# Supplement

# Barings Umbrella Fund plc

(A Fund of Barings Umbrella Fund plc, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended)).

The Directors of Barings Umbrella Fund plc (the "Company") whose names appear in the "Directory" of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## Barings Global Investment Grade Credit Fund

13 August 2024

This Supplement describes the Barings Global Investment Grade Credit Fund (the "Fund"), which is a Fund of Barings Umbrella Fund plc (the "Company"). **This Supplement forms part of the prospectus dated 1 September 2023 for the Company (the "Prospectus") and should be read in the context of, and in conjunction with the Prospectus. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Save as disclosed herein, there has been no significant change and no significant new matter has arisen since the publication of the Prospectus.

**Applicants for Shares in the Company will be deemed to be on notice of all information contained in the Prospectus.**

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# 1 Definitions

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("UCITS Regulations") and this Supplement shall be construed accordingly and will comply with the Central Bank UCITS Regulations.

"**Accumulation Tranche**" means the relevant Tranches in the table in Section 2 below which have been indicated as accumulation tranches;

"**Distribution Tranche**" means the relevant Tranches in the table in Section 2 below which have been indicated as distribution tranches;

"**Hedged Tranche**" means the relevant Tranches (if applicable) in the table in Section 2 below which have been indicated as hedged tranches;

"**Fund**" means the Barings Global Investment Grade Credit Fund;

"**Redemption Cut-Off Time**" means midday (Irish time) on the relevant Dealing Day or such point as the Directors may determine in exceptional circumstances;

"**Redemption Settlement Deadline**" means the third Business Day following the relevant Dealing Day;

"**Subscription Cut-Off Time**" means midday (Irish time) on the relevant Dealing Day or such point as the Directors may determine in exceptional circumstances;

"**Subscription Settlement Deadline**" means the third Business Day following the relevant Dealing Day;

"**Valuation Day**" means each Dealing Day, unless otherwise determined by the Directors.

# 2 The Fund

The Barings Global Investment Grade Credit Fund (the "**Fund**") is a fund of Barings Umbrella Fund plc (the "**Company**"), an investment company with variable capital incorporated with limited liability in Ireland with registered number 491487 and established as an umbrella fund with segregated liability between funds.

The Company offers the following Tranches in the Fund as set out below. The Company may also create additional Tranches in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

**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 |
| **Establishment costs expected to be borne by the Fund** | USD 85,000 amortised over a 60-month period |

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

### Available Share Tranches

| | A | B | C | I [2] | E [2] | F [1] | G [2] | S [3] |
|---|---|---|---|---|---|---|---|---|
| **Management Fee** | Up to 0.15% | Up to 0.17% | Up to 0.215% | Up to 0.35% | Up to 0.50% | Up to 0.00% | Up to 0.80% | Up to 0.10% |
| **Preliminary Charge** | N/A | N/A | N/A | N/A | N/A | N/A | Max. 5% | N/A |
| **Base Currency Tranches Available** | USD | 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, HKD | EUR, GBP, AUD, CHF, DKK, NOK, SEK, CAD, JPY, SGD |
| **Unhedged Tranches Available** | No | No | No | No | No | No | HKD | No |
| **Accumulation Shares Available** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **Distribution Shares Available** | Yes (quarterly) | Yes (quarterly) | Yes (quarterly) | Yes (quarterly) | Yes (quarterly) | Yes (quarterly) | Yes (monthly/ quarterly) | Yes (quarterly) |

| | A1 | N | IA [4] |
|---|---|---|---|
| **Management Fee** | Up to 1.00% | Up to 1.00% | Up to 0.45% |
| **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 |
| **Accumulatio n Shares Available** | Yes | Yes | Yes |
| **Distribution Shares Available** | Yes (quarterly) | Yes (quarterly) | Yes (quarterly) |

