

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 Global Senior Secured Bond Fund **Legal entity identifier:** 549300WGJ63R709KXV70

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- | | |
|---|--|
| <p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <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 checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</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> |
|---|--|



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 that is worse than three, but better than or equal to 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.

Industry Sector	Environmental	Social	Governance
Energy	55%	15%	30%
Healthcare	17%	50%	33%

When making the assessment for the resource intensity and environmental footprint of an issuer, the Investment Manager considers industry specific indicators, which include 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 considers industry specific indicators, which include 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.

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?

X

Yes, 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.

No



What investment strategy does this financial product follow?

The Fund will invest principally in a portfolio of fixed and floating rate Corporate Debt Instruments, focusing primarily on North American and European senior secured High Yield Instruments which are listed or traded on Recognised Markets in Europe or North America. While the Fund will invest principally in North American and European issuers, it may also invest in issuers located in other geographic areas, subject to a limit of 5% of Net Asset Value in issuers from Emerging Markets.

The Fund is also permitted to invest to a lesser extent in other types of debt instruments such as unsecured high yield bonds, Investment Grade bonds, cash and near cash, deposits, money market instruments (such as short term commercial paper, bankers' acceptances, bank notes, government securities, 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), convertible bonds, including CoCos, which are not expected to be materially leveraged (subject to a limit of 10% of Net Asset Value), 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 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 considers relevant changes that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint) social (societal impacts of products and services, employee satisfaction) and governance (issuer ownership, the board and management structures, legal and tax compliance, quality of reporting and audits, employee retention and relations, and staff remuneration) 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 the 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

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

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.

The Fund is not expected to invest more than 10% of its Net Asset Value in securities issued and/or guaranteed by a single sovereign (including its government, a public or local government of that country) which is rated Sub-Investment Grade.

The Fund intends to limit the use of derivative instruments to (i) currency forward contracts to hedge currency risk, (ii) convertible bonds including CoCos and (iii) warrants for investment purposes.

"Emerging Markets" means non-OECD member states with a Sub-Investment Grade sovereign credit rating.

Where an eligible asset 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 may also employ investment techniques for efficient portfolio management and hedging purposes.

● ***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 that is worse than three, but better than or equal to 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 (available in the "Exclusions" section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- issuers with a Current State Governance 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 and/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.



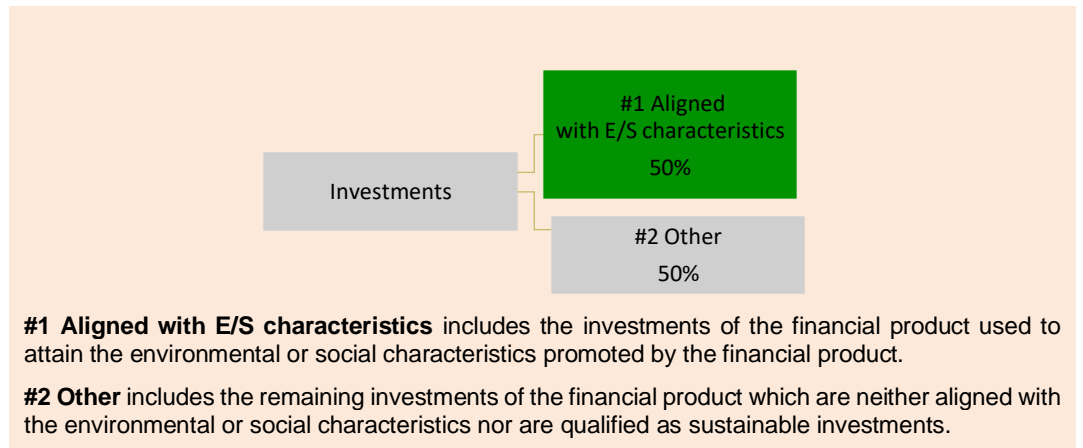
What is the asset allocation planned for this financial product?

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 economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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 and which are not aligned with the Fund's E and/or S characteristics.



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

Not applicable.

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.



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.

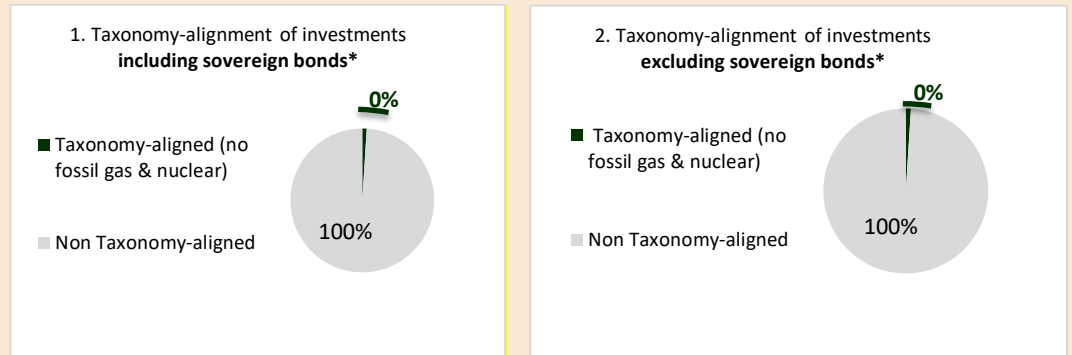
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

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

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.

