Barings Emerging EMEA Opportunities PLC

BARINGS

OCTOBER 2024 / FACTSHEET

FUND FACTS

Net Assets[1]
£85.9m

Share Price[2]
580.00p

NAV per Share[1]
730.12p

Discount to NAV
20.56%

Dividend Yield[3]
2.93%

Structure
Closed Ended Investment Trust Company

Inception Date
18 December 2002

ISIN
GB0032273343

Bloomberg Ticker
BEMO LN

Base Currency
GBP

Benchmark[4]
MSCI EM EMEA

Management Fee (p.a.)
0.75%

Ongoing Charges (p.a.)
1.59%

PORTFOLIO MANAGERS

Matthias Siller, CFA
26 years of experience

Adnan El-Araby, CFA
14 years of experience

OBJECTIVE

Barings Emerging EMEA Opportunities PLC is an actively managed equity strategy. The Company's investment objective is to achieve capital growth, principally through investment in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern and African (EMEA) securities markets.

STRATEGY

The Company aims to harness the long-term growth and income potential of Emerging EMEA. It is managed by one of the region's most experienced and best-resourced investment teams, using fundamental, bottom-up analysis.

MARKET OPPORTUNITY

- **Income diversifier:** the Company aims to deliver both income and long-term growth potential, accessing markets with compelling dividend prospects.
- **Undiscovered growth:** the broad investment focus provides exposure to a large opportunity set in high growth areas underrepresented in global portfolios.
- **High conviction:** concentrated exposure to 30 - 60 of the very best ideas we can find across the Emerging EMEA region - with a strong focus on environmental, social and governance (ESG) factors.

PERFORMANCE (%)	Ordinary Shares (Gross of Fees)	Ordinary Shares (Net of Fees)	Benchmark[4]
Year to Date	15.56	14.02	5.61
1 Year	25.83	23.82	12.12
3 Years	-3.98	-5.51	-5.72
5 Years	-0.34	-1.89	-2.88
10 Years	5.62	4.02	2.02
Since Inception	10.06	8.44	7.58

ROLLING 12 MONTH PERFORMANCE (%)	Ordinary Shares (Gross of Fees)	Ordinary Shares (Net of Fees)	Benchmark[4]
30/09/2023 - 30/09/2024	19.24	17.33	8.46
30/09/2022 - 30/09/2023	2.12	0.49	-3.40
30/09/2021 - 30/09/2022	-28.71	-29.85	-20.08
30/09/2020 - 30/09/2021	38.64	36.56	33.33
30/09/2019 - 30/09/2020	-21.14	-22.30	-22.58

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. An investment entails a risk of loss. Returns for periods greater than one year are annualized.

1. Net Asset Value is Shareholders' funds expressed as an amount per individual Ordinary Share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities and prior charges at their fair value.
2. Share price is the mid-market price at market close and is determined by stock market supply and demand.
3. Dividend Yield is calculated using the Company's latest full year dividend expressed as a percentage of the share price.
4. The benchmark is the MSCI EM EMEA Index. Prior to the 16 November 2020, the benchmark was the MSCI EM Europe 10/40 Index.

Baring Emerging Europe PLC was launched on the 18 December 2002. As of 16 November 2020, the Company changed its investment policy and objective and was renamed Barings Emerging EMEA Opportunities PLC. For further details please visit www.bemoplc.com

EQUITY PLATFORM[1]

Barings manages $431+ billion of equities, fixed income, real estate and alternative assets globally

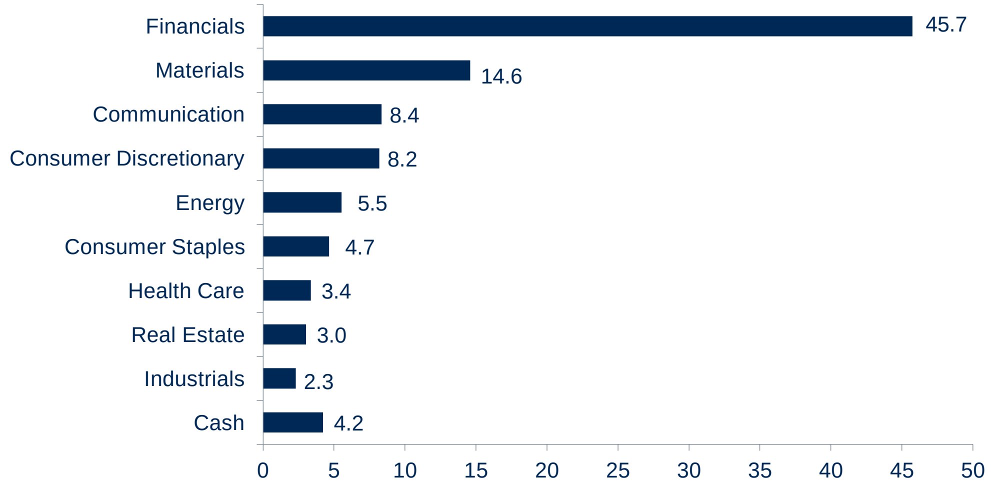
We focus on building high-conviction, research-driven equity solutions for our clients. We have a long history of being early investors in new and established markets