| | A | B | C | I [2] | E [2] | F [1] | G [2] | S [3] |
|---|---|---|---|---|---|---|---|---|
| **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 | USD 1,000 |
| | EUR 75,000,000 | EUR 37,500,000 | EUR 7,500,000 | EUR 1,000 | EUR 1,000 | EUR 100,000 | EUR 1,000 | EUR 1,000 |
| | GBP 64,000,000 | GBP 32,000,000 | GBP 6,500,000 | GBP 1,000 | GBP 1,000 | GBP 100,000 | GBP 1,000 | GBP 1,000 |
| | AUD 110,000,000 | AUD 55,000,000 | AUD 11,000,000 | AUD 1,000 | AUD 1,000 | AUD 100,000 | AUD 1,000 | AUD 1,000 |
| | CHF 90,000,000 | CHF 45,000,000 | CHF 9,000,000 | CHF 1,000 | CHF 1,000 | | | CHF 1,000 |
| | DKK 550,000,000 | DKK 275,000,000 | DKK 55,000,000 | DKK 10,000 | DKK 10,000 | | | DKK 10,000 |
| | NOK 600,000,000 | NOK 300,000,000 | NOK 60,000,000 | NOK 10,000 | NOK 10,000 | | | NOK 10,000 |
| | SEK 650,000,000 | SEK 325,000,000 | SEK 65,000,000 | SEK 10,000 | SEK 10,000 | | | SEK 10,000 |
| | CAD 100,000,000 | CAD 50,000,000 | CAD 10,000,000 | CAD 1,000 | CAD 1,000 | | 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 | | JPY 100,000 | JPY 100,000 |
| | SGD 125,000,000 | SGD 62,500,000 | SGD 12,500,000 | SGD 1,000 | SGD 1,000 | | SGD 1,000 | SGD 1,000 |
| | | | | | | | NZD 1,000 | |
| | | | | | | | RMB 10,000 | |
| | | | | | | | HKD 10,000 | |

| | A1 | N | IA [4] |
|---|---|---|---|
| **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 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 for subscription during the launch phase of the Fund. The Directors may waive the minimum subscription and holding level to the level set out in the table above if invested through an intermediary or financial institution.

[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.

The Directors may, in their absolute discretion, waive any minimum subscription and minimum holding amounts as set out in the table above.

**Profile of a Typical Investor**

The Fund may be suitable for retail and professional investors seeking to achieve income generation by exposure to global fixed income assets, subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

# 3 Investment Objective and Policies

The investment objective of the Fund is to provide current income generation and, where appropriate, capital appreciation.

The Fund will invest primarily through a diversified portfolio of global Investment Grade fixed income assets.

The Fund will seek to achieve its investment objective by investing at least two-thirds of its Net Asset Value in a diversified portfolio of Investment Grade fixed and floating rate corporate debt instruments and government debt instruments globally.

The investment universe of the Fund includes bonds, notes, debentures, obligations, fixed income instruments that are listed or traded on Recognised Markets in developed and emerging markets and as outlined in Appendix B of the Prospectus. The Fund also invests to a lesser extent in other fixed and floating rate fixed income instruments that are issued by non-corporate issuers, government bonds and treasury obligations; fixed income instruments issued by city, state or local governments, agencies, municipal bonds, supranational entities, government sponsored enterprises and quasi sovereigns; emerging markets sovereign issues and Eurobonds. The investment universe of the Fund includes fixed income instruments which may be secured or unsecured, and, senior or subordinated.

As of the date of this Supplement, the Fund will not invest in Russian securities.

The Fund is permitted to invest in debt instruments issued in currencies other than US Dollar. The Fund will generally seek to substantially hedge the currency exposure to USD arising from these non-USD assets.

The Fund is permitted to invest to a lesser extent in securitised assets including collateralized loan obligations (“CLOs”), asset-backed securities (“ABS”), commercial and residential-mortgage-backed securities (“CMBS” and “RMBS”). Exposure to CLOs shall be limited to 10% of Net Asset Value. For the avoidance of doubt, the Fund may invest in Investment Grade and Sub-Investment Grade securitised assets.

The Fund is also permitted to invest in covered bonds, convertible instruments (such as convertible bonds including CoCos) and hybrid securities, which are not expected to be materially leveraged. Exposure to Cocos will be limited to 10% of Net Asset Value. For the purpose of this Supplement, convertible instruments mean convertible bonds including CoCos, mandatory convertible bonds and convertible preferred stock. Hybrid securities are a form of debt which has both debt and equity features. e.g. preference shares, that are not pure equity but have traditionally been deemed sufficiently similar to count towards a bank's tier one or tier two capital ratio. Exposure to such issuers may be achieved through direct investment or entirely through the use of FDI.