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.




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

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

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.

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 fundamental credit profile indicates that the investment offers an attractive 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' and are not subject to any minimum environmental or social safeguards.



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-global-senior-secured-bond-fund>

requirements in the relevant jurisdiction(s).

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Product name: Barings European High Yield Bond Fund

Legal entity identifier: 54930004TKTB3JK50H28

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ____%	<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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

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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.

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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.

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.

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

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.



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

Yes 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.

No



What investment strategy does this financial product follow?

The Fund will invest in a portfolio consisting primarily of European High Yield Instruments. European High Yield Instruments comprise High Yield fixed and floating rate Corporate Debt Instruments issued either by European corporations in any currency, or issued in a European currency by corporations established outside Europe and/or listed or traded on a Recognised Market in Europe.

In addition to its primary investments in European High Yield Instruments, the Fund is also permitted to invest to a lesser extent in other types of debt instruments such as High Yield Instruments issued in non-European currencies by non-European issuers, Investment Grade bonds, cash and near cash, deposits, money market instruments (such as short term commercial paper, bankers' acceptances, bank notes, government securities, 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), convertible bonds, including CoCos, which are not expected to be materially leveraged (subject to a limit of 10% of Net Asset Value), Corporate Debt Instruments from Emerging Markets (subject to a limit of 5% of Net Asset Value), and in 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 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 considers relevant changes that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint) social (societal impacts of products and services, employee satisfaction) and governance (issuer ownership, the board and management structures, legal and tax compliance, quality of reporting and audits, employee retention and relations, and staff remuneration) 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 the 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.

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

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The Fund intends to limit the use of derivative instruments to (i) currency forward contracts to hedge currency risk, (ii) convertible bonds including CoCos and (iii) warrants for investment purposes. However, the Fund will not use derivative instruments extensively for investment (i.e. non-hedging) purposes.

● ***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 that is worse than three, but better than or equal to 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 (available in the "Exclusions" section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- issuers with a Current State Governance 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 and / 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 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

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

compliance.

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.



Asset allocation describes the share of investments in specific assets.

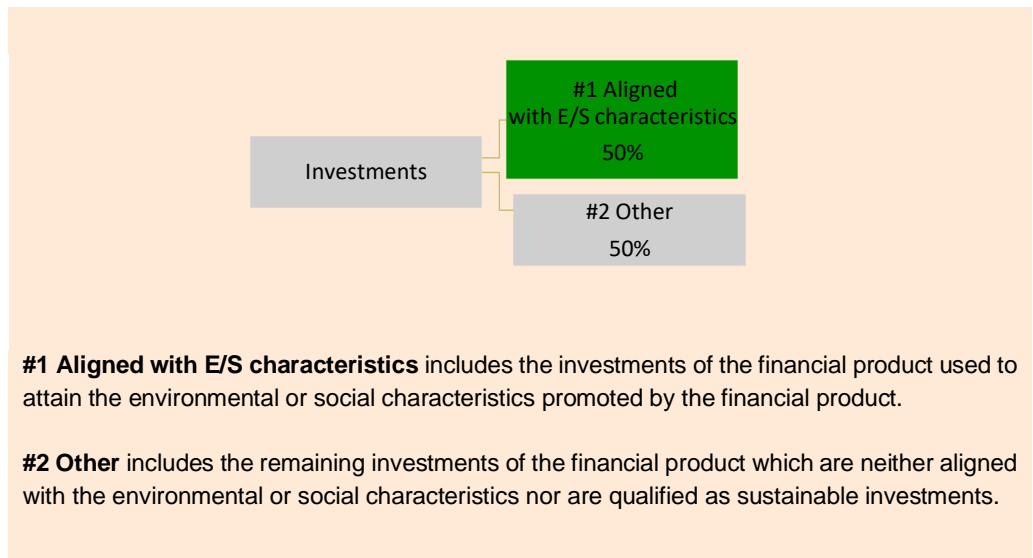
Taxonomy-aligned activities are expressed as a share of:

- **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 economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include

What is the asset allocation planned for this financial product?

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 and which are not aligned with the Fund's E and/or S characteristics.



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

Not applicable.



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.

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.

