

1. The Fund invests primarily in equities and equity-related securities in any company where the majority of earnings of issuers or holding companies are derived from activities related to any commodities which are grown or raised, commonly known as agricultural or soft commodities.
2. The Fund is subject to risks, such as investment, equities and equity related instruments, counterparty, liquidity, currency risks and the risks of investing in small and mid-capitalisation companies.
3. The Fund's investment may be concentrated in the agricultural sector or a single country/region and the value of the Fund may be more volatile. Agricultural and soft commodities markets may be adversely affected by natural events and human errors. 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.
4. 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.
5. The Fund may invest in derivatives for investment or efficient portfolio management purposes which may involve counterparty/credit, liquidity, valuation, volatility and over-the-counter transaction risks. Exposure to derivatives may lead to a high risk of significant loss by the Fund.
6. Investors may suffer substantial loss of their investments in the Fund.

BARINGS

Barings Global Agriculture Fund

FREQUENTLY ASKED QUESTIONS

AUGUST 2023





The Barings Global Agriculture Fund invests in companies in the agriculture sector. What is the difference between this Fund and Agriculture ETFs?

The Barings Global Agriculture Fund (the “Fund”) is an actively managed fund that utilizes fundamentally-driven, bottom-up stock selection to invest in publicly-listed companies in the global agriculture sector.

There are typically two types of Agriculture ETFs. The first type passively tracks a benchmark index, and performance typically leans toward large-cap companies in the respective benchmark. The second type typically tracks a basket of commodity future contracts. It has greater correlation with commodity future prices, but it could be subject to higher volatility, as well as potential price differentials between spot and future prices.

The Fund seeks to identify and invest in attractive investment opportunities in the global agriculture industry, in order to achieve attractive risk-adjusted returns through various market cycles.

Do agriculture stocks benefit from a rise in agriculture commodity prices? How correlated is the performance of agriculture companies with commodity prices?

Agriculture stocks include commodity-producing companies, companies that manufacture productivity-enhancing equipment and technology, and other firms throughout the supply chain. Agriculture commodities tend to exhibit some level of cyclicality, and prices can fluctuate based on production capacity, inventory or demand. However, the global population is projected to continue growing steadily over the long term against a backdrop of limited availability of farmland—as a result, we are particularly constructive on technologies that aim to enhance crop yields and reduce unit costs.

The performance of agriculture stocks is partially correlated to prices of agriculture commodities and global inflation, and can also benefit from technological enhancements in the industry. However, agriculture companies may continue to generate profits via their business operations, while commodities companies cannot. Over time, agriculture companies also have the potential for a more consistent return profile.

What is the investment case for the Barings Global Agriculture Fund?

There are several short-term and long-term factors supporting the investment case for the global agriculture industry:

SHORT-TERM CATALYST 1

El Nino, potentially impacting harvest this year and in 2024

The World Meteorological Organization declares that there is a 90% probability of El Nino conditions—the warming of surface waters in the central and eastern tropical Pacific Ocean—during the second half of 2023¹, which would greatly increase the likelihood of record-breaking temperatures and extreme weather events. Historical studies of past El Nino events revealed reduced global mean-crop yield for wheat, rice, and corn. This could potentially lead to increases in upstream crop prices, as global inventories have already been impacted by the three consecutive years of La Nina event—the cooling of surface-ocean water along the tropical west coast of South America—as well as significant disruption across global food supply chains.

SHORT-TERM CATALYST 2

War in Ukraine has a significant impact on agriculture commodity supplies, pushing prices higher

Russia's invasion of Ukraine had further exacerbated the supply chain disruptions for the global agriculture industry. Russia and Ukraine are both major exporters of agriculture commodities, including corn, wheat and sunflower seeds. The region is also one of the largest exporters of fertilizers.

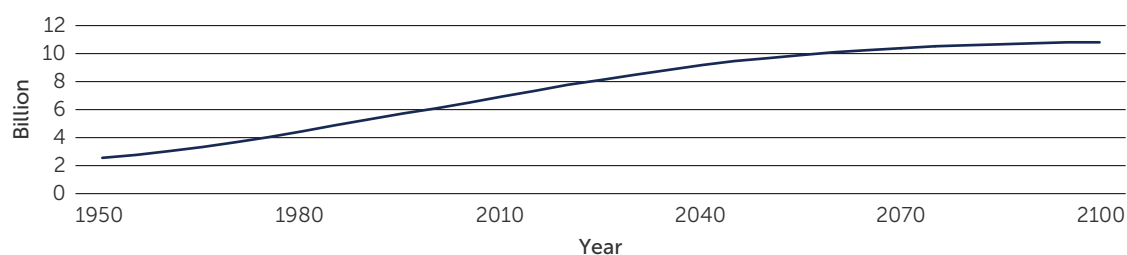
Due to the cyclical nature of agriculture (each harvest cycle can be as long as ~180 days), and the extended disruptions to some logistics infrastructure such as roads and ports, the war has had a notable impact on global agriculture supplies. The restoration of these supplies could take some time, which could mean sustained high prices for agriculture commodities.