The Fund is also permitted to invest to a lesser extent in cash and near cash, deposits, money market instruments (such as short term commercial paper, bankers' acceptances, bank notes, certificates of deposit and, subject to a limit of 10% of Net Asset Value, certain loan instruments (which may be securitised or unsecuritised) which qualify as money market instruments in accordance with the requirements of the Central Bank) and units and/or shares in collective investment schemes (subject to a limit of 10% of Net Asset Value) where such investment is consistent with the investment objective of the Fund.

The Fund will principally invest in a portfolio of Investment Grade Debt Instruments as outlined above, but may also invest a maximum of 10% of its Net Asset Value in debt instruments with Sub-Investment Grade rating. The Fund will generally purchase securities rated at least single B by an internationally recognised rating agency.

The Investment Manager will aim to select instruments for the portfolio which will be rated by Standard & Poor's or the equivalent rating of another internationally recognised rating agency.

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

*Use of derivatives*

The Fund will use derivatives for hedging currency and interest rate risk.

The Fund intends to limit the use of derivative instruments to futures (including bond, interest rate, currency, index and equity futures), options (including bond, interest rate, currency, index, options on futures, options on swaps and equity options), swaps (including credit default swaps, basis rate swaps, cross currency interest rate swaps, fixed/floating interest rate swaps and total return swaps), forwards (including forward currency contracts and non-deliverable forwards), convertible bonds, mandatory convertible bonds, convertible preferred stock, when issued securities, delayed delivery securities and forward commitments. This may result in a higher level of volatility and risk from time to time. Please see the sections entitled "Use of Derivatives" and "Efficient Portfolio Management" in the Prospectus for further details. Such derivative instruments will provide exposure to the asset classes detailed in the Fund's investment policy.

The Fund will use the relative VaR approach to calculate its global exposure, as described in detail in the risk management process of the Company, using the Benchmark (as defined in the section below entitled "Benchmark") as a reference portfolio. The leverage limit is 200% of the Benchmark VaR and the expected level of leverage, as measured by the "sum of the notionals", is 200-500%. The Fund may also employ investment techniques for efficient portfolio management and hedging purposes as described under "Efficient Portfolio Management" in Appendix C of the Prospectus and within the limits set out by the Central Bank.

*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. 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 ("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, where coverage allows. This information and interaction enable due diligence to be undertaken on the ESG risk profile of an issuer. For each asset, the Investment Manager analyses an issuer's ESG profile over time and consider relevant shocks that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint) social (societal impacts of products and services, employee satisfaction) and governance (effectiveness of management boards, credibility of auditing arrangements and accountability of management, amongst others) to 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 and presented in investment underwriting memos. Issuers are assigned both an ESG current state score and an ESG outlook score 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 expected ESG development in the market. 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. The Fund does not commit to any minimum level of Taxonomy alignment in its underlying investments; as such, it is expected that 0% of the Net Asset Value of the Fund will be invested in such investments. The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager integrates ESG information into the investment process across all asset classes. Through fundamental analysis, the Investment Manager seeks to gain a comprehensive understanding of the material factors that influence the sustainability of investments. The Investment Manager considers ESG information alongside other crucial variables that may impact an investment’s risks and returns over time. In particular, the Investment Manager considers ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, the Investment Manager continues to monitor each investment to ensure their thesis, including that on ESG matters, remains intact and that an investment’s risk and return profile remains attractive relative to other opportunities available in the market. Sustainability risks that the Investment Manager may consider are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment, examples of which include physical environmental risks, transition risk (e.g. investee company assets losing their financial value because of tightening of environmental legislation) or liability risk (e.g. risk of liability due to a breach of human/employee rights considering the jurisdiction of the investee company). Sustainability risks can reduce the value of the underlying investments of the Fund and therefore could have a material impact on the performance and returns of the Fund.

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

*Benchmark*

The benchmark of the Fund is:

| **Fund** | **Benchmark** |
|---|---|
| Barings Global Investment Grade Credit Fund | Bloomberg Global Aggregate Credit Index (the “Benchmark”) |

The Fund is actively managed and is not designed to track the benchmark as set out in the table above so its performance may deviate materially from the Benchmark. The Investment Manager has complete discretion in making investments and is not constrained by the Benchmark. The Fund may invest significantly in instruments which are not included in the Benchmark. The Benchmark is used for risk management purposes but the Benchmark is not the sole driver in the risk management of the Fund. The Investment Manager may consider, for example, issuer exposures, sector weights, country weights and tracking error and duration profile in each case relative to the Benchmark for risk management and comparison purposes but does not use the

Benchmark as an investment limitation. For the avoidance of doubt, derivatives will be used to manage the duration risk of the Fund relative to the Benchmark.