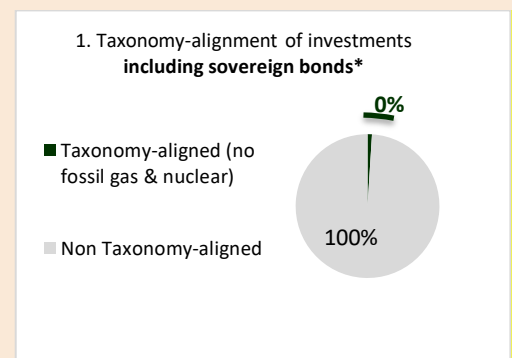
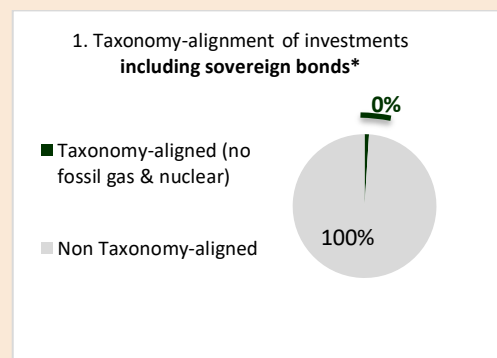
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

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

 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?

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 fundamental credit profile indicates that the investment offers an attractive risk / reward profile for the Fund. 2) Cash, cash equivalents and derivative instruments which are used for liquidity management

²Fossil 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.

and hedging where internal ESG score cannot be determined. These types of holdings will not be classified as 'positive or improving' and are not subject to any minimum environmental or social safeguards.

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-european-high-yield-bond-fund>

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 Global High Yield Bond Fund

Legal entity identifier: 5493006H2BF0K47X4M05

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ____%	<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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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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 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 that is worse than three, but better than or equal to 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.

Industry Sector	Environmental	Social	Governance
Energy	55%	15%	30%
Healthcare	17%	50%	33%

When making the assessment for the resource intensity and environmental footprint of an issuer, the Investment Manager considers industry specific indicators, which include 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 considers industry specific indicators, which include remuneration of staff, health and safety aspects and organisational diversity.

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.

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.

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, 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.

No



What investment strategy does this financial product follow?

The Fund will invest principally in a portfolio of high yield fixed and floating rate corporate debt instruments, focusing primarily on North American and European high yield instruments which are listed or traded on recognised markets in Europe or North America.

The Fund is also permitted to invest to a lesser extent in other types of debt instruments such as high yield instruments issued in currencies other than US Dollar or European currencies by issuers outside North America or Europe, investment grade bonds, cash and near cash, deposits, money market instruments (such as short term commercial paper, bankers’ acceptances, bank notes, government securities, 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), convertible bonds, including CoCos, which are not expected to be materially leveraged (subject to a limit of 10% of Net Asset Value), corporate debt instruments from emerging markets (subject to a limit of 10% of Net Asset Value), 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 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 considers relevant changes that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint) social (societal impacts of products and services, employee satisfaction) and governance (issuer ownership, the board and management structures, legal and tax compliance, quality of reporting and audits, employee retention and relations, and staff remuneration) 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 the momentum of the issuer

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

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.

The Fund is not expected to invest more than 10% of its Net Asset Value in securities issued and/or guaranteed by a single sovereign (including its government, a public or local government of that country) which is rated sub-investment grade.

The Fund intends to limit the use of derivative instruments to (i) currency forward contracts to hedge currency risk, (ii) convertible bonds including CoCos and (iii) warrants for investment purposes.

● ***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 that is worse than three, but better than or equal to 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 (available in the “Exclusions” section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- issuers with a Current State Governance 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 and / 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.



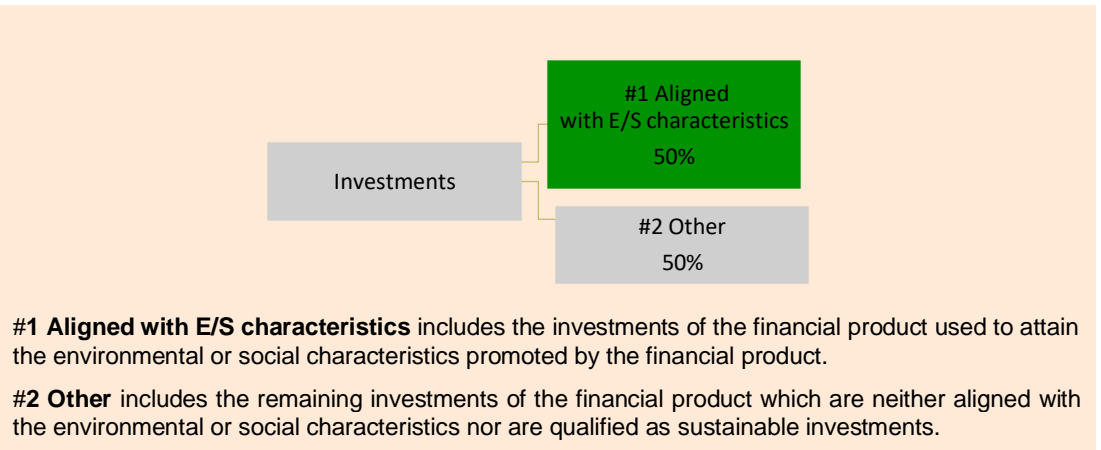
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 and which are not aligned with the Fund's E and /or S characteristics.

