

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

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

| QUICK FACTS  |   |   |
|--|---|---|
| Fund Manager   | Baring International Fund Managers (Ireland) Limited (the “Manager”)  |   |
| Investment Manager   | Baring Asset Management Limited (internal delegation, in the United Kingdom)  |   |
| Sub-Investment Managers  | Barings LLC (internal delegation, in the United States)<br>Barings Japan Limited (internal delegation, in Japan)  |   |
| Depository   | Northern Trust Fiduciary Services (Ireland) Limited   |   |
| Ongoing charges over a year:   | Distribution Unit Classes (Inc)   | Accumulation Unit Classes (Acc)                               |
|  | Class A USD Inc:  | 1.20% <sup>#</sup> Class I USD Acc: 0.75% <sup>#</sup>        |
|  | Class A EUR Inc:  | 1.20% <sup>#</sup> Class I EUR Acc: 0.75% <sup>^</sup>        |
|  | Class A GBP Inc:  | 1.20% <sup>#</sup> Class I GBP Acc: 0.75% <sup>^</sup>        |
|  | Class A HKD Inc Monthly:  | 1.20% <sup>^</sup> Class A RMB Hedged Acc: 1.22% <sup>#</sup> |
|  | Class A USD Inc Monthly:  | 1.20% <sup>^</sup>  |
|  | Class A AUD Hedged Inc Monthly:   | 1.22% <sup>^</sup>  |
|  | Class A EUR Hedged Inc Monthly:   | 1.22% <sup>^</sup>  |
|  | Class A SGD Hedged Inc Monthly:   | 1.22% <sup>^</sup>  |
|  | Class A RMB Hedged Inc Monthly  | 1.22% <sup>#</sup>  |
| Class I GBP Inc:   | 0.75% <sup>#</sup>  |   |
| <sup>#</sup> The ongoing charges figure is based on the ongoing expenses chargeable to the respective unit class for the 12-month period ended 31 October 2022 expressed as a percentage of the average net asset value of the respective unit class for the same period and is based on the information in the latest interim financial statements (covering the period from 1 May 2022 to 31 October 2022) and the latest annual financial statements (covering the period from 1 November 2021 to 30 April 2022). This figure may vary from year to year. |   |   |
| <sup>^</sup> The ongoing charges figures for these unlaunched unit classes are estimates only and are based on ongoing charges figure for a reference unit class which has a similar fee structure. The actual figures may be different upon actual operation of the unit classes and the figures may vary from year to year.  |   |   |
| Dealing frequency  | Daily   |   |
| Base currency  | USD   |   |
| Dividend policy  | For Distribution Unit Classes (Inc), dividends, if declared, will be paid.<br>For Accumulation Unit Classes (Acc), no dividend will be paid.<br><br>The Fund may pay dividends out of net income, realised and unrealised capital gains (less realised and unrealised losses), capital and/or gross investment income while charging some or all fees and expenses out of capital (i.e. effectively paying dividends out of capital). Payment of distributions out of unrealised capital gains amount to distribution out of capital under Hong Kong regulatory disclosure requirements. Payment of distributions out of capital, and/or unrealised capital gains, and/or effectively out of capital may result in an immediate reduction of the Fund’s net asset value per unit. |   |
| Financial year end   | 30 April  |   |
| Min. investment:   | Initial min. investment:  | Subsequent min. investment:                                   |

|                                 |                                       |  |                                   |
|---------------------------------|---------------------------------------|--|-----------------------------------|
| Distribution Unit Classes (Inc) |                                       |  |                                   |
| Class A USD Inc                 | USD5,000                              |  | USD500                            |
| Class A EUR Inc                 | EUR3,500                              |  | EUR500                            |
| Class A GBP Inc                 | GBP2,500                              |  | GBP500                            |
| Class A HKD Inc Monthly         | USD5,000 (HKD equivalent of USD5,000) |  | USD500 (HKD equivalent of USD500) |
| Class A USD Inc Monthly         | USD5,000                              |  | USD500                            |
| Class A AUD Hedged Inc Monthly  | USD5,000 (AUD equivalent of USD5,000) |  | USD500 (AUD equivalent of USD500) |
| Class A EUR Hedged Inc Monthly  | EUR3,500                              |  | EUR500                            |
| Class A SGD Hedged Inc Monthly  | USD5,000 (SGD equivalent of USD5,000) |  | USD500 (SGD equivalent of USD500) |
| Class A RMB Hedged Inc Monthly  | USD5,000 (RMB equivalent of USD5,000) |  | USD500 (RMB equivalent of USD500) |
| Class I GBP Inc                 | GBP2,000,000                          |  | GBP500                            |
| Accumulation Unit Classes (Acc) |                                       |  |                                   |
| Class I USD Acc                 | USD2,000,000                          |  | USD500                            |
| Class I EUR Acc                 | EUR2,000,000                          |  | EUR500                            |
| Class I GBP Acc                 | GBP2,000,000                          |  | GBP500                            |
| Class A RMB Hedged Acc          | USD5,000 (RMB equivalent of USD5,000) |  | USD500 (RMB equivalent of USD500) |

## WHAT IS THIS PRODUCT?

Barings Global Bond 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

### Objectives

To seek a maximum total return, through current income generation and capital appreciation.