The Benchmark is the credit component of the Bloomberg Global Aggregate Index which is an unmanaged index that provides a broad-based measure of the global investment-grade fixed income markets. The three major components of the Bloomberg Global Aggregate Index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. However, the credit component excludes government and securitized securities. The credit component also includes Eurodollar and Euro-Yen corporate bonds, Canadian securities, and USD investment grade 144A securities. Details of the duration of the Index will be available from the Investment Manager upon request.

# 4 Risk Considerations

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund, which are described in the "Risk Considerations" section of the Prospectus.

An investment in the Fund is suitable only for persons who are in a position to take such a risk.

# 5 Dividend Policy

Investors should note that both Distribution Tranche Shares and Accumulation Tranche Shares are available in respect of the Fund. Notwithstanding the terms of the Prospectus, the Company intends to declare dividends out of the net investment income and, at the discretion of the Directors, net realised and unrealised gains of each Fund attributable to the Distribution Tranche Shares, on or about the last day of each calendar quarter.

Please refer to the "Dividend Policy" section of the Prospectus for further information.

# 6 Subscription and Redemption of Shares

*Initial Offer Period*

The initial offer period shall commence at 9.00 am (Irish time) on 14 August 2024 and end at 5.00 pm (Irish time) on 13 February 2025 or such other date and/or time as the Directors may agree and notify to the Central Bank.

*Initial Offer Price*

Shares will be issued at the initial offer price of 100 in the currency of the relevant Tranche, or other values as determined by the Manager.

Please refer to the "Purchase of Shares" and "Redemption of Shares" sections of the Prospectus for subscription and redemption procedures.

# 7 SFDR Annex

*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**

**Product name** Barings Global Investment Grade Credit Fund

**Legal entity identifier**: 254900J3P23O2YIAHQ71

## Environmental and/or social characteristics

**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.

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___% | ☐ **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 |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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.

**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 E and S characteristics promoted by the Fund will be the percentage of the Fund's Net Asset Value invested in issuers that exhibit positive or improving resource intensity, environmental footprint, employee satisfaction or societal impacts of its products/services.

Issuers will be considered as being "positive" if they have an ESG current state score of three or better; and issuers will be considered as "improving" if they have an ESG current state score between three and four and an improving outlook score.

Issuers are assessed through the Investment Manager's proprietary ESG scoring framework. This is supported by internal sustainability analysis with the use of third-party issuer specific ESG data, where available, through the Investment Manager's independent research and direct dialogue with issuer's management teams. The assessment considers an issuer's current ESG profile and outlook trajectory with a focus on the most material sources of ESG risks and opportunities of each issuer, reflecting their specific business activities. As an example the below table demonstrates how materiality of ESG factors varies between two industry sectors and how materiality influences the overall scoring. However, it should be noted that an issuer may fall within more than one industry, which can result in a deviation from these weights to more accurately reflect the E, S and G factors affecting the issuer.

| Industry Sector | Environmental | Social | Governance |
|---|---|---|---|
| Utilities | 55% | 15% | 30% |
| Financials | 20% | 40% | 40% |

When making the assessment for the resource intensity and environmental footprint of an issuer, the Investment Manager considers the issuer's carbon emissions, carbon intensity, exposure to high carbon industries, as well as water and land usage and waste management. The assessment for employee satisfaction and societal impacts of the issuer's products or services involves consideration of the issuer's relations with its employees, remuneration of staff, health and safety aspects and organisational diversity.

***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.

**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.

***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.

*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?**

x **Yes,**

**No**

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. Subject to the availability of data and materiality, the principal adverse sustainability indicators that are deemed mandatory as they relate to 'investments in companies' (as per Annex 1, Table 1 of the Regulatory Technical Standards) along with the principal adverse impact of 'Environmental Indicator 4. Investments in companies without carbon emission reduction initiatives' and 'Social Indicator 14. Number of identified cases of severe human rights issues and incidents' on sustainability factors, are considered as part of the pre-investment due diligence. The significance of indicators will vary according to the business activities of the issuer being evaluated. The consideration of the relevant indicators is incorporated into the Investment Manager's investment committee recommendations and ESG scores. Further information on consideration of principal adverse impacts may be found in the periodic reporting template that will be appended to the annual reports of the Fund.