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 economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

Not applicable.



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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or

Does the financial product invest in fossil gas and/or nuclear energy related activities that

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.

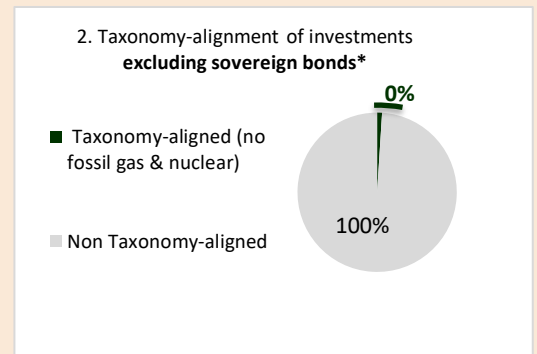
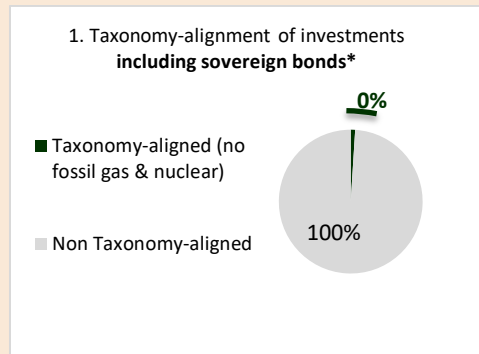
comply with the EU Taxonomy³?

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.



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 fundamental credit profile indicates that the investment offers an attractive 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' and are not subject to any minimum environmental or social safeguards.

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

³ 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.



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

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.

○ ***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-global-high-yield-bond-fund>



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?

<p><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes</p> <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="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No</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 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 that is worse than three, but better than or equal to 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.

● **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, 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.

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 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 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 considers 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 the 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.

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 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 that is worse than three, but better than or equal to 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 (available in the “Exclusions” section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- 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 and / 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 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

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

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?

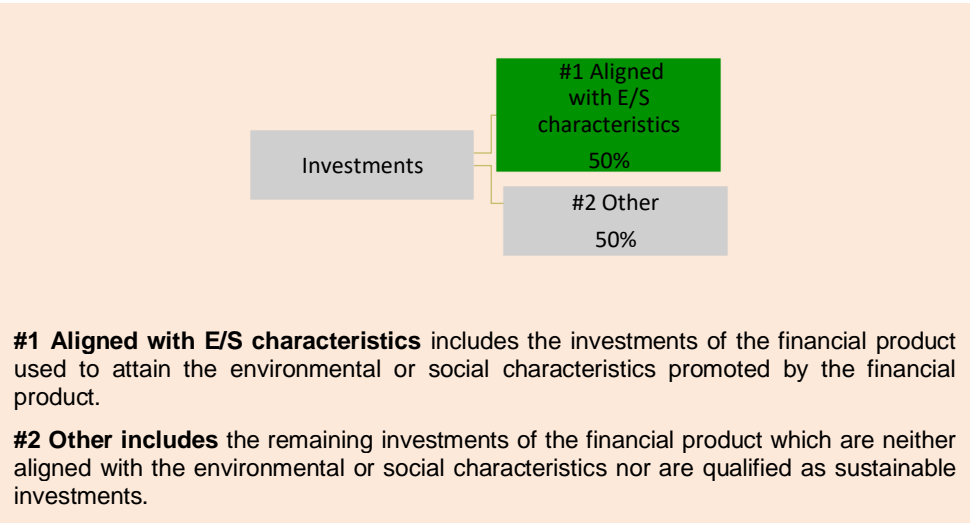
Asset allocation describes the share of investments in specific assets.

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 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**

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.



#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 characteristics 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.




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.

