

**IMPORTANT:** This notice (“the **Notice**”) is sent to you as a unitholder of Barings Global Opportunities Umbrella Fund (the “**Unit Trust**”). It is important and requires your immediate attention. If you have any questions about the content of this Notice or are in any doubt as to the action to be taken, you should seek independent professional advice and immediately consult your stockbroker, bank manager, solicitor or attorney or other professional adviser.

**This Notice has not been reviewed by the Central Bank of Ireland (the “Central Bank”) and by the Securities and Futures Commission (the “SFC”). As such, it is possible that changes thereto may be necessary to meet the requirements of the Central Bank and the SFC. The directors of Baring International Fund Managers (Ireland) Limited, the Manager of the Unit Trust, (the “Directors”) are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank and the SFC.**

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept full responsibility for the accuracy of the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the Prospectus for the Unit Trust dated 5 June 2019 (the “**Prospectus**”), Hong Kong Covering Document for the Unit Trust dated June 2019 and Product Key Facts Statement of Barings Asia Balanced Fund dated June 2019 (“**KFS**”) (collectively the “**Hong Kong Offering Documents**”).

**BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED**

*Registered Office*  
70 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

23 October 2019

Dear Unitholder

**BARINGS GLOBAL OPPORTUNITIES UMBRELLA FUND**  
– **BARINGS ASIA BALANCED FUND**

We are writing to you on behalf of Baring International Fund Managers (Ireland) Limited (the “**Manager**”), in its capacity as manager of the Unit Trust, and this Notice is being sent to you in your capacity as a Unitholder in Barings Asia Balanced Fund (the “**Sub-Fund**”), a sub-fund of the Unit Trust.

We would like to take this opportunity to advise you of the issuance of the revised Hong Kong Offering Documents in June 2019 and the changes therein as well as upcoming changes proposed to be made to the Unit Trust’s amended and restated trust deed dated 21 July 2015 as supplemented by supplemental trust deeds dated 30 December 2016, 30 April 2018, 18 July 2018 and 31 May 2019 (the “**Trust Deed**”) and the Hong Kong Offering Documents.

**A. UNITHOLDER NOTICE – UPCOMING PROPOSED CHANGES TO THE TRUST DEED AND HONG KONG OFFERING DOCUMENTS**

**(a) Change to distribution frequency for Class A USD Inc of Barings Asia Balanced Fund**

We are writing to the Unitholders of Barings Asia Balanced Fund to inform you that the distribution frequency of the Class A USD Inc of the Sub-Fund will change, with effect from 25 November 2019 (the “**Effective Date**”), as per the below table:

<b>Old Distribution Frequency</b>	<b>New Distribution Frequency</b>
Class A USD Inc – Paid quarterly no later than 28 February, 31 May, 31 August and 30 November	Class A USD Inc – Paid monthly no later than the last Business Day of each month

**(b) Change to distribution policy for Barings Asia Balanced Fund**

Currently, the Sub-Fund normally pays dividends out of surplus net income. However, the Manager may also distribute such part of realised and unrealised capital gains (less realised and unrealised losses) as, in its opinion, is appropriate to maintain a satisfactory level of distribution.

With effect from the Effective Date, the distribution policy of Class A distributing Classes of the Sub-Fund (i.e. Class A USD Inc) will be updated to allow for distributions out of capital and/or gross investment income while charging all fees and expenses out of capital attributable to those Classes in order to provide more flexibility to the Sub-Fund in respect of distributing dividends.

Payment of distributions out of unrealised capital gains (which means effectively paying dividends out of capital), payment of dividends out of gross investment income while charging some or all fees and expenses out of capital (which also means effectively paying dividends out of capital) and/or payment of dividends out of capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions of dividends may result in an immediate reduction of the Sub-Fund's Net Asset Value per Unit.

The risk disclosures relating to distribution out of capital in the Hong Kong Offering Documents will be enhanced. Please refer to the Hong Kong Offering Documents for further details regarding the change of distribution policy and the relevant risk factors.

The composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months will continue to be made available either through the Hong Kong Representative's website at [www.barings.com](http://www.barings.com)<sup>1</sup> or from the Hong Kong Representative on request.

If there is any change to the distribution policy of the Sub-Fund, Unitholders will receive not less than one month's prior notice.

**(c) Clarification on exposure to debt instruments with loss-absorption features**

As provided in the Prospectus, the Sub-Fund intends to invest approximately 25% of its assets in fixed income securities denominated in major currencies. Please note that such fixed income securities may include debt instruments with loss absorption features ("LAP") e.g. Additional Tier 1 (AT1), Tier 2, Tier 3, external loss-absorbing capacity ("LAC") debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) out of which no more than 10% of the Sub-Fund's assets may be invested in AT1 securities. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a financial institution falls to meet a specified level. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments. The Hong Kong Offering Documents will be revised to include additional risk disclosures on investing in instruments with loss-absorption features.

**(d) Amendment and Restated Trust Deed**

The Trust Deed is being amended and restated by way of an amended and restated trust deed (the "**Amended and Restated Deed**") to include the following:

1. Clause 24 (A) of the Trust Deed will be amended in order to provide for distributions out of capital;

<sup>1</sup> Please note that the website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.

2. various amendments to reflect the updated Code on Unit Trusts and Mutual Funds (“**Code**”) issued by the SFC (please refer to item A(e) below for further details);
3. Clause 18(G) of the Trust Deed will be amended to clarify the fees which may be payable out of the Unit Trust (i.e. that regulatory fee payable to the Central Bank and all expenses payable following any currency hedging transactions may be paid out of the assets of the Unit Trust. Such fees are currently permitted to be paid out of the assets of the Unit Trust under the Trust Deed and Prospectus and Clause 18(G) is updated for better clarity. Such changes do not represent an introduction of new fees and charges.);
4. Clause 29(A) of the Trust Deed will be amended to remove the requirement that all transactions with the Manager, any investment adviser or the directors of the Manager or any connected person of any of them acting as principal shall not account for more than 50% in value of all of the Unit Trust's transactions in any Accounting Period. This amendment will be made as this is no longer mandated by the Code. Notwithstanding the aforesaid, all transactions carried out by or on behalf of a Sub-Fund must be at arm's length and executed on the best available terms and shall comply with applicable requirements under the Code; and
5. existing supplemental trust deeds will also be consolidated and other administrative/ editorial and simplification updates will also be made.

The Amended and Restated Deed is expected to take effect not less than one month after the notice.

#### **(e) Amendments to reflect requirements under the Revised Code on Unit Trusts and Mutual Funds**

##### **1. Background**

The Unit Trust and the Sub-Fund are subject to the Code issued by the SFC. The Code has been revised and as a result, the Trust Deed will be amended by way of the Amended and Restated Deed and the Hong Kong Offering Documents will be updated to reflect the requirements of the revised Code.

##### **2. Changes to the Trust Deed and Hong Kong Offering Documents pursuant to the revised Code**

The following key changes (the “**UT Code Updates**”) reflecting applicable requirements under the revised Code and clarificatory updates will be made to the Trust Deed by way of the Amended and Restated Deed and/or the Hong Kong Offering Documents (where applicable):

- (1) additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code will be reflected in the Trust Deed.
- (2) amendments and clarifications to the investment limitations and prohibitions under Chapter 7 of the revised Code, including but not limited to amendments in relation to the following: spread of investments, restrictions on making loans, limitations on borrowing, financial derivative instruments and collateral, clarification on investing in real estate investment trusts (the “REITs”) etc will be reflected in the Trust Deed and/or the Hong Kong Offering Documents (as appropriate).

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Appendix I enclosed with this Notice.

- (3) The Hong Kong Covering Document and the KFS will be amended to include disclosures on the expected maximum net derivative exposure arising from derivative investments. The net derivative exposure of the Sub-Fund is calculated in accordance with the Code and the requirements and guidance issued by the SFC, which may be updated from time to time. In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant Sub-Fund are converted into their equivalent positions in their underlying assets.

