

**Baring International Fund Managers (Ireland) Limited**

- This statement provides you with key information about Barings Eastern Europe Fund (the “Fund”).
- This statement is a part of the offering document.
- You should not invest in the Fund based on this statement alone.

| <b>QUICK FACTS</b>                  |   |                                 |                                    |
|-------------------------------------|---|---------------------------------|------------------------------------|
| <b>Fund Manager</b>                 | Baring International Fund Managers (Ireland) Limited (the “Manager”)  |                                 |                                    |
| <b>Investment Manager</b>           | Baring Asset Management Limited (internal delegation, in the United Kingdom)  |                                 |                                    |
| <b>Depository</b>                   | Northern Trust Fiduciary Services (Ireland) Limited   |                                 |                                    |
| <b>Ongoing charges over a year:</b> | Distribution Unit Classes (Inc)   | Accumulation Unit Classes (Acc) |                                    |
|                                     | Class A EUR Inc: 1.95%^   | Class A EUR Acc: 1.95%^         |                                    |
|                                     | Class A GBP Inc: 1.95%^   | Class A USD Acc: 1.95%^         |                                    |
|                                     | Class A USD Inc: 1.95%^   | Class I EUR Acc: 1.00%^         |                                    |
|                                     |   | Class I GBP Acc: 1.00%^         |                                    |
|                                     |   | Class I USD Acc: 1.00%^         |                                    |
|                                     | ^ The ongoing charges figure for this unlaunched or recently launched unit class is an estimate only and is calculated by aggregating all the estimated ongoing fees (expressed as a percentage of the net asset value of the unit class). The actual figures may be different upon actual operation of the unit classes and the figures may vary from year to year.  |                                 |                                    |
| <b>Dealing frequency</b>            | Daily   |                                 |                                    |
| <b>Base currency</b>                | USD   |                                 |                                    |
| <b>Dividend policy*</b>             | <p>For Distribution Unit Classes (Inc), dividends, if declared, will be paid.<br/>           For Accumulation Unit Classes (Acc), no dividend will be paid.</p> <p>* The Fund normally pays dividends out of surplus net income. However, the Manager may also distribute such part of any capital gains less realised and unrealised capital losses as, in its opinion, is appropriate to maintain a satisfactory level of distribution. Payment of distributions out of unrealised capital gains amounts to distribution out of capital under Hong Kong regulatory disclosure requirements and payment of distributions under such circumstances may result in an immediate reduction of the Fund’s net asset value per unit.</p> |                                 |                                    |
| <b>Financial year end</b>           | 30 April  |                                 |                                    |
| <b>Min. investment:</b>             |   | <b>Initial min. investment:</b> | <b>Subsequent min. investment:</b> |
|                                     | Distribution Unit Classes (Inc)   |                                 |                                    |
|                                     | Class A EUR Inc   | EUR3,500                        | EUR500                             |
|                                     | Class A GBP Inc   | GBP2,500                        | GBP500                             |
|                                     | Class A USD Inc   | USD5,000                        | USD500                             |
|                                     | Accumulation Unit Classes (Acc)   |                                 |                                    |
|                                     | Class A EUR Acc   | EUR3,500                        | EUR500                             |
|                                     | Class A USD Acc   | USD5,000                        | USD500                             |
|                                     | Class I EUR Acc   | EUR10,000,000                   | EUR500                             |
|                                     | Class I GBP Acc   | GBP10,000,000                   | GBP500                             |
|                                     | Class I USD Acc   | USD10,000,000                   | USD500                             |

**WHAT IS THIS PRODUCT?**

Barings Eastern Europe Fund is a sub-fund of Barings International Umbrella Fund, which is a unit trust domiciled in Ireland. Its home regulator is the Central Bank of Ireland.