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

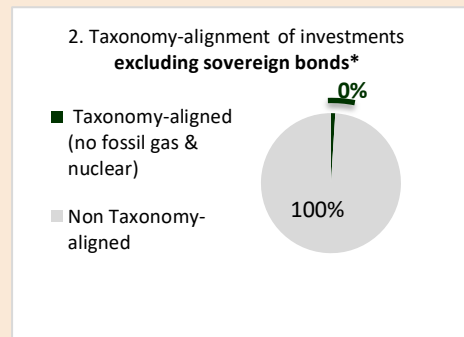
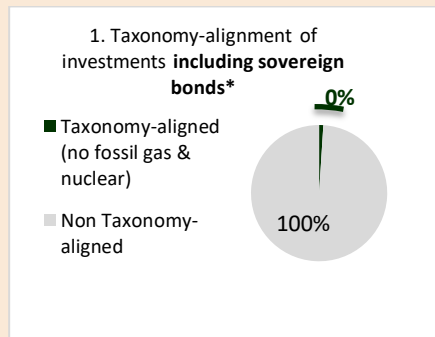
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?

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.



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

⁴ 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.

the EU Taxonomy.



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' and are not subject to any minimum environmental or social safeguards.

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-income-navigator-fund>

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 Emerging Markets Sovereign Debt Fund **Legal entity identifier:** 549300O9R5YBD5R5TR77

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 rule of law, fiscal transparency, policy effectiveness, sustainable social development, and climate stewardship. The Fund will achieve this by investing at least 50% of its Net Asset Value in issuers which exhibit positive or improving environmental (“E”) and/or social (“S”) characteristics as represented by a proprietary aggregated ESG current state and outlook score.

These total ESG scores are the most accurate representation of environmental and social characteristics for the sovereign asset class, as government performance on environmental and social policy is connected to governance, and thus the aggregated score is the proper representation of sustainability characteristics. The Investment Manager's consideration of factors when deriving a score is based on financial materiality and will encompass any number of E or S characteristics as well as the relevance of policymaking in the context of governance.

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 indicator 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.

This is approached in both a quantitative and qualitative manner.

Quantitative:

The Investment Manager uses and analyses a proprietary and diverse selection of indicators of a country's institutional, social and environmental resilience and performance, and value ones that indicate future trends. The Investment Manager does this by:

- Gathering various selected indicators pertaining to different ESG dimensions from reliable international sources (UN, World Bank, academic institutions).
- Carefully shortlisting indicators.
- Assessing how the country performs relative to peers and itself over time.

Qualitative:

The Investment Manager assesses the policy framework (i.e., country management, and predictability of policies for sustainable financial performance) by:

- Visiting countries to take stock of important aspects of political, social and environmental evolution, and macroeconomic factors. These are often material in driving a country's creditworthiness.
- Regularly informing its country analysis based on latest data release and policy changes in the ESG space.
- Conducting at least annual ESG country rating discussions, informed both by indicators and qualitative assessments. These rating decisions are based on in-depth debates around governance, institutional, social and environmental developments. The diversity of the team's background, and its collective personal and historical knowledge of political systems across the world, provides the Investment Manager with a unique perspective.

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.

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.

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.



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

x Yes, 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 Indicators 5 Share of energy consumption and production from non-renewable sources, 7. Activities negatively affecting biodiversity sensitive areas' and 'Sovereign Indicators 15 and 16'. Number and percent of countries subject to social violations 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.

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.

The Fund will invest under normal circumstances at least 80% of its Net Asset Value in an actively managed diversified portfolio consisting of fixed income instruments that are issued by sovereign and / or quasi sovereign issuers of emerging market countries or fixed income instruments that are economically tied to emerging market countries. The Fund's exposure to sovereign and quasi-sovereign hard currency issuers will be at least 60% of the Fund's Net Asset Value (hard currency generally includes (but are not limited to) US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc). The fixed income instruments in which the Fund invests will primarily be listed or traded on recognised markets and may include bonds, notes, US and G10 country treasury obligations, sovereign issues, corporate issues, covered bonds, commercial paper and other fixed and floating rate income securities and are either secured or unsecured, and, either senior or subordinated. Secured debt means that collateral has been pledged as security against default, whilst investors in senior debt instruments are legally entitled to be repaid ahead of investors in subordinated (i.e. non-senior) instruments issued by the same corporation. Exposure to such issuers may be achieved through direct investment or entirely through the use of FDI. The Fund may also invest up to 10% of its Net Asset Value in mortgage-backed securities, asset-backed securities and unleveraged loan participation securities (including but not limited to trade finance loan participations). 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's investments may be denominated in USD and non USD currencies

A security is economically tied to an emerging market country if the issuer or guarantor of the security has its headquarters or operating companies domiciled in the emerging market country or if the currency of settlement of the security is a currency of the emerging market country.

The Investment Manager has broad discretion to identify countries that it considers to qualify as emerging markets. The Fund emphasises countries with relatively low gross national product per capita and with the potential for rapid economic growth. The Investment Manager will select the Fund's country and currency composition based on its evaluation of relative interest rates, inflation rates, exchange rates, monetary and fiscal policies, trade and current account balances, legal and political developments, and any other specific factors the Investment Manager believes to be relevant. The Fund will likely concentrate its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. The Fund may invest in instruments whose return is based on the return of an emerging market security or a currency of an emerging market country, such as a derivative instrument, rather than investing directly in emerging market securities or currencies. 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 countries and industry sectors.