The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the SFC's Code on Unit Trusts and Mutual Funds, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

Notwithstanding that the net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value, the maximum level of leverage for Sub-Fund under the Commitment Method is 20% of its Net Asset Value.

#### (4) Other amendments

The Hong Kong Offering Documents will also be revised to incorporate other amendments and enhancement of disclosures to reflect the requirements of the revised Code and the key updates include the following:

- (i) amendments to further clarify that any commission and rebate on fees or charges levied by the underlying collective investment scheme or the manager of the underlying collective investment scheme, or any quantifiable monetary benefits in connection with investments in any underlying collective investment scheme payable to the Manager or any person acting on behalf of the Unit Trust or a Sub-Fund or the Manager must be credited to the Sub-Fund;
- (ii) enhanced disclosures relating to the collateral policy of the Sub-Fund;
- (iii) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders during the termination process;
- (iv) enhancements of risk disclosures where appropriate, e.g. depositary risk; and
- (v) other miscellaneous and enhancements of disclosure.

Please refer to the revised Hong Kong Offering Documents and the Amended and Restated Deed for further details of the UT Code Updates and other updates.

### **B. UNITHOLDER NOTICE – POST-EVENT NOTIFICATION OF CHANGES PREVIOUSLY MADE TO THE TRUST DEED AND HONG KONG OFFERING DOCUMENTS**

#### **(a) Updates to exposure to domestic Chinese bonds**

For greater investment flexibility, the Hong Kong Offering Documents have been updated to provide that a sub-fund may invest in domestic Chinese bonds (including urban investment bonds) via the CIBM initiative (the regime launched in February 2016 for foreign institutional investors to invest in the Mainland China interbank bond markets) and/or Bond Connect (an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China) provided that such investment is in accordance with the requirements of the Central Bank and the relevant authorities in the People's Republic of China. It is further provided that unless otherwise specified in the relevant Supplement for a sub-fund of the Unit Trust (i.e. Barings Asia Balanced Fund), a sub-fund does not intend to invest more than 10% of its Net Asset Value in domestic Chinese bonds (including urban investment bonds). It is also clarified that direct exposure to China A shares may be obtained through the Investment Manager's quotas approved under the QFII Regulations, in addition to the Investment Manager's quotas approved under the RQFII Regulations and Connect Schemes.

The revised Hong Kong Offering Documents reflecting such changes were issued on 5 June 2019 and such changes were deemed to have taken effect on the same day. Investing in the Chinese securities market means that the Sub-Fund is subject to emerging market risks and also country specific risks. Please refer to the revised Hong Kong Offering Documents to review these risks.

#### **(b) Change of addresses of Baring Asset Management Limited**

The office of Baring Asset Management Limited, the Investment Manager of the Sub-Fund, has moved to 20 Old Bailey, London, EC4M 7BF UK on 15 October 2018.

#### **(c) Updates to the Hong Kong offering documents**

The Prospectus of the Unit Trust dated 30 April 2018, Hong Kong Covering Document of the Unit Trust dated April 2018 and Product Key Facts Statement of the Sub-Fund dated April 2019 have been updated with effect from 5 June 2019 (unless otherwise specified) to include other miscellaneous updates such as:

1. the appointment of Alan Behen and Paul Smyth as new directors of the Manager (these appointments were effective on 4 February 2019 and 19 March 2019 respectively);

