

**Barings Global Senior Secured Bond Fund
Barings Global High Yield Bond Fund
(Collectively referred to as “the Funds”)**

Important Information

1. Barings Global Senior Secured Bond Fund invests principally in a portfolio of fixed and floating rate corporate bonds, notes and other fixed and floating rate income securities 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.
2. Barings Global High Yield Bond Fund invests principally in a portfolio of high yield fixed and floating rate corporate bonds, notes and other fixed and floating rate income securities, focusing primarily on North American and European high yield instruments which are listed or traded on recognised markets in Europe or North America.
3. The Funds are subject to risks, such as investment, credit, interest rate fluctuations, downgrading, valuation, credit rating, and currency risks. The Funds’ investment may be concentrated in North American and European markets and the value of the Funds may be more volatile. Further, investment in countries within the Eurozone may involve Eurozone sovereign debt crisis risks.
4. Investment in high yield/sub-investment grade or unrated debt instruments is subject to higher liquidity, volatility and credit risks than investment grade instruments, as well as increased risk of loss of principal and interest. Further, investment in senior secured debt instruments is subject to credit/default risk of the issuer of the debt instruments and there is no guarantee of the repayment of principal of investment from the collateral pledged for the debt instruments in case of default.
5. The Funds may invest in derivatives for hedging and/or investment purposes which may involve counterparty/credit, liquidity, valuation, volatility and over-the-counter transaction risks. Exposure to derivatives may lead to a high risk of significant loss by the Funds.
6. Dividends may be paid out of unrealised capital gains and/or gross income while charging some or all fees and expenses out of capital at the discretion of the Directors. This would effectively represent paying dividend out of capital, resulting in an increase in distributable income. Dividend may also be paid out of capital at the discretion of the Directors. Payment of dividend out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Payment of dividends may result in an immediate reduction of the net asset value of the Funds per share.
7. Investors may suffer substantial loss of their investments in the Funds.

Barings Launches Global High Yield Bond Strategies in Asia

Hong Kong (January 15, 2019) – Barings, one of the world’s leading financial services firms, announced today the launch of two new high yield bond funds in Asia. The Barings Global High Yield Bond Fund and the Barings Global Senior Secured Bond Fund* (**The Barings Global Senior Secured Bond Fund principally invests in sub-investment grade and/or unrated debt securities. The Fund’s investment in senior secured debt securities does not guarantee repayment of the principal of investments by the investors.*) offer retail/wealth investors exposure to dynamic high-yield investment solutions amid a maturing economic cycle.

The Barings Global High Yield Bond Fund invests in high yield fixed and floating rate corporate debt instruments, primarily listed or traded on recognized markets in North America or Europe.

Relative to other fixed income asset classes—such as loans and investment grade bonds—high yield bonds have over time offered the opportunity to pick up additional yield relative to the perceived incremental credit or default risk. Compared to an equity-like asset class, high yield bonds have the potential to offer comparable returns with lower volatility.

Investing mainly in a diversified pool of senior and secured high yield bond instruments in Europe and the U.S., the Barings Global Senior Secured Bond Fund is the first-of-its-kind in the Hong Kong retail market¹. While still subject to risks in the event of a default, senior secured high yield bonds are more senior in the capital structure than traditional high yield instruments, meaning bondholders are positioned higher during the restructuring process. In addition, this asset class is also backed by issuer collateral or some form of assets. As a result, it may have a higher recovery rate of principal invested relative to unsecured high yield bonds. Senior secured high yield bonds may potentially offer better risk-adjusted returns compared to traditional high yield bonds².

“This asset class has proven itself over multiple cycle events in the last decade,” says Martin Horne, Head of the Global High Yield Investment Group. “As we move through the last stages of the current credit cycle with spreads across the board becoming increasingly attractive, strong fundamental credit underwriting will become increasingly valuable to managers who’ve focused on selecting positions based on principal preservation. The launch of these two new funds offers great opportunities to investors of different levels of risk appetite.”

Both senior secured high yield and traditional high yield bonds are sensitive to the credit fundamentals of the issuing company. Therefore, it is important for investors to identify managers that have the ability to mitigate the associated credit risk by carefully analyzing the fundamentals of the issuer and assessing the collateral attached to the bond.

Barings’ high yield team has more than 70 investment professionals across the U.S. and Europe³, providing resources and expertise required to thoroughly analyze the fundamentals of every

underwritten credit. Bottom-up analysis is carried on nearly every opportunity in the market, an approach that allows Barings to capture the best relative value.

“We are proud to offer clients in Asia access to our well-resourced and award-winning high yield platform,” says Duncan Robertson, Head of Asia Pacific, Global Head of Distribution and Marketing. “This marks Barings’ first regional product launch across Hong Kong, Korea and Taiwan following our integration in 2016. It is a testimony of our continued commitment to the region and we will continue to leverage our global investment platform and extend our franchise in Asia.”

Barings has been adding resources in Asia Pacific as part of its long-term growth strategy. Prior to the launch of the two funds, Barings has made strategic appointment of Mandy Lui as Head of Wealth/ Retail Distribution, Greater China and Southeast Asia. Duncan Robertson, Global Head of Distribution and Marketing assumed an expanded role as Head of Asia Pacific in August 2018.

Barings Global High Yield Bond Fund and Barings Global Senior Secured Bond Fund are available in distribution and accumulation shares tranches across USD, HKD, EUR, GBP, AUD, CAD, SGD and NZD.

Source:

1. Data as of 30 November 2018. Based on the comparison of Securities and Futures Commission (SFC) authorized funds under Morningstar Global High Yield Bond universe. SFC authorization is not a recommendation or endorsement of the Funds.
2. Barclays; Bank of America Merrill Lynch and Credit Suisse. As of November 2018. Risk-adjusted returns calculated as annualized returns/ standard deviation (December 2003 – November 2018)
3. Barings, data as of December 2018.

About Barings

Barings is a US\$310+ billion[^] global financial services firm dedicated to meeting the evolving investment and capital needs of our clients. We build lasting partnerships that leverage our distinctive expertise across traditional and alternative asset classes to deliver innovative solutions and exceptional service. Part of MassMutual, Barings maintains a strong global presence with over 1,900 professionals and offices in 16 countries. Learn more at www.barings.com.

[^]As of September 30, 2018

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Important Information

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Investment involves risks. Past performance is not indicative of future performance. Please refer to the offering documents for the details of the Fund and all the risk factors. Investors should not only base on this document alone to make investment decisions.

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