**What investment strategy does this financial product follow?**

The investment objective of the Fund is to provide current income generation and, where appropriate, capital appreciation.

The Fund will invest primarily through a diversified portfolio of global Investment Grade fixed income assets.

The Fund will seek to achieve its investment objective by investing at least two-thirds of its assets in a diversified portfolio of Investment Grade fixed and floating rate corporate debt instruments and government debt instruments globally.

The investment universe of the Fund includes bonds, notes, debentures, obligations, fixed income instruments that are listed or traded on Recognised Markets in developed and emerging markets and as outlined in Appendix B of the Prospectus. The Fund also invests to a lesser extent in other fixed and floating rate fixed income instruments that are issued by non-corporate issuers, government bonds and treasury obligations; fixed income instruments issued by city, state or local governments, agencies, municipal bonds, supranational entities, government sponsored enterprises and quasi sovereigns; emerging markets sovereign issues and Eurobonds. The investment universe of the Fund includes fixed income instruments which may be secured or unsecured, and, senior or subordinated.

As of the date of this Supplement, the Fund will not invest in Russian securities.

The Fund is permitted to invest in debt instruments issued in currencies other than US Dollar. The Fund will generally seek to substantially hedge the currency exposure to USD arising from these non-USD assets.

The Fund is permitted to invest to a lesser extent in securitised assets including collateralized loan obligations ("CLOs"), asset-backed securities ("ABS"), commercial and residential-mortgage-backed securities ("CMBS" and "RMBS"). Exposure to CLOs shall be limited to 10% of Net Asset Value. For the avoidance of doubt, the Fund may invest in Investment Grade and Sub-Investment Grade securitised assets.

The Fund is also permitted to invest in covered bonds, convertible instruments (such as convertible bonds including CoCos) and hybrid securities, which are not expected to be materially leveraged. Exposure to Cocos will be limited to 10% of Net Asset Value. For the purpose of this Supplement, convertible instruments mean convertible bonds including CoCos, mandatory convertible bonds and convertible preferred stock. Hybrid securities are a form of debt which has both debt and equity features. e.g. preference shares, that are not pure equity but have traditionally been deemed sufficiently similar to count towards a bank's tier one or tier two capital ratio. Exposure to such issuers may be achieved through direct investment or entirely through the use of FDI.

The Fund is also permitted to invest to a lesser extent in cash and near cash, deposits, money market instruments (such as short term commercial paper, bankers' acceptances, bank notes, certificates of deposit and, subject to a limit of 10% of Net Asset Value, certain loan instruments (which may be securitised or unsecuritised) which qualify as money market instruments in accordance with the requirements of the Central Bank) and units and/or shares in collective investment schemes (subject to a limit of 10% of Net Asset Value) where such investment is consistent with the investment objective of the Fund.

The Fund will principally invest in a portfolio of Investment Grade Debt Instruments as outlined above, but may also invest a maximum of 10% of its Net Asset Value in debt instruments with Sub-Investment Grade rating. The Fund will generally purchase securities rated at least single B by an internationally recognised rating agency.

The Investment Manager will aim to select instruments for the portfolio which will be rated by Standard & Poor's or the equivalent rating of another internationally recognised rating agency.

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

The Fund will use derivatives for hedging currency and interest rate risk.

The Fund intends to limit the use of derivative instruments to futures (including bond, interest rate, currency, index and equity futures), options (including bond, interest rate, currency, index, options on futures, options on swaps and equity options), swaps (including credit default swaps, basis rate swaps, cross currency interest rate swaps, fixed/floating interest rate swaps and total return swaps), forwards (including forward currency contracts and non-deliverable forwards), convertible bonds, mandatory convertible bonds, convertible preferred stock, when issued securities, delayed delivery securities and forward commitments. This may result in a higher level of volatility and risk from time to time.

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. 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.

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, where coverage allows. This information and interaction enable due diligence to be undertaken on the ESG risk profile of an issuer. For each asset, the Investment Manager analyses an issuer's ESG profile over time and consider relevant shocks that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint) social (societal impacts of products and services, employee satisfaction) and governance (effectiveness of management boards, credibility of auditing arrangements and accountability of management, amongst others) to 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 and presented in investment underwriting memos. Issuers are assigned both an ESG current state score and an ESG outlook score 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 expected ESG development in the market. 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.