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 as represented by a proprietary aggregated ESG current state and outlook score. These total ESG scores are the most accurate representation of environmental and social characteristics for the sovereign asset class, as government performance on environmental and social policy is connected to governance, and thus the aggregated score is the proper representation of sustainability characteristics. The Investment Manager’s consideration of factors when deriving a score is based on financial materiality and will encompass any number of E or S characteristics, as well as the relevance of policymaking in the context of governance.

Countries that exhibit positive or improving ESG characteristics are selected through the Investment Manager’s proprietary research which is supported with the use of third party issuer-specific ESG data; the approach consists of a threefold analysis determining a government’s capacity and willingness to provide for its population, its resilience to shocks and its ability to grow sustainably, using both a standard set of indicators and qualitative analysis. For each asset, the Investment Manager examines the scores of the indicators to determine a country’s sustainability over time and considers relevant shocks that may have impacted the scoring. These indicators, as well as the Investment Manager’s specialised country expertise, are placed into the capacity and willingness framework to determine the country’s current sustainability as well as potential trends that should be considered from an ESG perspective. The frequency of update for each country depends on its significance in the portfolio and the benchmark, but ESG scores are reviewed for all countries under coverage at least once per year by the sovereign investment team’s ESG Committee which comprises all sovereign analysts on the Investment Manager’s team.

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, the World Bank, the UN, academic institutions, and/or Bloomberg ESG, 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 credentials over time and considers relevant shocks that may impact the scoring. Topics considered include environmental (resource intensity, environmental footprint, climate resilience) social (health and education policy, inclusiveness, and poverty alleviation) and governance (rule of law, fiscal transparency, policy implementation effectiveness) to assess 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 ESG commentaries. 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 the momentum of the issuer on ESG topics in comparison to peers and historical ESG development. Investee issuers will be considered as being “positive” if they have a better ESG current state score (3/5 to 1/5). Investee issuers will be considered as being “improving” if they have a moderate ESG current state score (4/5) and an improving outlook score (1/3). 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.

● ***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 as represented by a proprietary average ESG current state and outlook score.

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 social development, inclusiveness, and policy orientation. 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 materiality 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 (available in the “Exclusions” section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- issuers with a Current State Governance 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 and / or S characteristics as represented by a proprietary aggregated ESG current state and outlook score.

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

The Fund primarily invests in government bonds. As such, the Investment Manager's team of sovereign analysts assesses the sovereign entities' governance by reviewing each country's governance indicators including government effectiveness, political stability, regulatory quality, control of corruption, amongst other factors, as well as how they compare versus peers. This is an integral aspect of the Investment Manager's sovereign underwriting process and factors in how the Investment Manager rates and/or invests in a country.

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 political developments and enhancements in transparency and can adjust engagement action as relevant. 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 enhance transparency and accountability. 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.



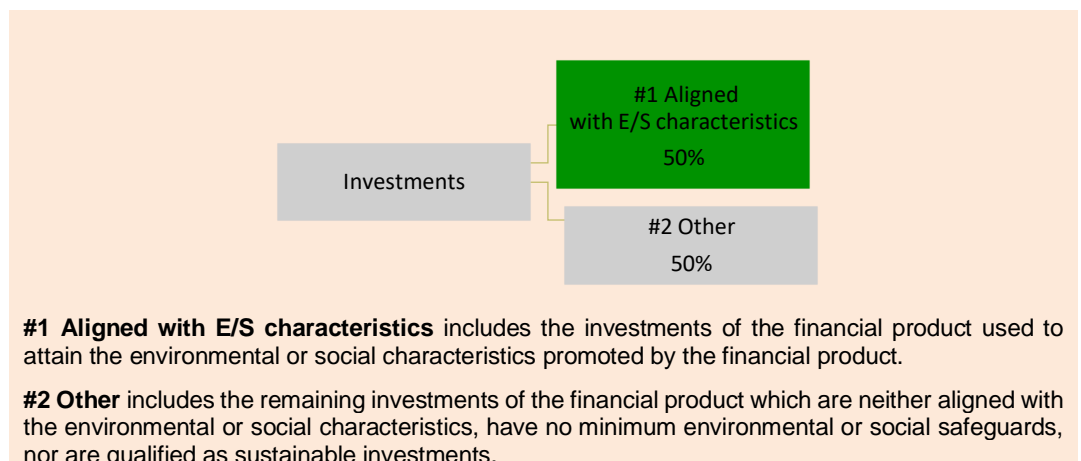
What is the asset allocation planned for this financial product?

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

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.



investments made by 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.