- Global Equities
- Emerging Markets Equities
- Small-Cap Equities

Equities investor base includes financial institutions, pensions, foundations and endowments and wholesale distributors

CHARACTERISTICS[2,3,4]	BARINGS EMERGING EMEA OPPORTUNITIES PLC
Number Of Holdings	56
Active Share (%)	42.49
Off Benchmark (%)	2.08
Tracking Error (%) (3Y Ann)	7.56
Information Ratio (3Y Ann)	0.34
Standard Deviation (3Y Ann)	16.66
Alpha (3Y Ann)	3.77
Beta (3Y Ann)	1.23
Av. Market Cap (USDb)	70.95

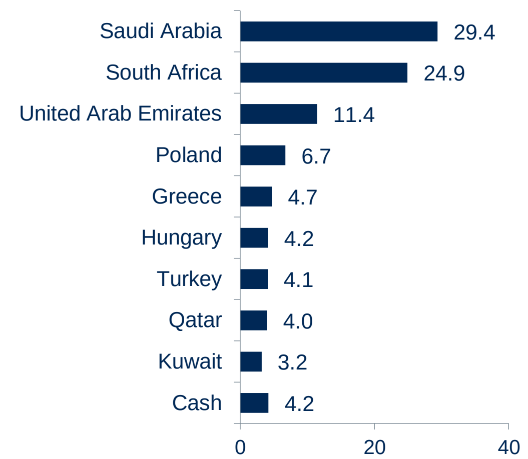
TOP SECTOR WEIGHTINGS (% OF MV)[3]



TOP HOLDINGS (% OF MV)[3]

AL RAJHI BANK	6.79
NASPERS LTD	5.75
FIRSTRAND LTD	4.37
CAPITEC BANK HOLDINGS LTD	4.30
QATAR NATIONAL BANK QPSC	3.43
SAUDI BASIC INDUSTRIES	3.03
SAUDI NATIONAL BANK	2.99
SAUDI TELECOM CO	2.92
NATIONAL BANK OF KUWAIT	2.78
ADNOC DRILLING CO PJSC	2.78

TOP COUNTRY WEIGHTING (% OF MV)[3]



1. Barings assets as of 30 September 2024.
2. Risk statistics based on gross performance.
3. As of 31 October 2024.
4. Refer to glossary on our website for definitions of terms. Characteristics are subject to change.

MANAGER'S COMMENTS
OCTOBER 2024

PERFORMANCE SUMMARY

EMEA equities were down 3.2% in October and against this backdrop the portfolio outperformed the benchmark by 2.3% (in USD).

All countries record negative absolute returns with the emerging European constituents Turkey, Greece and Poland faring the worst.

Despite significant earnings revisions and compelling valuations, Greek financials lagged with the index down around 8%. This was partly explained by a significant issuance of paper within a short timeframe that coincided with a drop in liquidity in Greece. There were also concerns that the ECB rate easing cycle would pressure net interest margins, whilst management teams appear to have overpromised on loan growth.

Turkish banking stocks were also notably affected, as the pace of disinflation proved to be slower dampening expectations for interest rate cut before year-end and negatively impacting earnings forecasts.

In Poland, the market was down on worse than expected retail sales data, down 3%, raising concerns over the health of the Polish consumer.

Sector wise, information technology fared the worst with Saudi Arabian companies Elm and Solutions selling off aggressively. Materials was the strongest performing sector with most mining stocks up on the back of rising precious metal prices and gold hitting its all-time high.

Relative return for the portfolio was positive. On a country basis, stock selection and sector allocation contributed in equal measure, whilst on a sector basis, stock selection was the fundamental driver of relative returns.

Saudi Arabia, the UAE and South Africa were the largest contributors to positive relative returns, partially offset by negative attribution from Greece and Kuwait. Sector wise, materials, energy and financials added to performance with healthcare modestly detracting. Notably, the portfolio's cash holdings had a positive impact on relative performance amidst declining indices.

Within the materials space, our overweight in Saudi Arabian miner Maaden (+15.4% in USD) was a strong performer to reflect the strength in the price of its commodity basket and investors rewarded the company's strategy of buying out minorities using its own stock to fund these transactions.