LONG-TERM INVESTMENT CASE 1

Long-term Investment Case 1: Food production capacity must increase in order to meet the rising demand from growing populations

Over the longer term, the global population will continue to rise, but the area of farmable cropland remains limited. It is expected that the incremental rise in food production will come from technological advancement to enhance crop yields. Over the years, food production capacity has dramatically increased through a series of technological innovations across areas including planting, weed management, fertilization, pest controls, and storage and shipping. These yield enhancement initiatives must continue through the remainder of this century in order to fulfill the demand from a growing population, which will ultimately support the investment case for agriculture industries in the medium to long term.

GLOBAL POPULATION PROJECTIONS



Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019.

1. Source: World Meteorological Organization declares onset of El Niño conditions. As of July 2023.



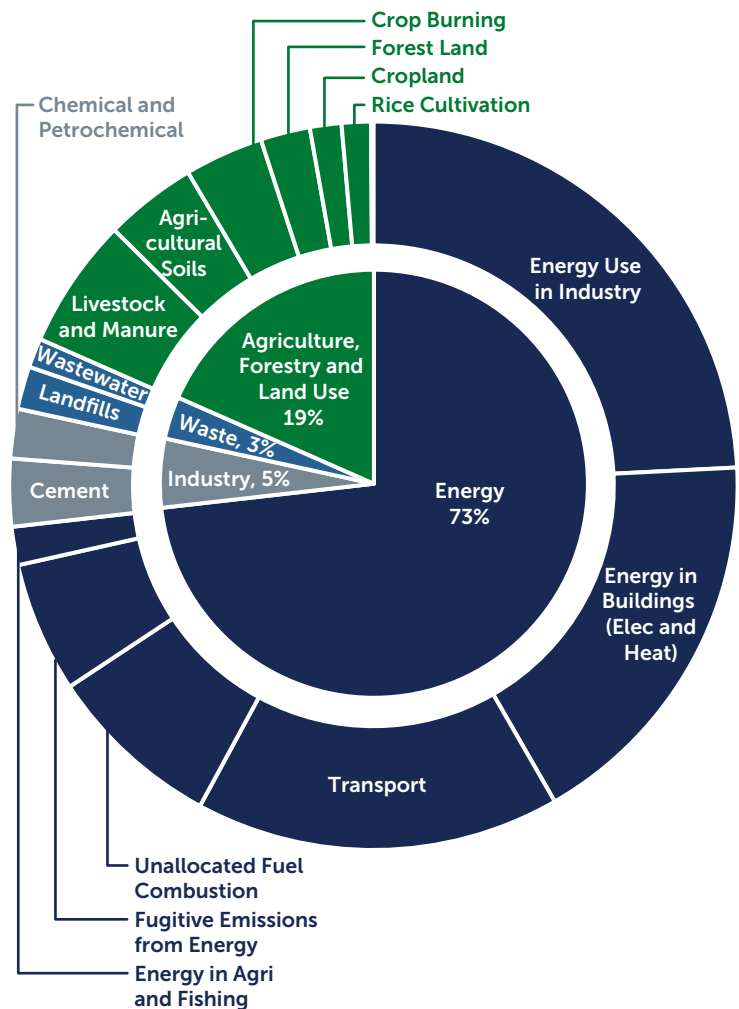
LONG-TERM INVESTMENT CASE 2

Amid the global transition toward carbon neutrality, biofuels will play an important role

Humanity is currently facing the challenges that come from a changing climate. An overwhelming majority of countries have signed the Paris Agreement, which pledges to substantially reduce carbon emissions on a global level by 2050.

Biodiesel is one of the solutions to achieve this target, as its carbon footprint could be even lower than electric vehicles. It is expected that the global demand for biofuels will continue to increase, with annualized growth rates of up to 15%.² In addition to revenues from the sale of biofuels, companies may also generate additional revenues via the sale of its carbon credits, in specific markets which are actively being developed around the world.

AGRICULTURE NEEDS TO BECOME MORE SUSTAINABLE TO FEED A GROWING POPULATION—EMISSIONS BY SECTOR



Source: Climate Watch, The World Resources Institute (2020).

2. Source: Neste. As of March 2020.



What is the scope for agriculture companies? What are some of the short-term catalysts and long-term investment opportunities across the sector?