2. enhancement of risk disclosures (including enhancement to the risks relating to investments in China and investments in urban investment bonds);
3. updates of disclosure to remove EMX as one of the channels where investors may subscribe/redeem/convert the Units via electronic messaging services. It is also clarified that investors wishing to utilise electronic messaging services for subscription, redemption or conversion of Units will need to obtain agreement from the Administrator. For the avoidance of doubt, there will be no impact to the existing Unitholders of the Sub-Fund;
4. enhancement of disclosure to reflect that the Trust Deed permits the Manager to issue Units at the Net Asset Value per Unit in consideration of in specie securities or other assets as approved by the Manager and the Depositary which could be acquired by the relevant sub-fund pursuant to its investment policy and restrictions. The costs associated with such in specie subscriptions shall be borne by the investor. The Manager may decline any request for in specie subscription at its discretion;
5. updates and enhancement of disclosure relating to subscription, redemption, conversion and transfer of ownership of Units;
6. update to the remuneration policy;
7. enhancement to the summary of liquidity risk management policies;
8. update to the list of recognised exchanges;
9. clarificatory updates to fair value pricing. For the avoidance of doubt, there is no change to the existing policy;
10. enhancement and clarificatory updates to disclosure relating to in specie redemption. For the avoidance of doubt, there is no change to the existing practice;
11. simplification of disclosure relating to the termination threshold of the Unit Trust and the Sub-Fund. Please refer to the Trust Deed of the Unit Trust for the termination threshold of the Unit Trust and the Sub-Fund; and
12. other miscellaneous, administrative and editorial updates and enhancements of disclosure.

#### **(d) Other Amendments to the Trust Deed**

The Trust Deed was revised by a third supplemental trust deed dated 18 July 2018 (the “**Third Supplemental Deed**”) to reflect the requirements under the General Data Protection Regulation (Regulation (EU) 2016/679). Inadvertently, the jurisdiction clause of the Third Supplemental Deed provided that the parties to the Third Supplemental Deed are subject to the exclusive jurisdiction of the Irish courts. Such an exclusivity provision was not intended and the Manager and the Depositary agree to submit to the non-exclusive jurisdiction of the Irish courts for the purpose of the Third Supplemental Deed. In addition, the Manager and the Depositary have entered into a fourth supplemental trust deed to rectify the jurisdiction clause of the Third Supplemental Deed. From the effective date of the fourth supplemental trust deed, the jurisdiction clause of the Third Supplemental Deed will no longer provide that the parties to such deed are subject to the exclusive jurisdiction of the Irish courts (i.e. an action relating to the Third Supplemental Deed may be brought to the courts of Hong Kong.).

### **C. RECOMMENDATION AND ACTION TO BE TAKEN**

#### **(a) Change to distribution policy for Barings Asia Balanced Fund**

In our opinion, the change set out in Item A(b) and Item A(d)1 of this Notice (collectively the “**Distribution Policy Changes**”) do not prejudice the rights or interests of the Unitholders. The Distribution Policy Changes will also not result in any change in the current level of fees and charges payable by the Unit Trust, the Sub-Fund or the Unitholders. There will be no change or increase in the overall risk profile of the Unit Trust and the Sub-Fund following the Distribution Policy Changes. Apart from the changes as described above, (1) the Distribution Policy Changes will not result in any change to the operation and/or manner in which the Unit Trust or the Sub-Fund is being managed and (2) there will be no other implication on the features of the Unit Trust and the Sub-Fund resulting from the Distribution Policy Changes.

The fees and expenses incurred in connection with the Distribution Policy Changes will be borne by the Sub-Fund. The Manager considers that such fees and expenses are not significant in terms of the current net asset value of the Sub-Fund.

If you do not agree with the Distribution Policy Changes, you may redeem your Units or switch to any other SFC-authorized<sup>2</sup> Barings fund(s) which are made available to you free of charge until the Dealing Day before the Effective Date in accordance with the provisions of the Hong Kong Offering Documents. Please note that we will not impose any charges in respect of your redemption and/or switching instructions. However, your bank or financial adviser may charge you additional fees (such as redemption fees, switching fees or transaction fees) or expenses at their own discretion in respect of such instructions and they may apply different procedures from what is stated in the Hong Kong Offering Documents. You are advised to contact your bank, distributor or financial adviser should you have any questions.

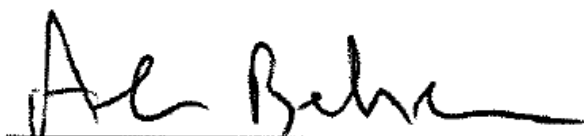
**(b) Other changes**

The changes set out in Items A(a), A(c), A(d)2 to A(d)5, A(e) and B(a) to B(d) in this Notice do not amount to material changes to the Sub-Fund and are not expected to lead to material change or increase in the overall risk profile of the Sub-Fund. The changes are not expected to have any material adverse impact on Unitholders' rights or interests (including changes that may limit Unitholders' ability in exercising their rights).