The Investment Manager integrates ESG information into the investment process across all asset classes. Through fundamental analysis, the Investment Manager seeks to gain a comprehensive understanding of the material factors that influence the sustainability of investments. The Investment Manager considers ESG information alongside other crucial variables that may impact an investment's risks and returns over time. In particular, the Investment Manager considers ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, the Investment Manager continues to monitor each investment to ensure their thesis, including that on ESG matters, remains intact and that an investment's risk and return profile remains attractive relative to other opportunities available in the market. Sustainability risks that the Investment Manager may consider are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment, examples of which include physical environmental risks, transition risk (e.g. investee company assets losing their financial value because of tightening of environmental legislation) or liability risk (e.g. risk of liability due to a breach of human/employee rights considering the jurisdiction of the investee company). Sustainability risks can reduce the value of the underlying investments of the Fund and therefore could have a material impact on the performance and returns of the Fund.

***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 issuers 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. When reviewing E characteristics to derive a score, the Investment Manager's consideration of factors uses a framework of scoring the resource intensity and environmental footprint of issuers. When reviewing S characteristics to derive a score, the Investment Manager's consideration of factors uses a framework of scoring the employee satisfaction and societal impacts of the products/services of the issuer. 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. Issuers will be considered as being "positive" if they have an overall ESG current state score that is three or better on the scoring scale. Issuers will be considered as being "improving" if they have an overall ESG current state score between three and four and an improving Outlook Score.

The Fund will not invest in:

- issuers with business involvement in controversial weapons pursuant to the Barings exclusion policy
- issuers with a Current State Governance Score of 5
- issuers with an Overall Current State ESG Score of 5

***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 issuers which exhibit positive or improving E / or S characteristics.

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

***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 as part of the Barings' ESG current state score for governance 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.

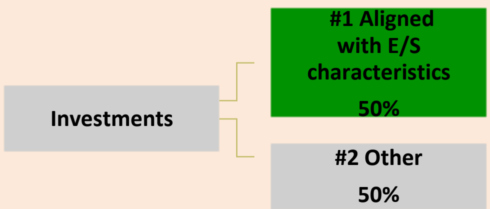
## What is the asset allocation planned for this financial product?

**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 investee companies, e.g. for a transition to a green

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 compromise 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.

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.

are sustainable investments

**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.

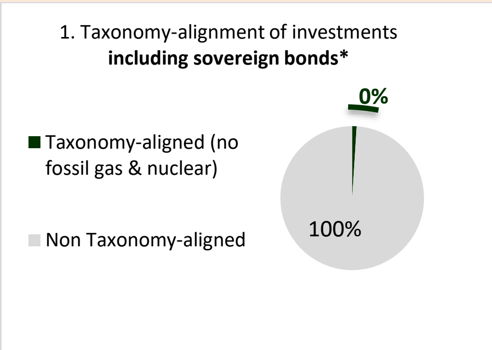
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

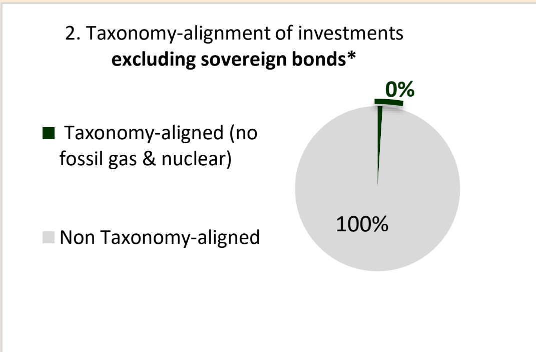
☐ **Yes:**

☐ 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***

***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.

[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.

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 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?

The '#2 Other' bucket comprises of two main types of holdings: 1) Issuers which have been approved by the Investment Manager, but which either have a weak ESG starting position with potential for improved ESG performance, or which have low ESG scores, but their valuations indicate that the investment offers a strong risk / reward profile for the Fund. 2) Cash, cash equivalents and derivative instruments which are used for liquidity management and hedging where internal ESG score cannot be determined. These types of holdings will not be classified as 'positive or improving.'

### 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 www.barings.com