

Barings Umbrella Fund plc (the “Company”)

Third Addendum dated 14 November 2024 to the Prospectus (the “Addendum”)

This third Addendum forms part of the prospectus dated 1 September 2023, the first addendum dated 12 March 2024 and the second addendum dated 15 August 2024 (the “Prospectus”), for the Company, an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and should be read in the context of, and together with, the full information in the Prospectus.

Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus and the reports referred to therein which together form the Prospectus for the issue of Shares in the Funds. All capitalised terms used herein shall have the meanings set out in the Prospectus.

The Directors of the Company, whose names appear under the heading “Directors” in the Directory section of the Prospectus are responsible for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The following changes are deemed made to the Prospectus:

1. All references to “Barings Active Short Duration Fund” shall be replaced with “Barings Income Navigator Fund”.
2. The existing Supplement for Barings Active Short Duration Fund shall be replaced with the following Supplement:
3. The row in relation to the benchmark of Barings Active Short Duration Fund under the sub-section headed “The Company – Benchmarks” shall be deleted in its entirety and be replaced with the following:

Fund	Benchmark
Barings Income Navigator Fund	Bloomberg Global Aggregate Bond Index

31 Supplement – Barings Income Navigator Fund

This Supplement relates to the Barings Income Navigator Fund and all references in this Supplement to the Fund should be read as references to it. **An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Investment Objective and Policies

The investment objective of the Fund is to seek to provide investors with attractive current income that is consistent with preservation of capital.

To achieve its investment objective, the Fund will navigate multiple sectors, including low and high grade investment grade income, as well as an increased allocation to high yield, depending on market conditions and attractiveness to generate income. The Fund will invest primarily in an actively managed diversified portfolio of investment grade fixed income instruments which are listed or traded on Recognised Markets. The fixed income instruments in which the Fund invests may include instruments issued by governments, corporations, and supranational entities. The fixed income instruments shall include bonds, notes, debentures, treasury obligations, sovereign issues, covered bonds, commercial paper, certificates of deposit, banker acceptances and other fixed and floating rate income securities.

The Fund may invest in the above instruments subject to the following limits: (i) the Fund will invest no more than 35% of its Net Asset Value in below investment grade instruments; and (ii) the Fund is permitted to invest to a lesser extent in other types of debt instruments such as certain loan instruments (which may be securitised or unsecuritised) which qualify as money market instruments in accordance with the requirements of the Central Bank, collateralized loan obligations ("CLOs"), convertible bonds, including CoCos. Investment in each type of such debt instruments may not exceed 10% of the Fund's Net Asset Value respectively and they are not expected to be materially leveraged. The Fund may also invest in units and/or shares in collective investment schemes (subject to a limit of 10% of the Fund's Net Asset Value) where such investment is consistent with the investment objective of the Fund.

For the purpose of this Supplement, convertible instruments mean convertible bonds including CoCos, mandatory convertible bonds, convertible preferred stock, equity linked notes and other fixed and floating rate instruments. Exposure to such issuers may be achieved through direct investment or entirely through the use of FDI. The Fund may also invest in interest rates and global currencies (such as Euro, US Dollar, Sterling) through the use of FDI for both investment and hedging purposes as described in the sub-sections above entitled "Efficient Portfolio Management Techniques" and "Use of Derivatives". The fixed income instruments set out above in which the Fund may invest may comprise of mortgage-backed securities ("MBS"), collateralised mortgage obligations ("CMOs"), commercial mortgage backed securities ("CMBS"), asset-backed securities ("ABS") and residential mortgage back securities ("RMBS"). Money market instruments are also eligible investments for the Fund and should be considered any of the following instruments which have a maturity of less than 365 days: treasury securities, agency securities, commercial paper, asset backed commercial paper, corporate bonds and medium term notes, certificates of deposit and banker acceptances.

The Fund may also hold credit linked notes to meet its investment objectives. Credit linked notes may embed credit default swaps, details of which are set out in the sub-sections above entitled "Efficient Portfolio Management Techniques" and "Use of Derivatives". The underlying credit exposure will be consistent with the Fund's investment objective and policies.

The Fund may also hold non-USD denominated eligible assets. The Fund will generally seek to substantially hedge the currency exposure to USD arising from these non-USD assets.

The Fund may engage in transactions in FDI principally for investment and/or for hedging purposes subject to the limits laid down by the Central Bank. Details of the derivatives used by the Fund are set out in the section entitled "Use of Derivatives". Such derivatives will provide exposure to the asset classes detailed in the Fund's investment policy. Such transactions may leverage the Fund and may establish speculative positions. This may result in a higher level of volatility and risk.

