

OVERALL  
MORNINGSTAR RATING™\*



## FUND FACTS

**NAV (\$m)**  
757.1

**Inception Date**  
September 10, 2015

**Domiciled**  
Ireland, UCITS Fund

**Dealing Frequency**  
Daily

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

**Investment Manager**  
Baring Asset Management  
Limited  
Barings LLC

**Currency Tranches**  
USD/EUR/AUD/GBP/CHF/  
SEK/JPY/SGD/CAD/NOK/  
DKK (accumulating and  
distributing)

**Distribution Frequency**  
Quarterly

**Base Currency**  
USD

**Benchmark**  
J.P. Morgan EMBI Global  
Diversified Index

## PORTFOLIO MANAGERS

**Ricardo Adrogué, PhD**  
28 years of experience

**Cem Karacadag**  
26 years of experience

## SEPTEMBER 2020 / FACTSHEET

### OBJECTIVE

The Barings Emerging Markets Sovereign Debt Fund (The “Fund”) is an actively managed Emerging Markets (“EM”) sovereign hard currency strategy. The Fund seeks to provide maximum total return consisting of both income and capital appreciation.

### STRATEGY

Invests primarily in a diversified portfolio of hard currency investment grade and high yield sovereign debt of EM countries.

### MARKET OPPORTUNITY

- The EM sovereign debt universe currently stands at close to \$1.2tn<sup>3</sup> and should continue to offer attractive risk-adjusted opportunities relative to similarly rated developed market peers
- While not immune to volatility, fundamentals have remained stable, and the large number of issuers, sectors, and countries can provide attractive relative value opportunities that suit the research-intensive, bottom-up strategy at Barings
- During recent years, EM sovereigns have shown healthy returns with low correlations to equities and developed market debt

FUND PERFORMANCE (%) <sup>1</sup>	Barings Emerging Markets Sovereign Debt Fund (Gross of Fees)	Barings Emerging Markets Sovereign Debt Fund (Net of Fees)	J.P. Morgan EMBI Global Diversified Index
September 2020	-1.76	-1.82	-1.85
3 Months	3.38	3.20	2.32
Year to Date	2.89	2.35	-0.51
1 Year	6.86	6.15	1.29
3 Years	8.19	7.49	3.49
5 Years	10.32	9.55	6.15
Since Inception	10.02	9.23	5.79

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** An investment entails a risk of loss. Performance reflects the deduction of fees and expenses based upon the lowest fee share class available within the periods provided. Please note that this does not reflect what an a new investor will experience, as their returns will be reduced by the deduction of such fees and expenses of the applicable share class. Returns for periods greater than one year are annualized.

1. Fund Inception Date: September 10, 2015. Performance figures are shown in USD on a NAV per unit basis, with gross income reinvested.
2. Please refer to page 3 for additional detail.

### MANAGEMENT FEE SCHEDULE

	Commitment	Management Fee (p.a.)
Share Tranche B	≥\$50M	0.55%
Share Tranche C	\$10 – 50M	0.60%
Share Tranche I	\$1 – 10M	0.65%
Share Tranche E	\$100k (or equivalent)	1.20%

Annual Expenses capped at 20 bps per annum. Please refer to Prospectus for more information.

\*Please note that tranche only available for subscription during the launch phase until the Fund reaches \$300M

3. J.P. Morgan, as of June 30, 2020

## EMERGING MARKETS DEBT PLATFORM<sup>1</sup>

Barings manages \$346+ billion of fixed income, real estate, and alternative assets globally

Barings' Emerging Markets Debt Platform manages over \$11.1 billion in aggregate Emerging Markets Debt across sovereign and corporate debt, both in hard and local currencies

Market-leading franchise in credit, with integrated investment teams across markets and geographies

Investment process combines local debt and sovereign strategies with bottom-up credit analysis and top-down macro insights

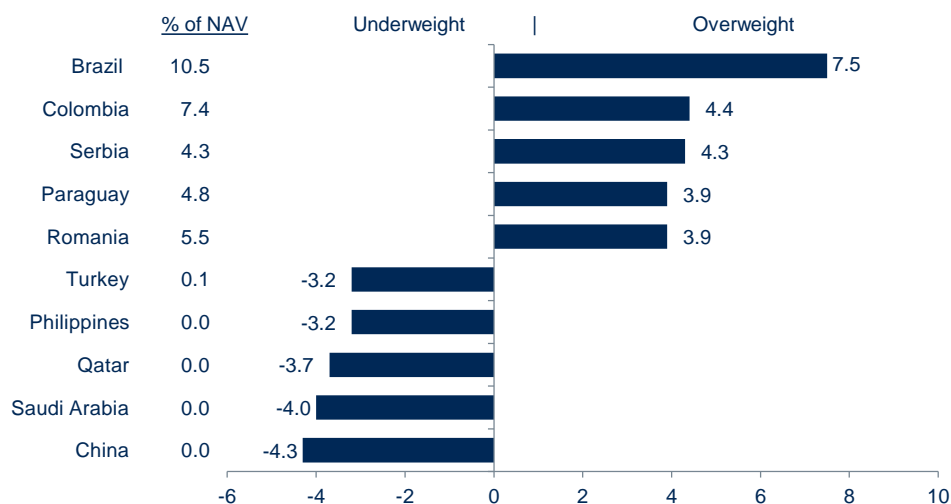
Portfolio Managers with over 20 years of experience in managing Emerging Markets Debt

