

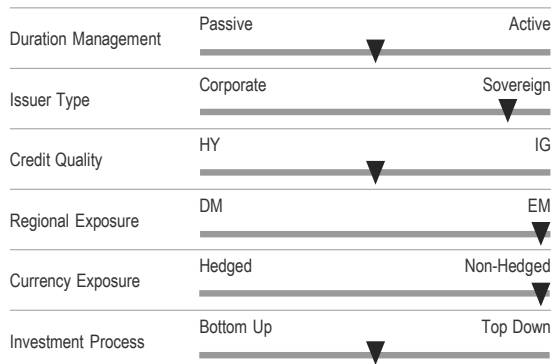
Portfolio Strategy

The fund aims to achieve long-term total return through investment in a diversified portfolio of EM local currency-denominated debt securities. Its target objective is to outperform the JPMorgan GBI-EM Global Diversified Index by 200-300bps per annum. The

Key Features

Asset Manager	Baring Intl Fund Mgrs (Ireland)
Net Assets Value	1,614 (Mio US Dollar)
Inception Date	21/11/2017
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	US Dollar Acc
Management Fees* (%)	0.65%
Performance Fees	No
CH Registered	Yes
Yield to Worst	9.14
Effective Duration	6.23
Average Rating	BBB

Portfolio Style



Investment Rationale

Active strategy. Rates and currencies exposures can substantially deviate from the benchmark. Moreover, the portfolio manager can also invest outside of the JPMorgan GBIEM - Global Diversified Index when appropriate. However, considering the well-defined

Investment Philosophy

- Differentiated analysis between interest rates and currencies: the economic cycle determines the interest rate positioning, while economic competitiveness defines exposure to currencies.
- DGSE and fundamental analysis for the rates: the foundation of local debt country analysis is a proprietary Dynamic Stochastic General Equilibrium Model (DGSE). This tool is a model like those used by Central Banks and the IMF. Fundamental macro analysis is used to check or supersede DGSE output.
- REER and Balance of Payment for currencies: for currencies, the team measures the Export Penetration Real Effective Exchange Rate (REER) and pair the outcomes with their country-by-country balance of payment analysis.
- Portfolio construction: position sizing result from the difference between a country's yield curve and its theoretical yield curve calculated by the DGSE.

Fund Management Team

Barings is a newcomer in managing EM strategies. They however decided to invest in a large and experienced team. The team is made up of 19 investment professionals with 14 years average investment experience. The team is led by Ricardo Adrogué who is mana

Strengths

- Rate and currency management split: rates and currencies are actively and separately managed, based on the idea that they are both reacting to various factors. As a result, Barings' uses two quantitative proprietary tools and macroeconomic research to analyze rates and currencies, resulting into a distinctive allocation for both elements.
- New asset class approach: Barings heavily invested in a large and experienced team when they launched the EM strategies. We like the way they started to invest in the asset class, first by gathering a strong team, then building a track record, and finally commercialising the strategies, not the other way around. Renowned for their credit strategies, Barings has the ambition to build a new centre of expertise in EM.
- Size: by managing "only" USD 5bn AuM in the different EM strategies, including USD 1.1bn in local debt, we believe they have the perfect size to generate value, considering that the alpha is often generated at the early strategy's life stage.
- Performance: although it is short, the track record has been very strong since inception both, in absolute, and in risk adjusted terms. The fund is beating its benchmark every calendar years and is comfortably standing first decile versus its competitors.

Weaknesses

- Length of the track record: Although the members of the team have a long experience in managing EM strategies, the fund has only a track record of slightly more than 3 years. Too short to be fully meaningful, even though from 2014 to 2017 the fund went successfully through very different market phases.

	1M	YTD	2025	2024	2023	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	1.31	2.13	22.15	-3.21	15.23	9.69	3.23	0.50	10.25	-9.75
Index	0.81	0.97	18.26	-2.98	12.08	7.67	1.26	0.36	8.45	

*ISIN Code: IE00BKZGL873. ISIN used for performance: IE00BKZGK917 Performance data source and Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Index: iShares JPMorgan EM Lcl Govt Bd ETF\$Acc. Data as of: 31/05/2026