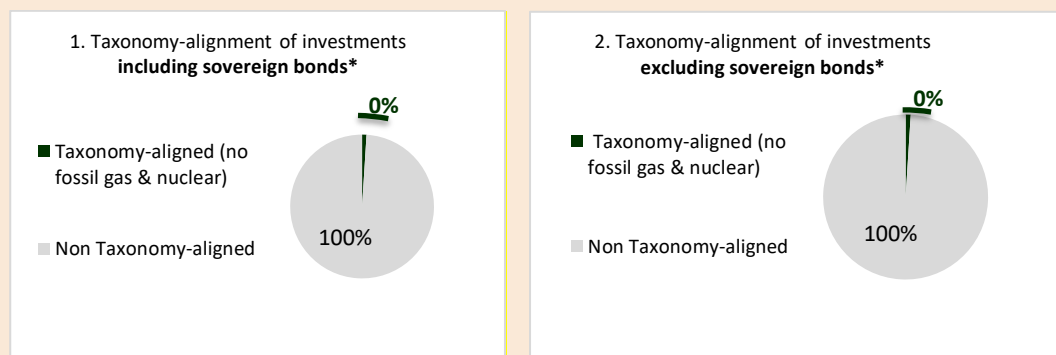
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 Taxonomy⁵?


- 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

⁵ 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?

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 <https://www.barings.com/en-ie/institutional/funds/public-fixed-income/barings-emerging-markets-sovereign-debt-fund>

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 Developed and Emerging Markets High Yield Bond Fund **Legal entity identifier:** 549300NDDQ34YUYG0C44

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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 that is worse than three, but better than or equal to 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.

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.

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.



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

x Yes, 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.

No

What investment strategy does this financial product follow?

The Fund will seek to achieve its primary investment objective by investing principally in a portfolio of high yield fixed and floating rate Corporate Debt Instruments and government debt instruments globally. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

The Investment Manager will not invest more than 5% of the assets of the Fund in securities of any one corporate issuer rated Sub-Investment Grade by an internationally recognised rating agency or assigned an agency equivalent rating by the Investment Manager. Subject to that limit, and in order to achieve a high level of current income, the Investment Manager intends to invest principally in Sub-Investment Grade securities that are rated not lower than B-. The Investment Manager may also invest less than 30% of its Net Asset Value in Sub-Investment Grade securities rated lower than B-. The Fund may also invest no more than 10% of its Net Asset Value in CoCos.

Where an eligible asset 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.

As part of its investment in emerging or developing markets, the Investment Manager may invest in securities of any issuer operating in any developing or emerging country listed in Appendix B which are listed or dealt in on a stock exchange or other regulated market in any such developing or emerging country. Where the country is a Member State of the European Union or the OECD, such securities will normally be in the form of Eurobonds which will be listed on the Luxembourg Stock Exchange or dealt in through the markets organised under the rules of the International Securities Market Association. The Fund generally aims to maintain a diversified portfolio and its exposure in securities of issuers operating in each such developing or emerging country, however, investments in securities listed or dealt in on stock exchanges or regulated markets in any such country will be less than 30% of its Net Asset Value.

Subject to the foregoing, the policy of the Investment Manager is to maintain diversification in terms of the countries to which investment exposure is maintained and there is no general limit to the proportion of the assets which may be invested in any one country or region.

The Fund is not expected to invest more than 10% of its Net Asset Value in securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority of that country) which is rated Sub-Investment Grade.

The Fund may invest in 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 may also invest up to 10% of its Net Asset Value in loan participations and loan assignments which are unsecured and which qualify as money market instruments in accordance with the requirements of the Central Bank.

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



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 considers 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 the 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 that is worse than three, but better than or equal to 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 (available in the "Exclusions" section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2->

[assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf](#))

- 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 and / 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 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.

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



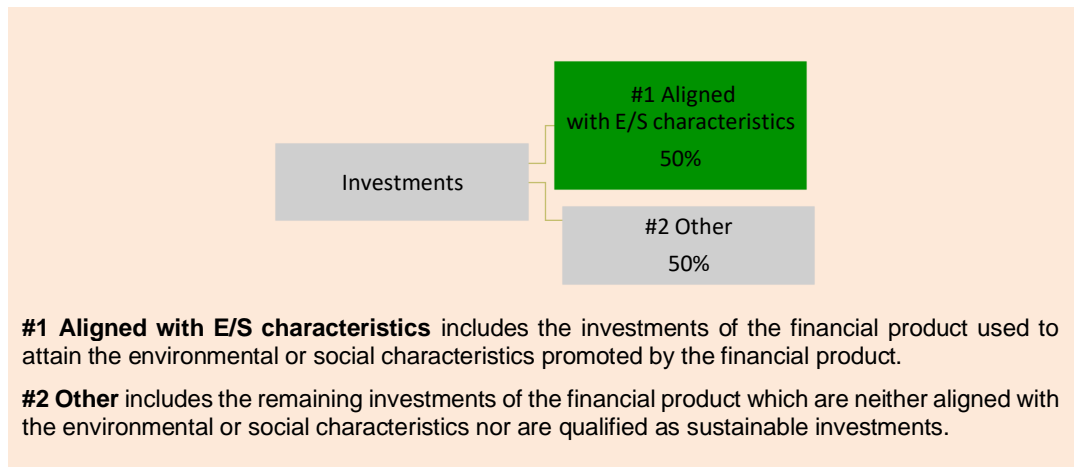
What is the asset allocation planned for this financial product?