Our holdings in South African miners, Impala Platinum (+16.2% in USD), Goldfields (+5.2% in USD), and AngloGold Ashanti (+4.0% in USD), collectively contributed to relative returns on the back of rising precious metal prices with gold reaching record levels. Safe haven demand continued to support prices amidst geopolitical tension in the Middle East and market uncertainty over the increasingly tight US election, whilst the US asked the group of Seven allies to consider sanctions on Russian exports of palladium.

Polish miner KGHM (-10.2% in USD) took away some performance from the otherwise strong relative returns in the sector as the share price declined with copper. The weakening trend in global PMIs heightened market concerns about the sustainability of the recovery in demand for industrial metals. Nonetheless, our underweight positioning in industrials was a strong contributor to relative returns in the month.

Technology company Nebius, formerly Yandex, (+6.9% in USD) was the largest contributor to outperformance in the month. Following the divestment of its Russian assets, the company announced a planned resumption of trading on the Nasdaq exchange, having been suspended since February 2022. We took advantage of this liquidity event and sold out of our position as we do not consider the company to be core to our investment mandate.

ADNOC Drilling (+7.2% in USD) in the UAE, another overweight position, also performed well on the back of strong third quarter results with higher onshore activity and cost efficiencies leading the company to upgrade this year's guidance.

Performance in the financials sector was positive. Abu Dhabi Commercial Bank (+6.2% in USD), an overweight position, was a strong contributor to relative returns in the month as it reported solid third quarter results surpassing market expectations. The bank also raised guidance for this year and provided a set of medium-term targets, which the market took positively.

South African consumer lender Capitec (+2.0% in USD), another overweight position, also performed well after it reported its biggest jump in first-half profits since 2021, as prospects of an economic revival boosted lending whilst its transactional income continued to grow at very healthy levels. However, our overweight in competitor FirstRand (-7.5% in USD) hampered relative returns as the bank's UK operations suffered a setback following the UK Court of Appeal's judgement regarding motor finance disclosures, that could result in banks paying out higher compensation.

Our overweight in Greek bank Alpha (-13.9% in USD) was the largest detractor in the month as liquidity events in the sector caused the banking stocks to sell off aggressively.

Yapi Kredi (-21.1% in USD) also hindered relative performance as the bank's third quarter results reflected net interest margin pressure and sequentially higher cost of risk, highlighting the economic slowdown and effect of the high interest rate environment in Turkey.

MANAGER'S COMMENTS
OCTOBER 2024

STRATEGY

We remain focused on unrecognised growth, and we continue to seek out bottom-up investment opportunities where the future earnings potential is not fully reflected in the current share price.

In the short term, the EMEA region will remain connected to shifts in global sentiment regarding the direction of interest rates, geopolitics, and the outlook for global growth.

OUTLOOK

We believe EMEA equity markets are well situated to benefit from an increase in investor attention against a backdrop of favourable domestic dynamics and a range of diverse company specific opportunities.

Apart from Turkey, food inflation continues to decelerate across EMEA, and most central banks have or are preparing to cut rates which should boost consumption and reduce the credit risks for most banks. The pace at which Turkey's rate of inflation declines will dictate the Central bank's interest rate policy which creates uncertainty over the outlook for the economy and Turkey's equity market.

The outlook for the GCC region continues to be clouded by the geopolitics and the volatility in the price of crude creating uncertainty around the pace of capital investments. Our focus will continue to be on researching and investing in companies with a compelling earnings profile that have a consistent track record in creating shareholder value regardless of the macroeconomic backdrop. Finally, South Africa risk premium could fall further if the GNU can execute on its promises of structural reform and kick start a sustainable economic recovery.

Key Risks:

- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk
- Russia and the region pose special risks such as, economic and political unrest, lack of a transparent and reliable legal system, lower standards of corporate governance and an under developed process for enforcing legal ownership of investments
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets
- Debt securities are subject to risks that the issuer will not meet its payment obligations (ie, default). Low rated (high yield) or equivalent unrated debt securities of the type in which the fund will invest generally offer a higher return than higher rated debt securities, but also are subject to greater risks that the issuer will default.
- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated

Baring Asset Management Limited - 20 Old Bailey, London, EC4M 7BF, United Kingdom

Important Information

BARINGS

TO LEARN MORE PLEASE CONTACT YOUR LOCAL BARINGS TEAM

EMEA based enquiries:
emea.info@barings.com

Any forecasts in this document are based upon Barings opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed by Barings or any other person. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**. Any investment results, portfolio compositions and or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the offering documents for the details and specific risk factors of any Fund discussed in this document.

