

BARINGS

Barings Hong Kong China Fund



BENCHMARK Fund of the Year Awards¹

Best-in-Class

Greater China Equity | 2020

Significant Improvement Awards—Temperature

Alignment—Greater China Equity | 2020

AS OF 30 APRIL 2024

OVERALL MORNINGSTAR RATING™²

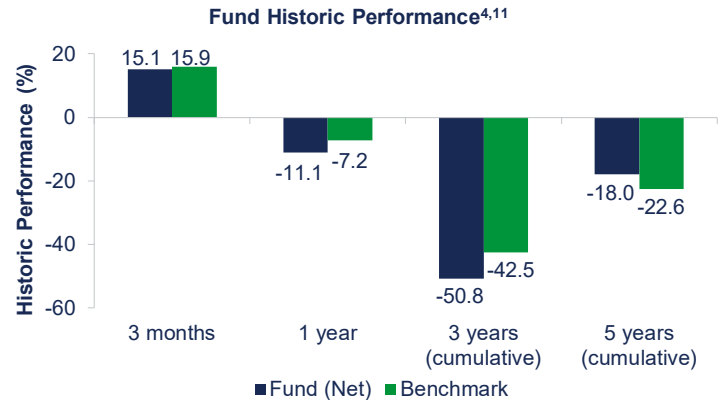


1. The Fund is subject to risks, such as investment, equities and equity-related securities, liquidity, counterparty, currency risks and the risks of investing in small and mid-capitalisation companies.
2. The Fund's investment may be concentrated in the Hong Kong and China markets and the value of the Fund may be more volatile. Investing in emerging markets may involve increased risks, including liquidity, currency/currency control, political and economic uncertainties, legal and taxation, settlement, custody and volatility risks.
3. The Manager integrates environmental, social and governance (ESG) information into the investment process, which may affect the Fund's investment performance and, as such, may perform differently compared to similar collective investment schemes.
4. The Fund may have exposure to financial derivative investments for investment or efficient portfolio management purposes which may involve counterparty/credit, liquidity, valuation, volatility and over-the-counter transaction risks. Exposure to financial derivative investments may lead to a high risk of significant loss by the Fund.
5. Dividends may be paid out of unrealised capital gains at the discretion of the Manager which would effectively represent paying dividend out of capital. This amounts to a return or withdrawal of part of an investor's original investment or any capital gains attributable to that original investment. Payment of dividends may result in an immediate reduction of the net asset value of the Fund per unit.
6. Investors may suffer substantial loss of their investments in the Fund.

WHY BARINGS HONG KONG CHINA FUND (THE "FUND")?

1. LONG-ESTABLISHED TRACK RECORD SUPPORTED BY OUTSTANDING PERFORMANCE

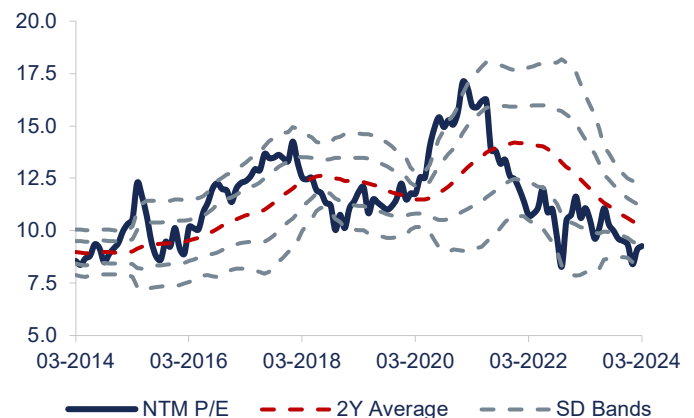
Barings has extensive experience investing in Chinese equities, having managed dedicated Chinese equity portfolios for over 40 years. The Fund has demonstrated strong resilience over different market cycles and delivered a solid track record over the longer term. As of April 2024, the Fund has outperformed both the benchmark and the median of Morningstar's China equity peer group over 5 years.^{3,11}



2. POTENTIAL FOR VALUATION RE-RATING

In 2023, Hong Kong China equities saw positive earnings growth—however, this has not yet been reflected in valuations. At the same time, the delivery of supportive policies has fallen short of investor expectations. At this point, Hong Kong China equities is one of the few major markets trading at attractive valuations, presenting potential entry points for longer term investors. The government is also introducing policies like consumer "trade-in" and industrial equipment upgrades, which could stimulate domestic spending and potentially lead to upward revisions.

MSCI China Index: Valuation and 2 Years P/E Bands⁵



3. RESILIENT DOMESTIC CONSUMPTION

Domestic consumption in China has returned to positive growth, and in some cases, the growth rate has surpassed that of pre-Covid levels. This is evident in the holiday passenger traffic, as hundreds of millions of people travel throughout the country. China remains one of the world's largest consumer markets. Today, while consumers are seeking better value in consumption, they are consuming nonetheless. Against this backdrop, a bottom-up approach to stock selection is key to identifying investment opportunities across China's vast consumption market.



FUND OBJECTIVES⁷

To achieve long-term capital growth in the value of assets by investing in Hong Kong, China and Taiwan.

