

Barings International Umbrella Fund

Appendix 6 – Sustainability Related Disclosures (Unaudited)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Barings Global Bond Fund

Legal entity identifier: 5493001RC3G3PT80Y747

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

- **To what extent were the environmental and/or social characteristics promoted by this financial product met?**



The Fund will invest at least 50% of its Net Asset Value in assets which exhibit positive or improving environmental ("E") and/or social ("S") characteristics.

The Fund will also invest at least 75% of its 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 an average of the five year period as of two years prior to the investment period.

As at 30 April 2024, the Fund met its environmental and/or social characteristics as the percentage of its Net Asset Value in assets which exhibit positive and improving environmental and/or social characteristics was 83.35% and the Net Asset Value in countries that exhibit strong or improving human development conditions was 99.56%.

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- **How did the sustainability indicators perform?**

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund were:

1. The percentage of the Fund's Net Asset Value invested in assets of countries that exhibit positive or improving ESG characteristics; and
2. The percentage of the Fund's Net Asset Value in countries that exhibit strong or improving human development conditions, as measured by the United Nations HDI and calculated as an average of the five-year period as of two years prior to the investment period.

As at 30 April 2024, the Fund's percentage of its Net Asset Value invested in assets that exhibit positive and improving ESG characteristics was 83.35%, which was 33.35% above the minimum threshold.

As at 30 April 2024, the Fund's Net Asset Value in countries that exhibit strong or improving human development conditions was 99.56%, which was 24.56% above the minimum threshold.

- **And compared to previous periods?**

The sustainability indicators have been redefined in the Prospectus since last year.

1. As at 30 April 2023, the Fund's percentage of investments in its portfolio with positive and improving ESG characteristics was 80.53% (excluding cash, cash equivalents and hedging instruments), which was 30.53% above the minimum threshold.
2. As at 30 April 2023, the Fund's total assets in countries that exhibit strong or improving human development conditions was 92.52%, which was 17.52% above the minimum threshold.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



- **How did this financial product consider principal adverse impacts on sustainability factors?**

During the reference period, Principal Adverse Impact indicators (PAI) indicators were incorporated in the monitoring and analysis of sovereign debt in which the Fund invests. The Investment Manager monitored detailed statistics on carbon intensity of the countries in its investable universe, and has developed its own proprietary metrics of carbon intensity that it believes are the most relevant and adequate to assess the performance of Emerging Markets sovereigns in its investable universe. In addition, the Investment Manager performed detailed social analysis that allowed it to track how Emerging Markets sovereigns are performing in terms of social performance. This led to negative screening and exclusion decisions based on poor social performance. Another important point is that the Investment Manager has established an exclusion list composed of countries in which, according to its assessment, ESG performance is so poor that it will affect any sustainable investment in the country in the short and medium term.



- **What were the top investments of this financial product?***

Largest investments	Sector	% Assets	Country
United States Treasury Note/Bond 4.13% 30/09/2027	Government	9.01%	United States
United States Treasury Note/Bond 3.75% 31/12/2028	Government	7.56%	United States
United States Treasury Note/Bond 5.00% 31/08/2025	Government	7.47%	United States
United States Treasury Note/Bond 1.13% 28/02/2027	Government	5.15%	United States
Treasury Corp of Victoria 5.00% 20/11/2040	Government	4.21%	Australia
Province of Ontario Canada 6.50% 08/03/2029	Government	3.07%	Canada
UK (Govt of) 1.75% 07/09/2037	Government	2.96%	United Kingdom
Austria (Republic of) 0.85% 30/06/2120	Government	2.68%	Austria
Hellenic Republic Government Bond 1.88% 24/01/2052	Government	2.61%	Greece
Italy (Republic of) 3.50% 15/02/2031	Government	2.59%	Italy
Italy (Republic of) 4.40% 01/05/2033	Government	2.54%	Italy
Province of Manitoba Canada 4.30% 27/07/2033	Government	2.52%	Canada
Province of Quebec Canada 6.25% 01/06/2032	Government	2.47%	Canada
Italy (Republic of) 6.00% 04/08/2028	Government	2.34%	Italy
Italy (Republic of) 5.00% 01/09/2040	Government	2.16%	Italy

* The listed top investments of the Fund are as at 30 April 2024. The Sector source is the MSCI GICS industry classification.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is as at 30 April 2024.