The "total return" sought by the Fund consists of income and capital appreciation, if any, which generally arises from decreases in interest rates or improving credit fundamentals for a particular government, industry sector or security.

To achieve its objective, the Fund will invest primarily in an actively managed globally diversified portfolio which at least 80% of its net asset value is invested in fixed income instruments. The fixed income instruments in which the Fund invests may include government bonds, covered bonds, global corporate bonds, notes, debentures, government obligations and sovereign issues, commercial paper, asset-backed securities ("ABS"), commercial and residential-mortgage backed securities ("CMBS" and "RMBS") and contingent convertible bonds ("CoCos"), up to 25% of its net asset value in collateralised and/or securitised products such as covered bonds, ABS, CMBS and RMBS and up to 10% of its net asset value in securities issued and/or guaranteed by a single sovereign (including its government, a public or local government of that country) which is rated sub-investment grade. The Fund may invest in investment grade and up to 20% of the Fund's net asset value in sub-investment grade fixed income instruments. "Sub-investment grade" means 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. "Sub-investment grade" also includes an eligible asset which is not rated by an internationally recognised rating agency, but is determined by the Investment Manager in its own assessment of having credit quality of "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. In the event of split rating, the highest credit rating accredited to the relevant issue will be deemed the reference credit rating.

The Fund may invest in various financial derivative instruments ("FDIs") for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank of Ireland. The Fund may use FDIs (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. When FDIs are used the Fund will be leveraged through the leverage inherent in the use of FDIs.

The Fund will invest less than 30% of its net assets in debt instruments with loss absorption features ("LAP") (e.g. CoCos, Tier 2, Tier 3, external LAC debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) out of which no more than 10% of the Fund's net asset value may be invested in CoCos. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a

financial institution falls to meet a specified level.

The Fund will invest at least 50% of the Fund's net asset value in fixed income instruments of countries that exhibit positive or improving environmental, social and governance ("**ESG**") characteristics. The Fund will also invest at least 75% of the Fund's net asset value in countries that exhibit strong or improving human development conditions, as measured by the United Nations Human Development Index (HDI) and calculated as the average of the five year period as of two years prior to the investment period.

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. The Fund's weighted-average portfolio duration is expected to be greater than 1 year at all times.

The Fund may invest in the money market instruments pending investment of subscription monies or payment of redemption proceeds or for temporary defensive purposes 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), where the Investment Manager determines that such holdings are in the best interests of Unitholders. Under exceptional circumstances, 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.

### Strategy

The Fund seeks diversification by market sector, industry and issuer. The Investment Manager will select individual investments based on an analysis of the value of the relevant investments as compared to other similar investments within the identified industry sectors and geographies which offer the best risk to reward opportunities. The Investment Manager determines where favourable value exists based on fundamental, bottom up analysis and assesses this value on a relative basis to other investment alternatives. The Investment Manager reviews country risk through macroeconomic health and political stability or unrest.

Although the net asset value of the Fund is expressed in US Dollars, the relative attraction of investments denominated in other currencies is a major consideration of the Investment Manager.

Countries that exhibit positive or improving ESG characteristics are selected through the Investment Manager's proprietary research which is supported with the use of third party issuer-specific ESG data. Issuers that exhibit positive or improving ESG characteristics are selected through the Investment Manager's proprietary ESG scoring methodology, which is supported with the use of third party issuer specific ESG data where coverage allows.

### 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

- 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 associated with sub-investment grade and/or unrated debt securities

- The Fund may invest in debt securities rated sub-investment grade and/or unrated which carry 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.
- 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 secondary market for such instruments is also subject to lower liquidity, and is more volatile than, the secondary market for higher-rated instruments.

#### 3. Credit Risk

- The Fund is exposed to the credit/default risk of issuers of debt securities that the Fund may invest in.

**4. Interest rate risk**

- Investment in the Fund is 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.

**5. Volatility and liquidity risk**

- The debt instruments in which the Fund invests may not be traded on an active secondary market. Debt instruments in certain markets may be subject to 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 the Fund may incur significant trading costs.

**6. Risk associated with investment in specific countries or regions**

- The Fund's investment may be concentrated in specific countries or regions. In such event, 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 specific country or region 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.

**7. 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.

**8. 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.

**9. Valuation risk**

- Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.

**10. Credit rating risk**

- 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.

**11. Risks of ESG integration and promotion of ESG characteristics**

- The Investment Manager integrates ESG information into the investment process. In addition to ESG integration, the Fund also promotes ESG factors or characteristics within their investment policies. The use of ESG information may affect the Fund's investment performance and, as such, may perform differently compared to similar collective investment schemes.
- The Investment Manager may use third-party resources that provide ESG information. In evaluating an investment, the Investment Manager is dependent upon such information and data, which may be incomplete, inaccurate or unavailable. There is no guarantee that such ESG information or the way in which it is implemented is fair, correct, accurate, reasonable or complete.
- Investor and societal sentiment towards ESG concepts and topics may change over time, which may affect the demand for ESG-based investments and may also affect their (and, in turn, the Fund's) performance.