Agriculture investments cover companies across upstream (fertilizer, seeds, equipment, farms and forestry), midstream (crop and meat processing, and logistics), and downstream (food retail) segments of the industry. At Barings, we prefer upstream and midstream companies due to the impact of their production capacity on the entire value chain. At the same time, upstream agriculture is an area that is often overlooked by global investors—and as result, we believe there is an opportunity to discover unrecognized value.

Can you provide some examples on some of the Fund's holdings?

Below are a list of sample companies, which help illustrate the type of companies held in the Fund (as of June 2023):

AGCO—Farming Equipment

AGCO is a leading agriculture machinery manufacturer that has managed well through the agriculture cycle, maintaining good margins and cash flow. AGCO's 2017 acquisition of "Precision Planting" in 2017 has structurally improved the quality and competitiveness of the business. The company benefits from improving farmer economics and precision agriculture. AGCO aims for 20% improvement in net farmer income when a farmer adopts their Precision Agriculture technologies.³

In addition, AGCO is further expanding to Europe and Latin America where adoption of these technologies are behind the U.S.

Darling Ingredients—Biodiesel

Darling Ingredients operates Diamond Green Diesel, a world-class biodiesel producer. The company is the only vertically integrated producer of renewable diesel in the world. The quality of the business is improving as its biodiesel segment is becoming a bigger part of the business. U.S. biofuel margins are supported by the Californian "Carbon Reduction Mandate". The company's capacity is expected to grow from 290 million gallons in 2020 to 690 million gallons in 2022, and by an additional 470 million gallons in 2024.⁴

[Stock samples are for illustrative purpose and for reference only and must not be used, or relied upon, for the purposes of any investment decisions.]

3. Source: AGCO company information, Barings internal research.

4. Source: Darling Ingredients company information, Barings internal research.

The Fund's benchmark is the DAX Global Agribusiness Total Net Return Index. Where can we find more information on this index?

DAX Global is the index company for this benchmark, and they maintain the calculation and updates on a daily basis. This index includes companies belonging to the agricultural economy, which by definition includes companies that generate more than 50% of their revenues from one of the following sectors: livestock farming, production, processing and distribution of agricultural chemicals, ethanol and bio diesel, as well as other agricultural equipment.

More information regarding the Fund's benchmark can be found through the links below:

[Index daily performance and related information](#)

[Index construction methodology](#)

Are ESG factors incorporated into the Fund's investment process?

ESG research and analysis is one of the core considerations of the Barings Equities team. Barings has adopted its proprietary ESG analytical process, which has three major areas and nine key topics, covering environmental, social, and corporate governance. As part of the investment process, investment analysts incorporate ESG considerations into company evaluations, primarily on a dynamic basis to see if there are marginal improvements or deteriorations. The results of the evaluation tend to impact the company's quality assessment, as well as its discount rate. We believe companies with improving ESG characteristics should have a higher growth potential and a higher probability of achieving their growth targets, and therefore higher target prices. The reverse is true as well.

The team also considers ESG characteristics at a portfolio level, and attempts to reasonably optimize the portfolio such that ESG performance is superior to that of the benchmark, which includes targeting a lower carbon footprint.

The Barings Global Agriculture Fund has a strong ESG profile. The Fund's ESG rating is higher than 85% of the global universe of all funds in MSCI coverage.⁵



5. Source: Barings, MSCI. Based on Barings Global Agriculture Fund Class A USD Acc. The Fund ESG Rating measures the resiliency of portfolios to long term risks and opportunities arising from environmental, social, and governance factors. As of June 30, 2023.

Barings is a US\$351+ billion global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment.*

IMPORTANT INFORMATION

The document is for informational purposes only and is not an offer or solicitation for the purchase or sale of any financial instrument or service. The material herein was prepared without any consideration of the investment objectives, financial situation or particular needs of anyone who may receive it. This document is not, and must not be treated as, investment advice, investment recommendations, or investment research.

In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved and before making any investment decision, it is recommended that prospective investors seek independent investment, legal, tax, accounting or other professional advice as appropriate.

Unless otherwise mentioned, the views contained in this document are those of Barings. These views are made in good faith in relation to the facts known at the time of preparation and are subject to change without notice. Parts of this document may be based on information received from sources we believe to be reliable. Although every effort is taken to ensure that the information contained in this document is accurate, Barings makes no representation or warranty, express or implied, regarding the accuracy, completeness or adequacy of the information.

Any forecasts in this document are based upon Barings opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Any investment results, portfolio compositions and/or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments.

Investment involves risks. Past performance is not a guide to future performance. Investors should read the offering documents for details and the risk factors. Investors should not only base on this document alone to make investment decision.

This document is issued by Baring Asset Management (Asia) Limited. It has not been reviewed by the Securities and Futures Commission of Hong Kong.

LEARN MORE AT [BARINGS.COM](https://www.barings.com)

**As of June 30, 2023*

23-3048300