The Fund seeks broad diversification by market sector, industry, and issuer. At the time of purchase, other than U.S. Treasuries (public organisation of the U.S. Treasury) and U.S. Agency debt (U.S. Agency Debentures, publicly issued debt of U.S. Government agencies including MBS, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government), net credit exposure to any single issuer, or issuing trust of structured securities (such as ABS or MBS), will not represent more than 5% of the Net Asset Value of the Fund.

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. There is a thorough issue analysis, with particular attention paid to cash flows and capital structure. The Investment Manager reviews country risk through macroeconomic health and political stability or unrest. Throughout macroeconomic and credit cycles, debt issued by corporations that are domiciled within, or have economic interests tied to certain countries will outperform or underperform. The Investment Manager will look to identify these scenarios. The focus is to ensure that the Fund is well diversified across asset class sectors, industries and geographies. The Investment Manager will invest in sectors and industries that have improving fundamentals and/or represent value relative within the global fixed income universe, and reduce allocations to sectors and industries that have little value or have deteriorating fundamentals.

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. Further information about the environmental and social

characteristics promoted by the Fund is available in the SFDR Annex appended to the Supplement.

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. When assessing an investment, the Investment Manager will utilise its access to management and financial sponsors in addition to information published by issuers and through access to third party ESG research providers such as MSCI, Sustainalytics and/or Bloomberg ESG, where coverage allows. This information and interaction enables due diligence to be undertaken on the ESG risk profile of an issuer. For each asset, the Investment Manager analyses an issuer’s ESG credentials over time and consider relevant shocks that may impact the scoring. Topics considered include environmental (may encompass resource intensity, environmental footprint, traceability) social (societal impacts of products and services, business ethics, employee satisfaction, amongst others) and governance (may encompass effectiveness of management boards, credibility of auditing arrangements and accountability of management, amongst others) to assess screen issuers where ESG standards are positive or improving. The Investment Manager undertakes ESG scoring of issuers that are owned or being monitored. ESG scores are compiled based on an analyst assessment. Issuers are assigned both an ESG current state score and an ESG outlook score for ESG for environmental, social, and governance categories. The ESG current state score assesses the current sustainability profile of the issuer relative to the investment universe. ESG outlook scores analyse momentum of the issuer on ESG topics in comparison to sector ESG development. Investee issuers will be considered as being “positive” if they have a better ESG current state score. Investee issuers will be considered as being “improving” if they have a moderate ESG current state score and an improving outlook score. The Investment Manager adopts an active management policy in relation to ESG topics and has a preference to focus on engagement to improve material issuer transparency and behaviour. Engagement activity may be focused on key ESG credit risk areas.

Where an eligible investment is split-rated, the higher quality rating will apply in order to determine eligibility for the Fund. Where an eligible investment is not rated by an internationally recognised rating agency, the Investment Manager may determine its own assessment of credit quality and assign an agency equivalent rating to the asset. In the case of new issuance expected ratings may be used and further issuer level ratings may be applied if available where security issue level ratings are unavailable. Subordinated issuer level ratings may also be used for unrated subordinated instruments.

The Fund will comply with the investment restrictions set out in Appendix D of the Prospectus.

Key Terms

Investment Managers	BAML and Barings LLC
Base Currency	US Dollar
Business Day	A day on which banks in Dublin and London and the New York Stock Exchange and London Stock Exchange are open for business.
Valuation Point	4.00 pm (New York time) on each Valuation Day
Administration, depositary and operating expenses cap	0.10% per annum of the Net Asset Value of the Fund

Available Share Tranches

	A³	B	C	I²	E²	F¹	G²
Management Fee	0.15%	0.25%	0.30%	0.45%	0.60%	0.00%	1.0%
Preliminary charge	N/A	N/A	N/A	N/A	N/A	N/A	Max. 5%
Base Currency Tranches Available	USD	USD	USD	USD	USD	USD	USD
Hedged Tranches Available	EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD	EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD	EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD	EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD	EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD	EUR, GBP, AUD	EUR, GBP, AUD, CAD, JPY, SGD, NZD, RMB
Unhedged Tranches Available	-	-	-	-	-	-	HKD
Accumulation Shares Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Distribution Shares Available	Yes (quarterly)	Yes (quarterly)	Yes (quarterly)	Yes (quarterly)	Yes (quarterly)	Yes (quarterly)	Yes (monthly)