**12. Risks associated with FDIs and liquidity**

- 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 FDI 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.
- There may not be active market for certain FDIs so that the purchase and sale of holding may take longer. The Fund

may also encounter difficulties in disposing of FDIs at their fair market price.

### **13. 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.

### **14. 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.

### **15. Risk associated with collateralised and/or securitised products (such as covered bonds, ABS, CMBS and RMBS)**

- The Fund may invest up to 25% of its net asset value in collateralised and/or securitised products such as covered bonds, ABS, CMBS and RMBS 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. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

### **16. 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 may pay dividends out of net income, realised and unrealised capital gains (less realised and unrealised loss), capital and/or gross investment income while charging some or all fees and expenses out of capital (which would result in an increase in distributable income for the payment of dividends by the Fund and therefore, the Fund may effectively pay dividends out of capital). Payment of distributions out of unrealised capital gains amount to distribution out of capital under Hong Kong regulatory disclosure requirements. Payment of distributions out of capital, and/or out of unrealised capital gains (which mean effectively paying dividends out of capital), and/or effectively out of the Fund's capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and may result in an immediate reduction of the Fund's net asset value per unit.
- 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.

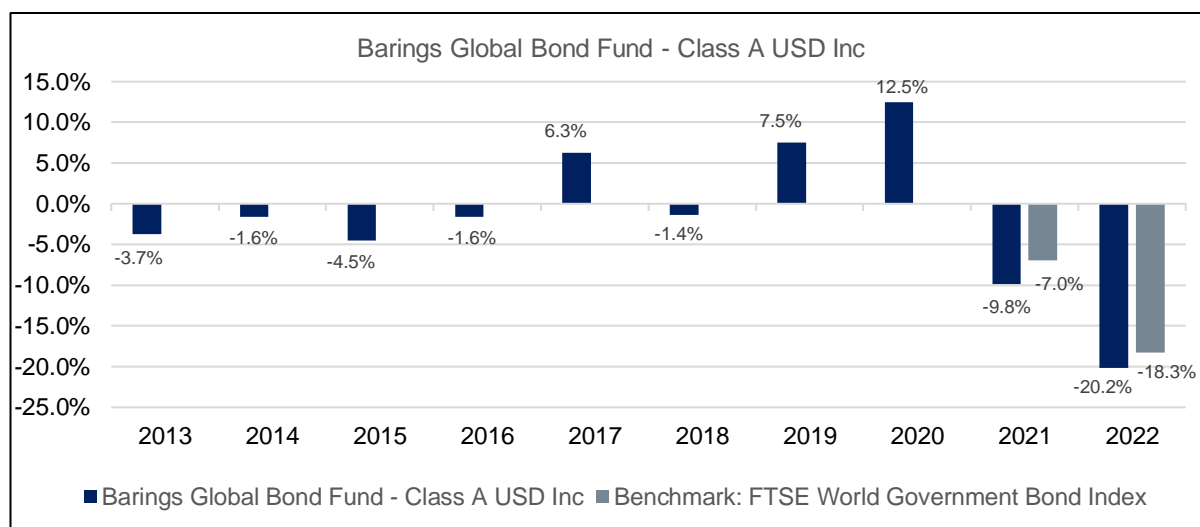
### **17. Risks associated with instruments with loss-absorption features**

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain trigger event(s) (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.
- The Fund may invest in CoCos which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- The Fund may invest in senior non-preferred debts (e.g. Tier 3 securities). While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

## 18. RMB classes related risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- 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 (for example USD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the 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.
- Non-RMB based investors in unit classes denominated in RMB may have to convert USD or other currency(ies) into RMB when investing in unit classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to USD or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to USD or such other currencies.
- Under exceptional circumstances, payment of realisation proceeds and/or dividend payment from underlying investments to the Fund in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

## HOW HAS THE FUND PERFORMED?



The performance of these years were achieved under circumstances that no longer apply, the investment policy was changed since mid-August 2019.

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 taking into account 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.
- The Fund formally adopted FTSE World Government Bond Index as the benchmark with effect from 31 August 2020 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 for less than a full calendar year in 2020, the past performance of the benchmark prior to and including 2020 is not provided.
- Fund launch date: 07 July 1978
- Class A USD Inc launch date: 07 July 1978

**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.

|  | <b>Annual rate (as a % of the Fund's net asset value ("NAV")), unless otherwise specified</b>   |
|--|---|
| <b>Management fee</b>                                  | Class A Units: 0.75% of the Fund's NAV attributable to the Class<br>Class I Units: 0.50% 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 (other than hedged Class): 0.45% of the Fund's NAV attributable to the Class<br>Class A hedged Units: 0.4625% 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  |

\* 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>1</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

<sup>1</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.

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.baring.com](http://www.baring.com)<sup>2</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.baring.com](http://www.baring.com)<sup>2</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.baring.com](http://www.baring.com)<sup>2</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> This website has not been reviewed by the SFC and it may contain information of funds which are not authorised by the SFC.