**OBJECTIVES AND INVESTMENT STRATEGY**

The investment objective of the Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities, such as convertible bonds and warrants (such warrants may only be acquired passively through corporate actions and are not expected to exceed 5% of the Fund's net asset value), of companies incorporated in, or exercising the predominant part of their economic activity in Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan ("**Commonwealth of Independent States**") and in other emerging European countries<sup>1</sup>, or quoted or traded on the stock exchanges in those countries. There is no limit to the extent of direct investment in Russia and any such securities which are listed or traded in Russia must be listed or traded on the Moscow Exchange. Investment may also be made in equities and equity-related securities listed or traded on recognised exchanges or markets outside of the Commonwealth of Independent States and emerging European countries provided that the issuer is located in or has a significant exposure to the Commonwealth of Independent States and emerging European countries.

The Fund may invest less than 30% of its total assets outside of emerging markets including developed and frontier markets as well as in fixed and floating income instruments issued by governments and corporate issuers, such as bonds, and cash.

Debt securities acquired for the Fund will generally be rated not lower than B- by Standard & Poor's ("**S&P**") or another internationally recognised rating agency or will be, in the opinion of the Investment Manager, of similar credit status. The Investment Manager may invest in lower grade securities but it is their policy that the value of all such securities does not comprise more than 10% of the net asset value of the Fund. In addition, the Investment Manager will not invest more than 5% of the total assets of the Fund in debt securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Investment Manager, of similar credit status.

The policy of the Investment Manager is to maintain diversification in terms of the countries to which investment exposure is maintained but, save as indicated above, there is no limit to the proportion of the assets which may be invested in any one country and there is no specific focus on any sector or industry.

Investment by foreign investors in many developing countries is currently restricted. Indirect foreign investment, may, however, be permitted or facilitated in certain of those countries through investment funds which have been specifically authorised for the purpose. The Fund may also invest up to a maximum of 10% of its net asset value in collective investment schemes. Subject to such restriction, it is the policy of the Investment Manager to invest in such funds from time to time, and similar investment funds offering exposure to any particular emerging European markets where such funds are considered attractive investments in their own right.

The Fund may also invest in financial derivative instruments ("FDIs") such as futures, options, warrants, forward currency contracts, currency swaps and total return swaps for investment purposes and for efficient portfolio management, which includes hedging.

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 net asset value in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents.

**USE OF DERIVATIVES**

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

**WHAT ARE THE KEY RISKS?**

Investment involves risks. Please refer to the offering document for details including the risk factors.

**1. Investment risk**

<sup>1</sup> Examples of other emerging European countries include Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Georgia, Greece, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey.

- The 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. The Fund is an investment fund and is not in the nature of a bank deposit. There is no guarantee of repayment of principal.

## **2. Risks of investment in equities and equity-related securities**

- The 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.
- The Fund may invest in equity-related securities such as convertible bonds and warrants. 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-related securities may lead to dilution of performance of the Fund when compared to the other funds which invest directly in similar underlying assets due to fees embedded in the equity-related securities. The aforesaid circumstances may adversely affect the net asset value per unit of the Fund.
- Securities exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. Governments 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 the Fund to losses and may have a negative impact on the Fund.

## **3. Emerging market investment risk**

- The Fund invests in securities of issuers operating in emerging markets of Europe, Russia and frontier markets. Investing in these markets 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 such 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 the Fund.

## **4. Risk associated with investment in specific countries**

- The Fund's investment is concentrated in emerging Europe. 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 the emerging Europe market.
- In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Fund.

## **5. Risk associated with investment 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. 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. There is a possibility that the Fund could lose their registration through fraud, negligence, oversight or catastrophe such as a fire. If the Fund is unable to establish title to investments made and it may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce its right against third parties.

## **6. Risks associated with 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, increased sensitivity to the business cycle and organisational risk, such as concentration of management and shareholders and key-person dependence. Shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

## **7. Risks associated with FDIs**

- The Fund may have exposure to FDIs for investment purposes or for efficient portfolio management. 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 a FDI can result in a loss significantly greater than the amount invested in

the FDIs by the Fund. Exposure to FDIs may lead to a high risk of significant loss by the Fund.