	A1	N	IA⁴
Management Fee	1.10%	1.10%	0.60%
Distribution Fee	N/A	0.60%	N/A
Preliminary charge	Max. 5%	Max 2%	N/A
Base Currency Tranches Available	USD	USD	USD
Hedged Tranches Available	No	No	No
Accumulation Shares Available	Yes	Yes	Yes
Distribution Shares Available	Yes (quarterly)	Yes (quarterly)	Yes (quarterly)

	A³	B	C	I²	E²	F¹	G²
Minimum Subscription and Holding Level	USD 100,000,000	USD 50,000,000	USD 10,000,000	USD 1,000	USD 1,000	USD 100,000	USD 1,000
	EUR 75,000,000	EUR 37,500,000	EUR 7,500,000	EUR 1,000	EUR 1,000	EUR 100,000	
	GBP 64,000,000	GBP 32,000,000	GBP 6,500,000	GBP 1,000	GBP 1,000	GBP 100,000	

	AUD 110,000,000	AUD 55,000,000	AUD 11,000,000	AUD 1,000	AUD 1,000	AUD 100,000	
	CHF 90,000,000	CHF 45,000,000	CHF 9,000,000	CHF 10,000	CHF 10,000		
	DKK 550,000,000	DKK 275,000,000	DKK 55,000,000	DKK 10,000	DKK 10,000		
	NOK 600,000,000	NOK 300,000,000	NOK 60,000,000	NOK 10,000	NOK 10,000		
	SEK 650,000,000	SEK 325,000,000	SEK 65,000,000	SEK 10,000	SEK 10,000		
	CAD 100,000,000	CAD 50,000,000	CAD 10,000,000	CAD 1,000	CAD 1,000		
	JPY 10,000,000,000	JPY 5,000,000,000	JPY 1,000,000,000	JPY 100,000	JPY 100,000		
	SGD 125,000,000	SGD 62,500,000	SGD 12,500,000	SGD 1,000	SGD 1,000		

	A1	N	IA⁴
Minimum Subscription and Holding Level	USD 1,000	USD 1,000	USD 1,000

¹ These Tranches are generally only available to feeder funds or fund of funds for which the Manager or an affiliate also acts as investment manager and where Management Fees are charged at the level of the feeder fund or fund of funds or other investors who have entered into separate fee arrangements with the Manager or an affiliate that acts as investment manager.

² Minimum subscription and holding level for Tranche I Shares is USD 1,000,000 (or the currency equivalent) and for Tranche E and G Shares is USD 100,000 (or the currency equivalent). However, the Directors will waive the minimum subscription and holding level to the level set out in the table above if invested through an intermediary or financial institution.

³ These Tranches are generally only available to the affiliates of the Investment Manager at the discretion of the Distributors and otherwise generally only available to non-affiliates of the Investment Manager during the launch phase of the Fund.

⁴ Minimum subscription and holding level for Tranche IA Shares is USD 500,000. However, the Directors will waive the minimum subscription and holding level to the level set out in the table above if invested directly through NSCC FundServe.

Profile of a Typical Investor

The Fund may be suitable for retail and professional investors seeking to achieve a total return by exposure to Investment Grade fixed income securities, subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

ANNEX II

Template pre-contractual 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

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.

Product name Barings Income Navigator Fund

Legal entity identifier: 5493008PGDS736RTGS84

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/ Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes positive or improving resource intensity, environmental footprint, employee satisfaction and societal impacts of products/services. The Fund will achieve this by investing at least 50% of its Net Asset Value in issuers which exhibit any of these characteristics.

The Investment Manager derives a score for the environmental (“E”) characteristics by reviewing an issuer’s resource intensity and environmental footprint. The scores for the social (“S”) characteristics are derived by reviewing an issuer’s employee satisfaction and societal impacts of its products/services.

Further information regarding the scoring framework is outlined below.

The E and S scores of an issuer are established by the Investment Manager’s proprietary scoring framework, which incorporates a weighting system according to the business activities of the issuer. Within the scoring framework, issuers are assigned ‘Current State’ scores of 1 (excellent) to 5 (unfavourable), and ‘Outlook’ scores of 1 (improving), 2 (stable) or 3 (deteriorating) for each of the E, S and G components. Overall ESG scores are produced for ‘Current State’ and ‘Outlook’ using weighted averages. These two scores determine if an issuer is deemed eligible for the ‘positive or improving’ classification.