19 dedicated investment professionals located in the U.S., Europe, and Asia

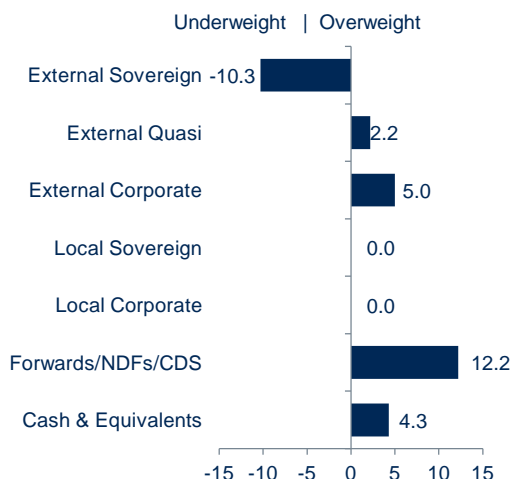
Global Credit Research Platform comprised of over 55 credit analysts, with seasoned investment professionals whose deep expertise spans the full credit spectrum

CHARACTERISTICS	BARINGS EMERGING MARKETS SOVEREIGN DEBT FUND	J.P. MORGAN EMBI GLOBAL DIVERSIFIED INDEX
Yield To Worst (%)	5.05	4.50
Option Adjusted Spread (bps)	439	389
Effective Duration (Years)	8.35	7.97
Spread Duration (Years)	10.23	7.87
Average Rating <sup>2</sup>	Ba2 / BB	Baa3 / BBB-
IG / HY Composition (% of NAV) <sup>3</sup>	45 / 69	56 / 44
Number of Issuers	72	167

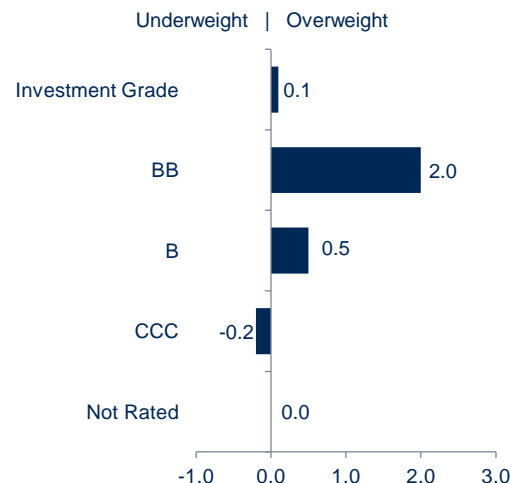
## TOP/BOTTOM 5 COUNTRY EXPOSURES VS. BENCHMARK (% OF NAV)<sup>3,4</sup>



## INVESTMENT ALLOCATION VS. BENCHMARK (% OF NAV)<sup>3</sup>



## RATING DISTRIBUTION VS. BENCHMARK (CTSD IN YEARS)<sup>2,3,5</sup>



1. Barings, as of June 30, 2020.
2. See page 3 for additional information regarding ratings methodology
3. Figures shown reflect derivatives held in the portfolio and may not total 100%
4. Excludes USD cash holdings and commercial paper
5. Contribution to spread duration

## ACTIVE SHARE TRANCHE IDS

Name	ISIN	Bloomberg	Lipper
Tranche B EUR Hedged ACC	IE00BYXWWF90	BEMTBEA	
Tranche B GBP Hedged ACC	IE00BYXWWH15		
Tranche C EUR Hedged ACC	IE00BYXWZQ11	BAMSDCE	
Tranche C EUR Hedged INC	IE00BYXWZR28		
Tranche C GBP Hedged ACC	IE00BYXX2J65	BMSDTCG	
Tranche C GBP Hedged INC	IE00BYXX2K70	BAMSDTC	
Tranche E USD ACC	IE00BYXX6166	BEMTEUA	68518899
Tranche E USD INC	IE00BYXX6273	BAMSDTE	68518900
Tranche I CHF Hedged ACC	IE00BYXX3379		68518891
Tranche I EUR Hedged ACC	IE00BYXX2X00		68518893
Tranche I USD ACC	IE00BYXX2V85	BAMSDDA	68518895
Tranche I USD INC	IE00BYXX2W92	BAMSDDU	68518896

Barings' Global Sovereign Debt team uses a custom methodology to calculate average rating for the portfolio. Weighting is based off of market value, with unrated securities excluded from the weights. Non-USD denominated sovereign bonds are assigned a rating according to the following waterfall, leading from highest priority to lowest priority: 1) Moody's LT Currency Rating 2) S&P LT Currency Rating 3) Moody's Issue Rating 4) S&P Issue Rating. Corporate bonds and USD denominated sovereign bonds are assigned the median observation from S&P, Moody's, and Fitch ratings; if all three agencies have not reported a rating, the security will be assigned an internal rating on a PD scale. Cash is assigned a rating of AAA. Methodology for derivatives will differ depending on the type.

### Key Risks:

- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk
- Debt securities are subject to risks that the issuer will not meet its payment obligations (ie, default). Low rated (high yield) or equivalent unrated debt securities of the type in which the fund will invest generally offer a higher return than higher rated debt securities, but also are subject to greater risks that the issuer will default.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets
- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Barings Emerging Markets Sovereign Debt Fund tranche A USD Acc share was rated 5 stars against the following numbers of EAA Fund Global Emerging Markets Bond investments over the following time periods: 1033 investments in the last three years, 771 investments in the last five years, and 303 investments in the last ten years. Past performance is no guarantee of future results.

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