- Furthermore, there is no guarantee that the Fund's use of FDIs for hedging will be entirely effective and in adverse situations, where the use of FDIs becomes ineffective, the Fund may suffer significant loss.

#### 8. Liquidity risk

- Market liquidity in the emerging markets may be lower than the more developed markets so that the purchase and sale of holding may take longer. The Fund may also encounter difficulties in disposing of securities or FDIs at their fair market price.

#### 9. Counterparty risk

- Counterparty risk is the risk that an organization 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.

#### 10. Risks of investing in 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.

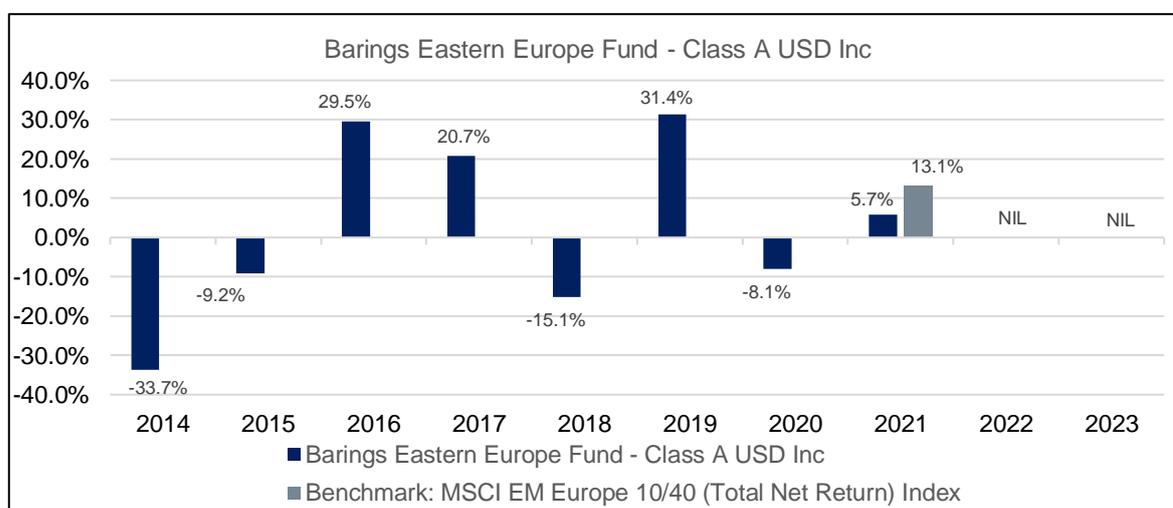
#### 11. Currency risk

- The underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. Also, a class of units of the 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.

#### 12. Charges deducted from capital/ risks relating to distribution

- The Fund normally pays its management fee and other fees and expenses out of income (in accordance with Irish accounting guidelines). 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 capital rather than income generated, this may constrain growth and could erode capital.
- The Fund normally pays dividends out of surplus net income. However, the Manager may also distribute such part of any capital gains less realised and unrealised capital losses as, in its opinion, is appropriate to maintain a satisfactory level of distribution. Payment of distributions out of unrealised capital gains amounts 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 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 unit.