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.

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



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


Not applicable.

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.

 are sustainable



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.

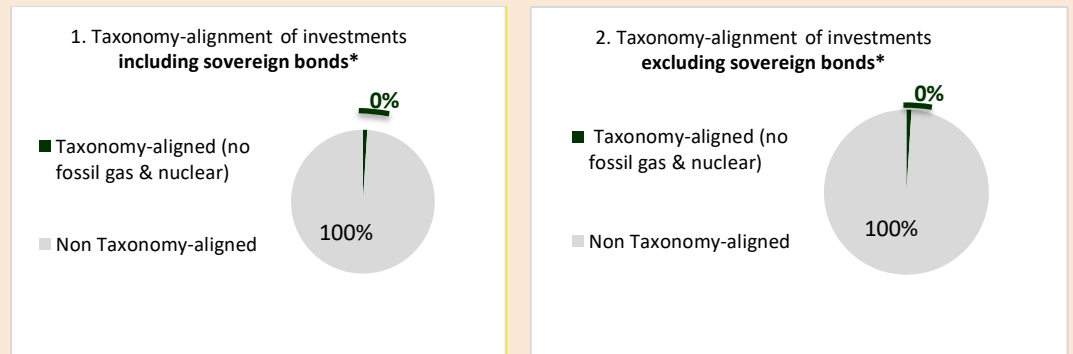
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁶?

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.

⁶ 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.

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 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’ and are not subject to any minimum environmental or social safeguards.



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.

○ ***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.

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



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-hk/individual/funds/public-fixed-income/barings-developed-and-emerging-markets-high-yield-bond-fund>

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 Global Investment Grade Credit Fund

Legal entity identifier: 254900J3P23O2YIAHQ71

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%	<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
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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 that is worse than three, but better than or equal to 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 not 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

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.

No



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

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 considers 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 the 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 that is worse than three, but better than or equal to 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 (available in the "Exclusions" section of the Barings Global Sustainability & ESG Policy at <https://www.barings.com/globalassets/2-assets/esg/sustainability/documents-and-reports/barings-global-sustainability-policy.pdf>)
- 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 and / 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

Good governance practices include sound management structures, employ

ee relations, remuneration of staff and tax compliance.

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.



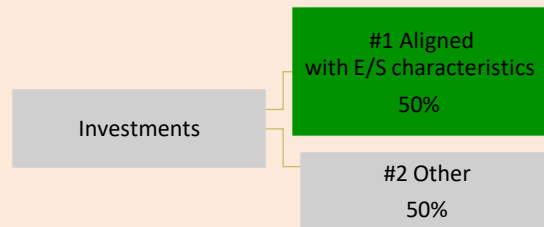
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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.

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 economy.
- **operational expenditure (OpEx)** reflecting green operational activities of



#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 characteristics, 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.

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 with an environmental objective that **do not take into account the criteria** for



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.

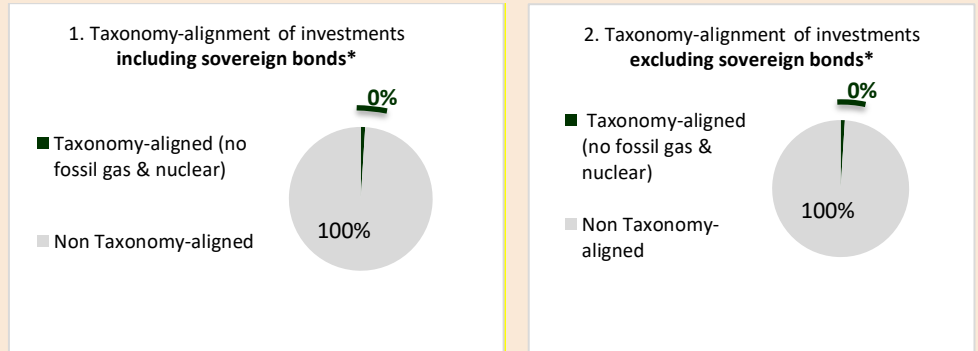
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁷?

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.

⁷ 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.

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.baring.com