Please note that no Unitholder meeting or vote is necessary in connection with above proposed updates. Unless otherwise stated, it is anticipated that these changes will occur on or around the Effective Date. Copies of the Unit Trust's prospectus will be available from the Manager after the Effective Date. The revised Hong Kong Offering Documents will be updated to reflect the Distribution Policy Changes and the changes summarised in item A above where appropriate. A copy of the revised Hong Kong Offering Documents will be available free of charge at the office of the Hong Kong Representative at the address listed below and on [www.baring.com](http://www.baring.com)<sup>3</sup> on or after the Effective Date. The Amended and Restated Trust Deed (as amended by the supplemental trust deeds from time to time) may be obtained or inspected free of charge at the office of the Hong Kong Representative at the address listed below on or after the Effective Date.

Should you have any questions relating to the matters dealt with in this Notice, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at [Hk.wealth.retail@barings.com](mailto:Hk.wealth.retail@barings.com), or by letter at the following address: 35th Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

**Yours sincerely  
for and on behalf of**



**Director  
Baring International Fund Managers (Ireland) Limited**

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<sup>2</sup> SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

<sup>3</sup> Please note that the website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors

**APPENDIX I**  
**SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS**

During such period as Barings Asia Balanced Fund is authorised by the SFC, it shall comply with the investment restrictions and the limits applicable to investment in derivatives set out in the Prospectus or, where more restrictive, Chapter 7 of the Code (save to the extent that any approval, permission or waiver in respect of any of the restrictions imposed by the Code has been obtained from the SFC or otherwise provided under the Code or any handbook, guideline and/or code issued by the SFC from time to time). The key amendments and clarifications to the investment restrictions of the Sub-Fund are as follows. Please note that the amendments are immaterial and do not result in any change of the Sub-Fund's investment policy or risk profile:

- (a) without prejudice to sub-paragraph of 1(i) of Appendix I of the Prospectus, the Sub-Fund may not invest more than 15% of the Net Asset Value of the Sub-Fund in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a market which is provided for in the Trust Deed and in the Prospectus.
- (b) the aggregate value of the Sub-Fund's investment in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of the Net Asset Value of the Sub-Fund:
  - (i) investments in securities issued by that entity;
  - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
  - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.
- (c) Updates to clarify that the aggregate value of the Sub-Fund's investment in, or exposure to, entities within the same issuer or Group of issuers (i.e. generally, "Group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 10% of its net assets:
  - (i) investments in securities issued by those entities;
  - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
  - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.
- (d) the value of the Sub-Fund's cash deposits made with the same entity or entities within the same Group may not exceed 20% of its Net Asset Value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.
- (e) updates to clarify that commodities includes physical commodities (i.e. the Sub-Fund may not invest in physical commodities). This is a clarification only.
- (f) updates to clarify that the Sub-Fund may not invest directly (including any interests in) in land or buildings or real estate (or any options, rights or interests in respect thereof but excluding shares in real estate companies and interest in REITs). This is a clarification only.
- (g) updates to clarify that the Sub-Fund shall not grant a loan or permit the Unit Trust to act as a guarantor on behalf of third parties. This is a clarification only.
- (h) the maximum borrowing limit of the Sub-Fund has been reduced to 10% of its net assets.
- (i) the Sub-Fund may also acquire financial derivative instruments for non-hedging purposes. The Sub-Fund is subjected to a limit of net exposure relating to these financial derivative instruments ("**net derivative exposure**") not exceeding 50% of its Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

Notwithstanding that the net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value, the maximum level of leverage for Barings Asia Balanced Fund under the Commitment Method is 20% of its Net Asset Value.

- (j) Updates to clarify that the investment by the Sub-Fund in a qualified exchange traded fund will be considered and treated as collective investment schemes when applying the relevant investment limits.
- (k) to limit the exposure to each counterparty, with respect to requirements relating to transaction of over-the-counter financial derivative instruments, the Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements in the revised Code.