The Fund does not have a reference benchmark that has been designated for the purpose of attaining the environmental or social characteristics promoted by it.

Sustainability indicators

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

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund will be: the percentage of the Fund’s Net Asset Value invested in assets that exhibit positive or improving ESG characteristics. Issuers that exhibit positive or improving ESG characteristics are selected through the Investment Manager’s proprietary ESG scoring methodology. The Investment Manager supports internal sustainability analysis with the use of third party issuer specific ESG data, where available, and through its own independent research and direct dialogue with management teams. The Investment Manager assesses both an issuer’s current ESG profile and outlook trajectory and considers sustainability-linked credit risks that could impact the issuer’s financial profile and total return potential from an investment perspective. Environmental information utilised as part of the analysis can include, but not limited to, carbon emissions, carbon intensity, exposure to high carbon industries and positive or transitional impacts to the environment. Social information utilised as part of the analysis can include, but not limited to, business ethics, Board governance structures, Board and organisational diversity, and labour relations.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

--- How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

--- How are the 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.

The EU Taxonomy sets out a “do not 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.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

Principal adverse impact indicators are incorporated in the monitoring and analysis of debt instruments that this Fund invests in. Barings' ESG integration process is designed to ensure that the Investment Manager assesses the sustainability risk factors that are material to the overall credit risk of an investment. This process is undertaken for individual issuers on a case-by-case basis depending on business profile and sector. The Investment Manager considers Principle Adverse Impact (PAI) indicators when compiling both investment committee recommendations and internal ESG ratings. A thematic approach is taken to assessing PAI indicators as opposed to a formal assessment against individual indicators. For example, issuers' reported GHG emissions are tracked and available in internal portfolio management systems in order to assess the environmental profile of an individual investment and the overall strategy. There is a formal written ESG assessment that is used to produce both internal ESG ratings and written analysis on sustainability risks in investment committee papers. Barings has an exclusion policy for business involvement in controversial weapons. Further information on the principal adverse impacts will be available in the annual report.

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

To achieve its investment objective, the Fund will invest in investment grade and high yield credit market opportunities. The Fund will invest primarily in an actively managed diversified portfolio of investment grade fixed income instruments which are listed or traded on Recognised Markets. The fixed income instruments in which the Fund invests may include instruments issued by the governments corporations, and supranational entities. The fixed income instruments shall include bonds, notes, debentures, treasury obligations, sovereign issues, covered bonds, commercial paper, certificates of deposit, banker acceptances and other fixed and floating rate income securities.

The Fund may invest in the above instruments subject to the following limits: (i) the Fund will invest no more than 35% of its Net Asset Value in below investment grade instruments; and (ii) the Fund is permitted to invest to a lesser extent in other types of debt instruments such as certain loan instruments (which may be securitised or unsecuritised) which qualify as money market instruments in accordance with the requirements of the Central Bank, collateralized loan obligations ("CLOs"), convertible bonds, including CoCos. Investment in each type of such debt instruments may not exceed 10% of the Fund's Net Asset Value respectively and they are not expected to be materially leveraged. The Fund may also invest in units and/or shares in collective investment schemes (subject to a limit of 10% of the Fund's Net Asset Value) where such investment is consistent with the investment objective of the Fund.

For the purpose of this Supplement, convertible instruments mean convertible bonds including CoCos, mandatory convertible bonds, convertible preferred stock, equity linked notes and other fixed and floating rate instruments. Exposure to such issuers may be achieved through direct investment or entirely through the use of FDI. The Fund may also invest in interest rates and global currencies (such as Euro, US Dollar, Sterling) through the use of FDI for both investment and hedging purposes as described in the sub-sections above entitled "Efficient Portfolio Management Techniques" and "Use of Derivatives". The fixed income instruments set out above in which the Fund may invest may comprise of mortgage-backed securities ("MBS"), collateralised mortgage obligations ("CMOs"), commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS") and residential mortgage back securities ("RMBS"). Money market instruments are also eligible investments for the Fund and should be considered any of the following instruments which have a maturity of less than 365 days: treasury securities, agency securities, commercial paper, asset backed commercial paper, corporate bonds and medium term notes, certificates of deposit and banker acceptances.

The Fund may also hold credit linked notes to meet its investment objectives. Credit linked notes may embed credit default swaps. The underlying credit exposure will be consistent with the Fund's investment objective and policies.

The Fund may also hold non-USD denominated eligible assets. The Fund will generally seek to substantially hedge the currency exposure to USD arising from these non-USD assets.