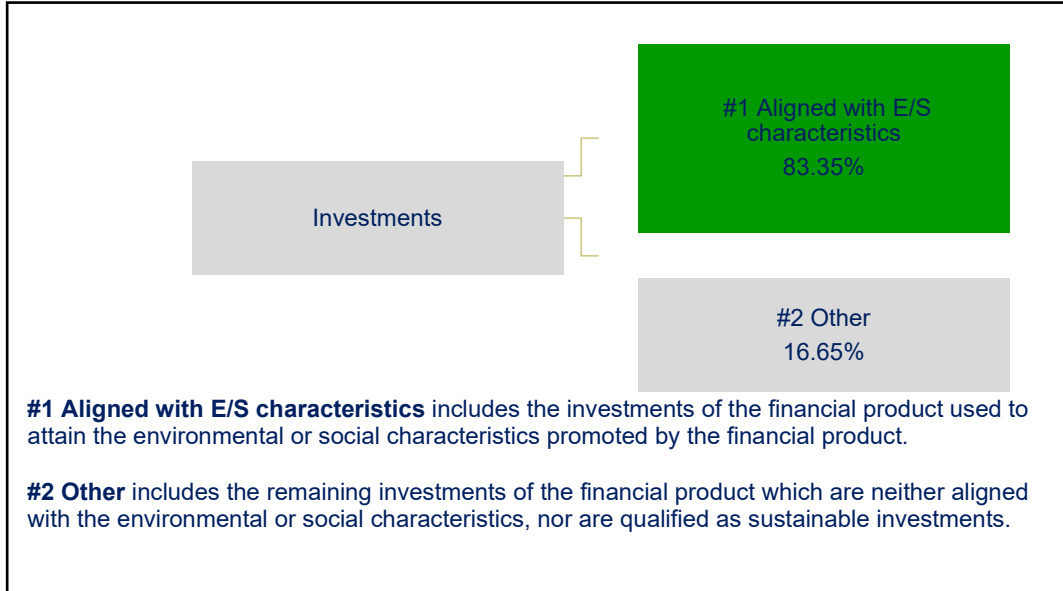
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- What was the proportion of sustainability-related investments?
- What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



- In which economic sectors were the investments made?

The following table details the economic sectors that the Fund was exposed to as at 30 April 2024.

Sector	% of Investments
Government	100.00%

The Sector source is the MSCI GICS industry classification.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



- To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of the Fund’s investments are sustainable investments with an environmental objective that align with the EU Taxonomy.

- Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

In fossil gas

In nuclear energy



No

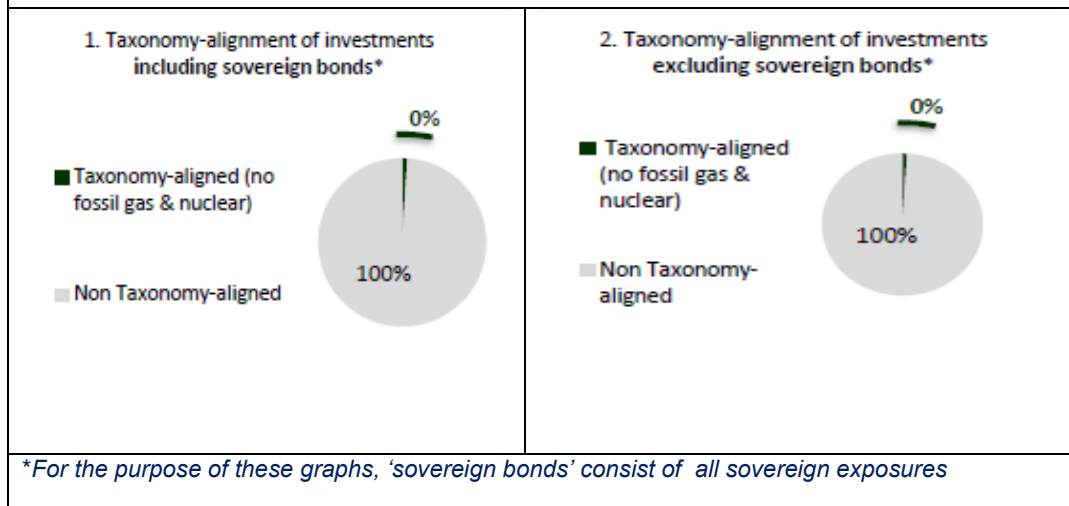
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm

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any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of investments made in transitional and enabling activities?**

The Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy during the reference period.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

Not applicable.

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What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "Other" comprised of assets which are held in the portfolio due to a weak ESG starting point with potentially positive catalysts or rate poorly from an ESG perspective but valuations suggest that the investment offers a strong risk/reward for the Fund's portfolio.

Additionally, the investments included under "Other" were cash, cash equivalents and hedging instruments. Cash and cash equivalents do not affect the promoted environmental and / or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager monitored the environmental and/or social characteristics of the Fund's portfolio during the reference period. The Investment Manager's investment decisions were based on internal research, which encompass both its proprietary financial forecasts and ESG assessment. The Investment Manager aimed to visit countries to take stock of important aspects of ESG and macroeconomic factors. Countries that exhibit positive or improving ESG characteristics were selected through the Investment Manager's proprietary research, the Investment Manager also had access to third-party resources such as Bloomberg ESG, MSCI ESG and Sustainalytics, which provide institutional investors with issuer-specific ESG data; the approach consisted of a threefold analysis determining a government's capacity and willingness to provide for its population, its resilience to shocks and its ability to grow sustainably, using both a standard set of indicators and qualitative analysis.

For each asset, the Investment Manager examined the scores of the indicators to determine a country's sustainability over time and considered relevant shocks that may have impacted the scoring. These indicators, as well as the Investment Manager's specialised country expertise, were placed into the capacity and willingness framework to determine the country's current sustainability as well as potential trends that should be considered from an ESG perspective. The frequency of update for each country depends on its significance in the portfolio and the benchmark, but ESG scores were reviewed for all countries under coverage at least twice during the period by the Sovereign ESG Committee which comprises all sovereign analysts on the Investment Manager's team.

The Investment Manager adopted an active management policy in relation to ESG topics and had a preference to focus on engagement to improve issuer behaviour. Engagements were undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure. Through engagement, the Investment Manager aimed to enhance the performance of its investments, for the benefit of investors in line with its stewardship responsibility.

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Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How did this financial product perform compared to the reference benchmark?**

Not applicable.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.