PERFORMANCE¹¹

Cumulative Performance (%) ⁹		YTD	1 Year	3 Years	5 Years
		+2.94	-11.05	-50.79	-17.99
Calendar Year Performance (%) ⁹	2023	2022	2021	2020	2019
	-17.45	-29.94	-16.29	+54.55	+25.88

AVAILABLE SHARE CLASS

	Class A USD Inc	Class A EUR Inc	Class A GBP Inc	Class A HKD Inc
ISIN	IE0000829238	IE0004866889	IE00B3YQ0H18	IE00B4YN5X00

FUND DETAILS⁸

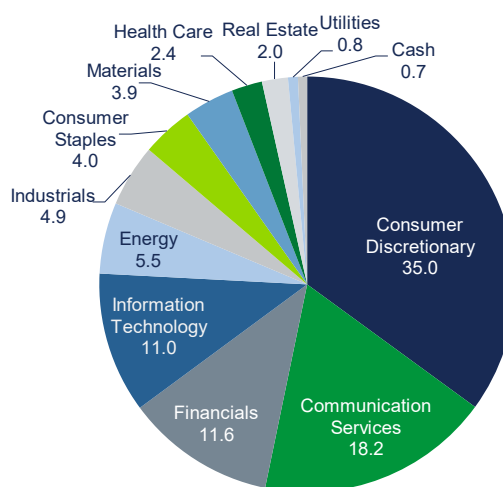
Fund Manager	William Fong, Nicola Lai
Fund Size	US\$1,015.8Million
Inception Date of Primary Share Class ⁹	03 December 1982
Base Currency	USD
NAV Price ⁹	US\$973.29
Minimum Investment	US\$5,000 or HKD equivalent, €3,500, £2,500
Initial Charge	Up to 5.00%
Management Fee	1.25% p.a.

TOP INVESTMENTS (% OF NAV)⁸

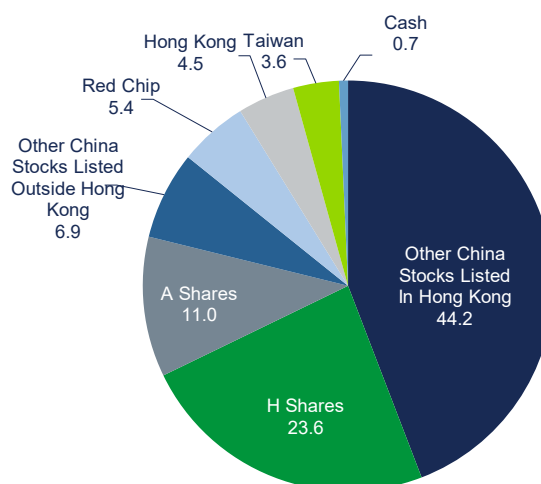
Tencent*	10.03
Alibaba	7.40
China Construction Bank	4.41
Meituan	4.36
PDD Holdings	4.22

*As of 30 April 2024, the Fund's largest holding was Tencent, accounting for 10.03% of net assets. This exceeded the UCITS rule to limit investments to no more than 10% of net assets in transferable securities of the same body, owing to a passive breach. Please note that this was subsequently rectified as of 10 May 2024.

Top Sector Weighting (% of NAV)^{8,10}



Asset Allocation (% of NAV)^{8,10}



Sources:

1. Barings was awarded Greater China Equity—Best-in-Class and Significant Improvement Awards—Temperature Alignment—Best in Class (Greater China Equity) in BENCHMARK Fund of the Year Awards 2020. The former award was based on the qualitative methodology and tools determined by BENCHMARK over the one-year period to 30 September 2020 and the latter award awards one Mutual Fund in each category – ESG (Environmental, Social, and Governance), Global Compact and Temperature Alignment that has made the most significant year-on-year improvement as of 30 September 2020.
2. Overall Morningstar rating as of 31 March 2024 (China Equity Category). Rating is for Class A USD Inc Share only, other classes may have different performance characteristics. A rating is not a recommendation to buy, sell or hold a fund.
3. Quartile ranking reflects Class A USD Inc Share. Ranking is based on Morningstar Category—China Equity, Morningstar fractional weighting methodology applied.
4. Performance reflects Class A USD Inc Share, as of 30 April 2024. The benchmark is MSCI China 10/40 (Total Net Return) Index. Previously MSCI China (Total Gross Return) Index from 01 February 2008 to 30 June 2018, then MSCI China 10/40 (Total Gross Return) Index until 31 December 2019. Please note that the use of a benchmark index is for comparative purpose only.
5. FactSet, March 2024.
6. Ministry of Commerce, Ministry of Culture and Tourism, Morgan Stanley Research, March 2024.
7. A full copy of the investment objective can be obtained from the Manager. The fund name was changed as of 30 April 2018. The investment objective of the Fund remains unchanged.
8. Barings, as of 30 April 2024.
9. Based on Class A USD Inc Share.
10. Numbers may not add up due to rounding.
11. Data as 30 April 2024. Performance Source—© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (i) is proprietary to Morningstar and/or its content providers; (ii) may not be copied or distributed; and (iii) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Investment return in denominated currency of the respective share class on a NAV per unit basis, with gross income reinvested.

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