The Fund may engage in transactions in FDI principally for investment and/or for hedging purposes subject to the limits laid down by the Central Bank. Such derivatives will provide exposure to the asset classes detailed in the Fund's investment policy. Such transactions may leverage the Fund and may establish speculative positions. This may result in a higher level of volatility and risk.

The Fund seeks broad diversification by market sector, industry, and issuer. At the time of purchase, other than U.S. Treasuries (public organisation of the U.S. Treasury) and U.S. Agency debt (U.S. Agency Debentures, publicly issued debt of U.S. Government agencies including MBS, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government), net credit exposure to any single issuer, or issuing trust of structured securities (such as ABS or MBS), will not represent more than 5% of the Net Asset Value of the Fund.

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. There is a thorough issue analysis, with particular attention paid to cash flows and capital structure. The Investment Manager reviews country risk through macroeconomic health and political stability or unrest. Throughout macroeconomic and credit cycles, debt issued by corporations that are domiciled within, or have economic

interests tied to certain countries will outperform or underperform. The Investment Manager will look to identify these scenarios. The focus is to ensure that the Fund is well diversified across asset class sectors, industries and geographies. The Investment Manager will invest in sectors and industries that have improving fundamentals and/or represent value relative within the global fixed income universe and reduce allocations to sectors and industries that have little value or have deteriorating fundamentals.

The Fund is categorised as an Article 8 fund under the Sustainable Finance Disclosure Regulation. The Fund will invest at least 50% of its Net Asset Value in assets which exhibit positive or improving environmental and/or social characteristics.

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. When assessing an investment, the Investment Manager will utilise its access to management and financial sponsors in addition to information published by issuers and through access to third party ESG research providers such as MSCI, Sustainalytics and/or Bloomberg ESG, where coverage allows. This information and interaction enables due diligence to be undertaken on the ESG risk profile of an issuer. For each asset, the Investment Manager analyses an issuer's ESG credentials over time and consider relevant shocks that may impact the scoring. Topics considered include environmental (may encompass resource intensity, environmental footprint, traceability) social (societal impacts of products and services, business ethics, employee satisfaction, amongst others) and governance (may encompass effectiveness of management boards, credibility of auditing arrangements and accountability of management, amongst others) to assess screen issuers where ESG standards are positive or improving. The Investment Manager undertakes ESG scoring of issuers that are owned or being monitored. ESG scores are compiled based on an analyst assessment. Issuers are assigned both an ESG current state score and an ESG outlook score for ESG for environmental, social, and governance categories. The ESG current state score assesses the current sustainability profile of the issuer relative to the investment universe. ESG outlook scores analyse momentum of the issuer on ESG topics in comparison to sector ESG development. Investee issuers will be considered as being "positive" if they have a better ESG current state score. Investee issuers will be considered as being "improving" if they have a moderate ESG current state score and an improving outlook score. The Investment Manager adopts an active management policy in relation to ESG topics and has a preference to focus on engagement to improve material issuer transparency and behaviour. Engagement activity may be focused on key ESG credit risk areas.

Where an eligible investment is split-rated, the higher quality rating will apply in order to determine eligibility for the Fund. Where an eligible investment is not rated by an internationally recognised rating agency, the Investment Manager may determine its own assessment of credit quality and assign an agency equivalent rating to the asset. In the case of new issuance expected ratings may be used and further issuer level ratings may be applied if available where security issue level ratings are unavailable. Subordinated issuer level ratings may also be used for unrated subordinated instruments.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund has implemented a binding constraint into its investment policy whereby at least 50% of its Net Asset Value will be invested in assets which exhibit positive or improving E and / or S characteristics.

The Investment Manager undertakes ESG scoring of issuers that are owned or being monitored. Proprietary ESG scores are compiled based on an analyst assessment and reviewed by investment committees when applicable. Issuers are assigned both an ESG current state score and an ESG outlook score. ESG scores are reassessed as material ESG developments occur, updated in line with issuer reporting cycles and updated/verified at least annually.

The 1–5 ESG current state scores are aggregated based on sector weightings to give an overall 1-5 ESG current state score. Investee issuers will be considered as being "positive" if they have an overall ESG current state score that is average or better on the scoring scale. Investee issuers will be considered as being "improving" if they have an overall ESG current state score that is below average and an improving Outlook Score.