Barings is the brand name for the worldwide asset management and associated businesses of Barings LLC and its global affiliates. Barings Securities LLC, Barings (U.K.) Limited, Barings Australia Pty Ltd, Barings Australia Property Pty Ltd, Gryphon Capital Investments Pty Ltd Barings Japan Limited, Baring Asset Management Limited, Baring International Investment Limited, Baring Fund Managers Limited, Baring International Fund Managers (Ireland) Limited, Baring Asset Management (Asia) Limited, Baring SICE (Taiwan) Limited, Baring Asset Management Switzerland Sarl, Baring Asset Management Korea Limited, and Barings Singapore Pte Ltd. each are affiliated financial service companies owned by Barings LLC (each, individually, an "Affiliate"), together known as “Barings.” Some Affiliates may act as an introducer or distributor of the products and services of some others and may be paid a fee for doing so.

NO OFFER:
The document is for informational purposes only and is not an offer or solicitation for the purchase or sale of any financial instrument or service in any jurisdiction. The material herein was prepared without any consideration of the investment objectives, financial situation or particular needs of anyone who may receive it. This document is not, and must not be treated as, investment advice, an investment recommendation, investment research, or a recommendation about the suitability or appropriateness of any security, commodity, investment, or particular investment strategy, and must not be construed as a projections or predictions.

In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved and before making any investment decision, it is recommended that prospective investors seek independent investment, legal, tax, accounting or other professional advice as appropriate.

Unless otherwise mentioned, the views contained in this document are those of Barings. These views are made in good faith in relation to the facts known at the time of preparation and are subject to change without notice. Individual portfolio management teams may hold different views than the views expressed herein and may make different investment decisions for different clients. Parts of this document may be based on information received from sources we believe to be reliable. Although every effort is taken to ensure that the information contained in this document is accurate, Barings makes no representation or warranty, express or implied, regarding the accuracy, completeness or adequacy of the information.

Target and projected returns are derived from Barings’ proprietary model, which contain a number of assumptions and judgements about (including future projections of one month term SOFR rates as projected by forward curves at time of preparation, prepayment of a certain percentage of the overall model portfolio, and market interest rate for the loans that comprise the model portfolio, among others) that Barings believes are reasonable under the circumstances. Generally, our assumptions include construction projects proceeding according to plan, no modeled losses, and no adverse macroeconomic events, among others. However, there can be no assurance that such assumptions will prove to be accurate, and the actual realized returns will depend on, among other factors, future operating results, interest rates, economic and market conditions, and the value of the underlying assets at the time of disposition, any related transaction costs and the timing and manner of disposition, all of which may differ from the assumptions on which targets and projections are based and therefore, the actual results achieved may vary significantly from the targets and projections, and the variations may be material. We would be happy to provide you with the risks related to hypothetical performance information at your request.

OTHER RESTICTIONS:
The distribution of this document is restricted by law. No action has been or will be taken by Barings to permit the possession or distribution of the document in any jurisdiction, where action for that purpose may be required. Accordingly, the document may not be used in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations.

Any service, security, investment or product outlined in this document may not be suitable for a prospective investor or available in their jurisdiction.

Any information with respect to UCITS Funds is not intended for U.S. Persons, as defined in Regulation S under the U.S. Securities Act of 1933, or persons in any other jurisdictions where such use or distribution would be contrary to law or local regulation.

This is not an offer to sell or an invitation to apply for any product or service of Barings and is by way of information only. Before investing in any product we recommend that retail investors contact their financial adviser.

The Key Information Document (KIID) or Key Information Document (KID) must be received and read before investing. All other relevant documents relating to the product such as the Report and Accounts and the Prospectus should also be read. The information in this document does not constitute investment, tax, legal or other advice. Compensation arrangements under the Financial Services and Markets Act 2000 of the United Kingdom will not be available in respect of any offshore funds.

The KID is available on the relevant product page of www.barings.com and is available in the languages of the Member States in which the fund is registered. For information on investor rights and how to raise complaints please go to https://www.barings.com/guest/content/terms-and-conditions, which is available in English. Barings may terminate marketing at any time.

FOR PERSONS DOMICILED IN SWITZERLAND:
This is an advertising document.
The legal documents of the funds (prospectus, key investor information document and semi-annual or annual reports) can be obtained free of charge from the representatives named below.

For the sub-funds of Barings Umbrella Fund plc, the representative is UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, 4051 Basel and the paying agent is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Basel.

For sub-funds of all other Barings UCITS, the representative and paying agent is BNP Paribas Securities Services, Paris, Succersale de Zurich, Selnaustrasse 16, 8002 Zurich