並尋求透過分析公司的業務模式，同時將更廣泛的經濟及社會管治趨勢納入分析（一般稱為基礎分析），從而識別低效率之處。投資經理的股票投資團隊擁有共同的投資方法，稱為合理價格增長(**Growth at a Reasonable Price**或**GARP**)。

**GARP**尋求透過進行結構性基礎分析（如下文所述），配合有紀律的投資過程，從而辨別出其質素被市場參與者忽略及定價合理的成長型公司。成長型公司的評估包括分析其未來財政表現以及其業務模式及管理風格，並同時專注於三至五年的長期盈利增長以尋找投資機會。投資經理利用納入**ESG**分析和宏觀考慮因素的專屬估值模型為公司進行估值。

投資經理的策略有利業務專營權可持續或有改善、專注於盈利能力、其管理顧及少數股東及資產負債表讓公司可執行其業務策略的公司。投資經理認為此等公司的質素較高，因其提供透明度，讓投資專家能更有信心預測收益。上述程序透過納入靈活和前瞻性方法的**ESG**分析得以進一步強化，旨在識別可持續的業務做法。這賦權投資經理更佳地評估公司面對的潛在風險和機會，特別是傳統基礎分析未有明確顯示或涵蓋者。這應有助建構長遠波幅較低的基金，同時推動較佳的**ESG**做法。投資經理認為**ESG**融合、集中於前瞻性動力及主動參與是釋放股票投資長期回報的關鍵。

## 金融衍生工具

基金亦可為投資目的及有效管理投資組合目的（包括對沖）而投資於金融衍生工具。

如投資經理認為運用金融衍生工具代表較持有直接持倉更佳的價值，或如作出直接投資為不可能或不可行，則基金可將此等衍生工具用作代替直接持倉。

如證券是以不同於基金的基本貨幣（即歐元）的貨幣計值，遠期貨合約可用作對沖因投資活動而於基金內所產生的貨幣風險。

以下為基金可運用的金融衍生工具：

- 股本證券及股票指數及貨幣的期貨；
- 期權（包括股票及股票指數期權以及期貨期權）；
- 遠期貨合約；
- 不可交割遠期貨合約

- 總回報掉期
- 備兌認股權證

基金可：

- 出售或購買股票指數、股票及貨幣的期貨，以管理對相關投資的風險承擔或對沖風險承擔。
- 購買或出售股票及股票指數的期權，以減低風險或實施基金的投資目標及政策。
- 投資於諸如遠期貨合約及不可交割遠期合約等的金融衍生工具，以對沖外幣風險承擔。
- 購買總回報掉期，以管理基金的風險承擔或投資於（例如）若干股本證券或股票指數。
- 購買或出售備兌認股權證。概不會將認股權證視為基金的投資策略的一部份，但可透過購買股票附帶購入。

上述各項金融衍生工具的相關投資將為符合中央銀行規定的個別股票、股票行業、貨幣、指數（包括股票、固定收益、合資格商品及對沖基金指數）、集體投資計劃及交易所買賣基金，並將與基金的目標相一致。

投資者亦可參閱基金章程中標題「投資於金融衍生工具」項下有關其商業用途的說明。

基金將採用風險管理程序，以供基金量度、監察及管理與衍生工具及其他附有金融衍生工具的元素之證券有關的多項風險。

在運用金融衍生工具時，基金將透過運用金融衍生工具的固有槓桿作用產生槓桿效應。由於基金所投資的若干股票相關證券（在上文「投資目標及政策」說明）或會包含衍生工具的元素（例如可轉換為股票的債務證券或結構性票據），故投資於該等工具所產生的任何槓桿效應將會根據本基金適當的風險管理程序予以準確監控、量度及管理。

基金可投資的交易所買賣基金及交易所買賣證明書可被歸類為可轉讓證券，並可運用掉期對指數作出合成投資，或可運用金融衍生工具（例如期貨及期權）作有效投資組合管理或投資用途。因此，由於該等交易所買賣基金及交易所買賣證明書可被歸類為包含衍生工具的元素的可轉讓證券，故投資於該等投資工具所產生的任何槓桿效應將會根據基金的風險管理程序予以準確監控、量度及管理。在本公司的風險管理程序包含該等投資工具的條文，並向中央銀行呈報之前，基金將不會運用被歸類為具大額槓桿效應的可轉讓證券或結構性票據或其他該等附帶槓桿效應的投資工具的交易所買賣基金及交易所買賣證明書。

#### **典型投資者概覽**

基金可向所有類別的投資者作市場推銷，惟須遵守相關司法管轄區的適用法律及監管規定。



可供投資的股份類別

股份類別	A	I	X <sup>4</sup>	
管理費	1.50%	0.75%	無	
行政管理、保管及營運費	0.45% (對沖類別 0.4625%)	0.25% (對沖類別0.2625%)	0.25%	
基本貨幣	歐元	歐元	歐元	
可供投資的對沖類別	A類別瑞士法郎對沖累積	I類別瑞士法郎對沖累積 I類別英鎊對沖收益	-	
可供投資的非對沖類別	A類別歐元累積 A類別歐元收益 A類別美元累積	I類別歐元累積 I類別歐元收益 I類別英鎊收益 I類別美元累積	X類別歐元累積 X類別英鎊累積 X類別日圓累積 X類別美元累積	
分派股份(收益) 股息支付日期 <sup>1</sup>	在每年不遲於7月31日支付			
最低認購及持有水平 <sup>2</sup>	瑞士法郎類別	5,000美元 <sup>3</sup>	10,000,000美元 <sup>3</sup>	-
	歐元類別	3,500歐元	10,000,000歐元	由董事酌情決定
	英鎊類別	-	10,000,000英鎊	由董事酌情決定
	日圓類別	-	-	由董事酌情決定
	美元類別	5,000美元	10,000,000美元	由董事酌情決定
其後的最低投資額 <sup>2</sup>	瑞士法郎類別	500美元 <sup>3</sup>	500美元 <sup>3</sup>	-
	歐元類別	500歐元	500歐元	由董事酌情決定
	英鎊類別	-	500英鎊	由董事酌情決定
	日圓類別	-	-	由董事酌情決定
	美元類別	500美元	500美元	由董事酌情決定

<sup>1</sup>分派將自每個會計期間基金或基金類別應佔的盈餘收入淨額及/或任何資本收益(經扣除已變現及未變現資本虧損)撥付。在英國稅務上，I類別英鎊收益及I類別英鎊對沖收益為匯報基金。

<sup>2</sup>或董事可酌情釐定的較低金額。如最低投資額/最低持有額有所增加，將先行通知股東。

<sup>3</sup>所列美元金額的等值瑞士法郎。

<sup>4</sup>年度管理費須受與投資經理另行訂立的協議之規限，且不從X類別股份的資產淨值中撥付。X類別股份僅可向已與投資經理或基金經理就收取投資管理費或類似的收費安排訂定協議的投資者發行。

## **Barings Frontier Markets Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

## **Barings Global Dividend Champions Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

## **Barings Global Flexible Allocation Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

## **Barings Europe Select Fund**

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## **Barings German Growth Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

## **Barings Global Equity Allocation Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。

## **Barings China A-Share Fund**

本基金並非獲證監會認可供香港公眾人士認購的基金，故本補充文件中文版並無載列本基金的詳情。



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**重要資料：**

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The logo for Barings, featuring the word "BARINGS" in a bold, blue, sans-serif font. A horizontal line is positioned below the text, with a green segment on the left side and a blue segment on the right side.