The Investment Manager excludes issuers that are declined due to ESG risks identified through investment due diligence and/or the in-house ESG scoring process.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund does not have a committed minimum rate to reduce the scope of investments prior to the application of the investment strategy. Rather the Fund will invest at least 50% of its Net Asset Value in assets which exhibit positive or improving E / or S characteristics.

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager undertakes initial and ongoing due diligence of the corporate governance structure of issuers. The Investment Manager assesses whether the governance structure is commensurate with the ownership structure of the issuer and analyses key governance risk factors on a case-by-case basis. Governance risks assessed can include issuer ownership, the board and management structures, legal and tax compliance, quality of reporting and audits, employee retention and relations, and staff remuneration. If an issuer is rated 5 (unfavourable) under Barings' ESG current state score for governance it will be formally excluded for investment. The Investment Manager tracks and monitors governance controversies and can take engagement action when they occur. An issuer with a low (but acceptable) governance score would also be tracked for commitments towards improvement over time as part of the internal ESG scoring process. Where the Investment Manager determines that a holding in the Fund's portfolio does not meet its good governance thresholds, the Investment Manager will engage with the relevant issuer in order to seek to bring it into compliance. If engagement with the relevant issuer is not deemed appropriate or engagement subsequently proves unsuccessful, the Investment Manager will consider its position and shall, if necessary and to the extent possible based upon market conditions and any specific investment considerations, attempt to divest the holding from the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



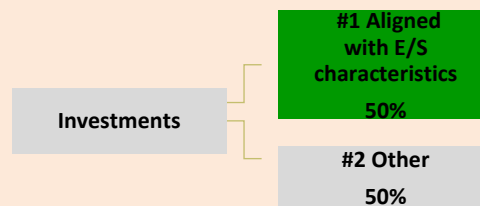
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by

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 "Other" category will comprise assets (including cash, cash equivalents, hedging instruments and other assets) which do not have an ESG current state score, which are not aligned with the Fund's E and/or S characteristics and/or have no minimum environmental or social safeguards.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristic, have no minimum environmental or social safeguards, nor are qualified as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.

investee companies, e.g. for a transition to a green economy. **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

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.



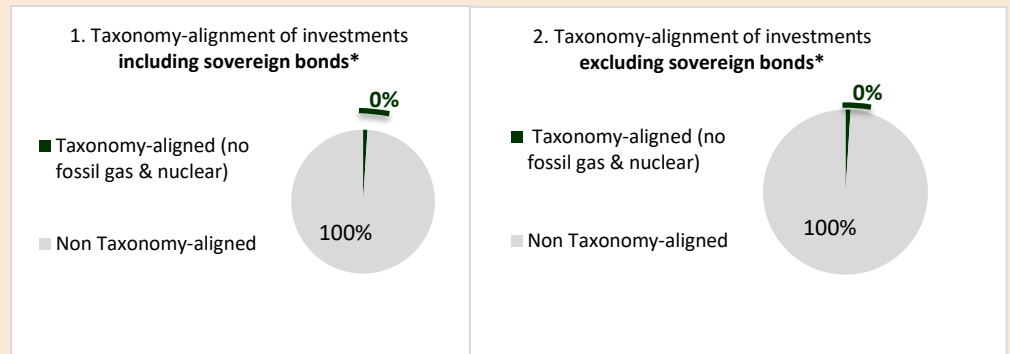
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

As shown in the graph below, 0% of the Fund's Investments are sustainable investments with an environmental objective that align with the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes:**
 - In fossil gas
 - In nuclear energy
- No**

The two graphs below show in green the minimum percentage of investments that are 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.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

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 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 Regulations (EU) 2022/1214.



are

sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



- **What is the minimum share of socially sustainable investments?**

Not applicable.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Holdings that qualify as being aligned with E/S characteristics are those that, based on the Investment Manager's proprietary ESG scoring methodology, are considered to be issuers that exhibit positive or improving ESG characteristics. Holdings that do not meet this qualification would be part of the #2 “Other” bucket. That bucket comprises of assets which have been approved by the Investment Manager's Investment Grade Credit and Securitized Credit Teams and which may 1) have a weak ESG starting point with potentially positive catalysts or 2) score poorly from an ESG perspective but valuations suggest that the investment offers a strong risk/reward for the Fund's portfolio. The investments included under "#2 Other" also includes 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 ESG risks.



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No specific index is designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics that it promotes.

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

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

Please see the relevant product page for the Fund at
<https://www.barings.com/en-ie/institutional/funds/public-fixed-income/barings-active-short-duration-fund>