

**SHINING A LIGHT ON THE.....**  
**Barings Emerging Markets Debt Blended Total Return Fund**

**AT A GLANCE**

Investment Objective	
<p>The investment objective of the Fund is to seek maximum total return, consistent with preservation of capital and prudent investment management, through high current income generation and, where appropriate, capital appreciation. The “total return” sought by the Fund consists of income and capital appreciation, if any, which generally arises from decreases in interest rates or improving credit fundamentals for a particular emerging market government, industry sector or security. The Fund will invest under normal circumstances at least 80% of its net assets in an actively managed diversified portfolio consisting of fixed income instruments that are economically tied to emerging market countries including fixed income instruments that are issued by corporate issuers that are economically tied to emerging market countries.</p>	

<b>Inception Date</b>	3 December 2014
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000V3MZ">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000V3MZ</a>

Management	
Manager Name	Start Date
Ricardo Adrogué	3 December 2014
Cem Karacadag	3 December 2014
Natalia Krol	1 May 2018

Top 10 Holdings		
<b>Total number of holdings</b>	101	
<b>Assets in Top 10 Holdings</b>	-	
Name	Sector	% of Assets
Mex Bpnds Desarr Fix RT	-	9.91%
Notad do Tesouro Nacional	-	5.76%
Russia Govt Bond	-	4.47%
Republic of El Salvador	-	3.80%
Ukraine Government	-	3.59%
Titulos de Tesoreria	-	3.38%
Indonesia Government	-	3.15%
Petroleos Mexicanos	-	2.24%
Bons de Tesoreria	-	2.04%
CSN Resources SA	-	1.90%

Volatility Measurements	
<b>3-Yr Std Dev (volatility)</b>	12.05%
<b>3-Yr Mean Return (average)</b>	11.56%

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## FUND PERFORMANCE

Performance from 1 January 2015 to 30 April 2019:

	2015	2016	2017	2018	2019
<b>Barings EM Debt Blended Total Return Fund</b>	3.99%	28.68%	5.78%	1.39%	3.99%
<b>Vanguard Global Bond Index</b>	1.25%	3.51%	2.00%	-0.11%	2.70%

Performance over 12 months, 3 years and since launch

	1 year	3 years	Since launch
<b>Barings EM Debt Blended Total Return Fund</b>	6.77%	36.06%	47.23%
<b>Vanguard Global Bond Index</b>	3.55%	4.72%	10.54%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

### UPDATE....

The fund is a total return strategy using a combination of best ideas from the sovereign, local rates, currencies and corporate strategies. It is a bottom up strategy with ideas being generated from 20 investment specialists.

This fund may appeal to those investors looking to invest in emerging markets but not wanting to choose local or hard currency, and sovereign or corporate debt. This is effectively a blend of all of this. The positioning of the holdings is done in such a way as to minimise the chances of any single causing a big drawdown in the portfolio.

In terms of corporate debt, the key factors are assessment of sustainability of debt levels, company/industry analysis, macroeconomic data, relative value and ESG considerations. Government debt includes factors like macro, debt sustainability and probability of default.

The fund is actively managed and they will move weightings so the holdings in March compared to the previous March see a higher weighting to Corporate Debt, a reduction in local debt and a higher allocation to debt. The weighting to Latin America has come down and weightings to Asia and Central and Eastern Europe, Middle East and Africa have gone up. They do however continue to see opportunities in Mexico and Brazil.

Where the fund is slightly different to others in the market is that it doesn't differentiate between emerging and frontier markets. It is just searching for those best ideas.

In summary, for investors looking for EM debt then this might be a fund to consider. The key differences are the spread across all levels of debt effectively creating a one-stop strategy, and the fact that it invests across both emerging and frontier markets.

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*The source of information in this note has been provided by Barings and is correct as at April 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*