#### HOW HAS THE FUND PERFORMED?



Source: Barings

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class A USD Inc increased or decreased in value during the calendar year being shown. Performance data has been calculated in US dollars, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Class A USD Inc is selected as representative unit class as it is a unit class offered to the public in Hong Kong and is denominated in the Fund's base currency.
- Predecessor fund (Barings Eastern Europe (SP) Fund, a sub-fund of Barings Global Umbrella Fund) inception date: 30 September 1996. The Fund was launched on 21 July 2023 upon the restructuring of the predecessor fund where liquid assets of the predecessor fund were transferred into the Fund. The performance information shown on or before the date of the restructuring has been simulated based on the performance of a unit class of the predecessor fund with the same features and fee structure of Class A USD Inc of the Fund.
- Since the predecessor fund has been suspended since 1 March 2022, and the restructuring of the predecessor fund took place for less than one full calendar year as at the end of 2023, the calendar year performances for 2022 and 2023 are not available.
- The Fund adopts MSCI EM Europe 10/40 (Total Net Return) Index as the benchmark which is used only for risk management and performance comparison purposes. The Fund is not designed to track the benchmark and its investments are not constrained by the benchmark.
- Since the benchmark has been adopted by the predecessor fund for less than a full calendar year as at the end of 2020, the past performance of the benchmark is not provided.
- Fund launch date: 21 July 2023
- Class A USD Inc launch date: 21 July 2023

### IS THERE ANY GUARANTEE?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

### WHAT ARE THE FEES AND CHARGES?

#### Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Fund.

| Fee  | What you pay  |
|--|---|
| <b>Subscription fee (Preliminary charge)</b> | Class A Units: up to 5% of the net asset value per unit<br>Class I Units: Nil |
| <b>Switching fee (Conversion charge)</b>     | Nil*  |
| <b>Redemption fee (Redemption charge)</b>    | Nil**   |

#### Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

|                       | Annual rate (as a % of the Fund's net asset value ("NAV")), unless otherwise specified   |
|-----------------------|--|
| <b>Management fee</b> | Class A Units: 1.50% of the Fund's NAV attributable to the Class<br>Class I Units: 0.75% of the Fund's NAV attributable to the Class |

|   |  |
|---|--|
| <b>Depository fee</b>                                   | Included in the Administration, Depository and Operating Fee   |
| <b>Performance fee</b>                                  | Not applicable   |
| <b>Administration, Depository and Operating Fee ***</b> | Class A Units: 0.45% of the Fund's NAV attributable to the Class<br>Class I Units: 0.25% of the Fund's NAV attributable to the Class |
| <b>Transaction fee</b>                                  | At normal commercial rates   |
| <b>Distributor fee</b>                                  | Not applicable   |

\* The Manager is entitled to make any such charges at their discretion, provided that at least 1 month's notice will be given to investors should any switching fee be charged.

\*\* At least 1 month's notice will be given to investors should any redemption fees be charged or increased up to the specified permitted maximum level as set out in the offering document.

\*\*\* The Administration, Depository and Operating Fee includes the aggregate fees and expenses of the Administrator and Depository and certain other fees and ongoing expenses. Please refer to the offering document for further details.

#### Other fees

You may have to pay other fees when dealing in the units of the Fund. The Fund will also bear the costs which are directly attributable to it, as set out in the offering document.

#### ADDITIONAL INFORMATION

- You generally subscribe and redeem units at the Fund's next-determined NAV per unit attributable to the relevant unit class after your request is received in good order by Baring Asset Management (Asia) Limited, our Hong Kong Representative, by 5 p.m. Hong Kong time on a Hong Kong Business Day<sup>2</sup> which is also a Dealing Day or the Manager by 12 noon Irish time on a Dealing Day. Dealing Days are every business day on which banks in both Ireland and the United Kingdom are open for business (excluding Saturday or Sunday). 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).
- The NAV of the Fund is calculated and the prices of unit of the relevant unit classes are published for each Dealing Day, and are available online at [www.barings.com](http://www.barings.com)<sup>3</sup>.
- 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)<sup>3</sup> or from the Hong Kong Representative on request.
- You may obtain the past performance information of other unit classes offered to Hong Kong investors from [www.barings.com](http://www.barings.com)<sup>3</sup>.

#### IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

<sup>2</sup> "Hong Kong Business Day" means 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 Manager and the Depository determine otherwise or such other day or days as the Manager and the Depository may determine.

<sup>3</sup> This website has not been reviewed by the SFC and it may contain information of funds which are not authorised by the SFC.