FOR PROFESSIONAL ADVISERS ONLY

250 years of open minds
and uncommon perspectives.

Barings' equity investment process

Barings Asia Regional Conference 2015

October 2015

Jean-Louis Scandella, Head of Equities



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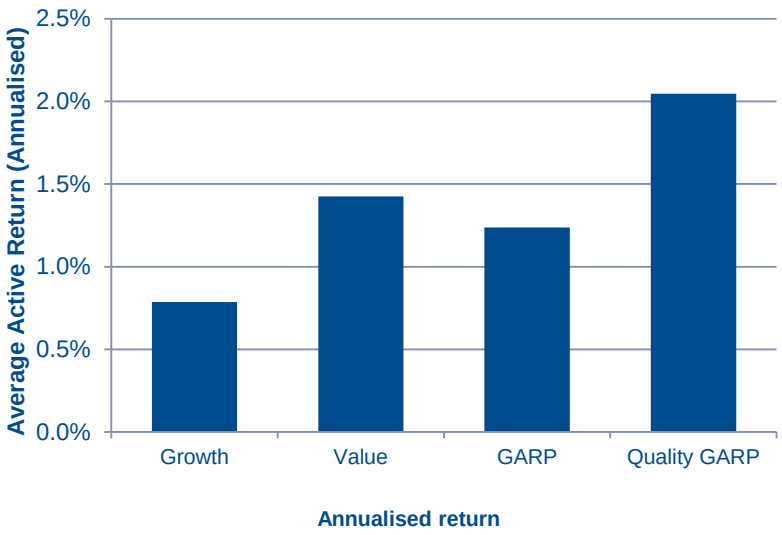
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Product range

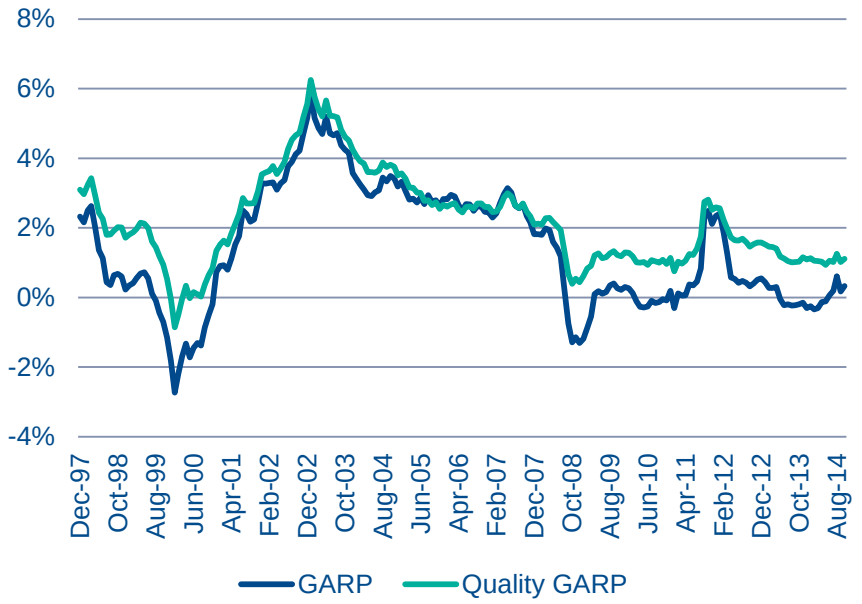


Investment philosophy
Growth at a Reasonable Price

GARP and quality



Three year rolling relative return



Quality GARP companies have delivered superior returns with lower volatility

Based on quant simulations for an ACWI universe, with returns adjusted downwards to reflect assumed implementation shortfall effects. Simulations do not take into account the potential benefits to performance of using fundamental stock selection to capture idiosyncratic company specific drivers. Graphic shows gross performance characteristics of long-only portfolios rebalanced each month, and formed out of the top quintile of most attractive stocks on the following measures: a) Value – Price to Earnings over next twelve months; b) Growth – EPS Growth over the last three years (weighted 50%) years and ROE (50%); c) GARP - Combination of Value (50%) and Growth (50%); d) Quality – Barings Quality definition (best placed companies in terms Profitability, Cash Flow measures, Accruals and Unusual items to Operating Income); e) Quality GARP – Combination of Quality (33%), Value (33%) and Growth (33%). Source: Barings December 2014

Investment philosophy
Growth at a Reasonable Price



Focus on companies with growth of 10-20% CAGR

Seek unrecognised growth over a three to five year horizon, only paying a justified short term premium over the market

Provides the level of certainty needed for a three to five year earnings forecast

Quality GARP companies have delivered superior returns with lower volatility

Finding unrecognised growth
Researching companies

Quality

Helps to drive sustainable, steady results

- Franchise
  - Competitive advantage
  - Efficiency
  - Stability
- Management
  - Competence
  - Commitment
  - Alignment with shareholder interest
- Balance sheet

Quality (1 to 5)

Growth

Provides a long term platform for outperformance

- Last three years net earnings growth
- 12 month earnings growth
- Next five years earnings growth

Growth (1 to 5)

Upside

Measured using a disciplined, discounted earnings approach

- Discounted earnings over five years
- Next 12 month P/E
  - Compared to history
  - Compared to sector
  - Compared to peer
- P/B relative to ROE and cost of capital

Upside (1 to 5)

Consistent stock scoring methodology

PAX Global – Company scorecard

sedol	B3LX5R0	Last Price	Target Price	Comments	Notes
Company name	Pax Global	**8.14**	**11.62**		
Quality	Franchise	1.0		1) Largest EFT-POS vendor in China with 30% m/s, globally #3; 2) R&D-focused and asset-light business model, which enables it to successfully develop business in over 100 countries; 3) 1H14 45% of sales from overseas markets, on tract towards a target of 50:50 split between domestic overseas sales within 3 years;	1) Nature of the franchise/competitive advantage/barriers to entry - technology? Product? Distribution? 2) Efficiency of the franchise - market share, ROE/ROIC, EBITDA margin 3) Stability of the franchise - Volatility of the earnings/stock
	Management	3.0		1) Strong track record of expanding market share both in domestic and overseas market 2) No history of dividend payouts	1) **Competence** - track record, market vision, busin s plan 2) **Commitment** - Strong Share b ed c pe n an. 3) **Alig t with minority sha olders** - Corporat ov nance 00 Tag ng Rights - Ac essibil
	Balance Sheet	1.0		As of June 30, 2014, the co y did have y borrowings on gro set. T comp sh ar cash equivalents mo ted to HKD 1 0mn KD 1 9m as of Dec 201 Its s of F 3 was KD 1.4mn (HKD 8m f 12). R&D c ts are expensed immediately a a w de internal resources. We do not see P requiring dditional funding unless they pursue arge	quality of the balance sheet: gearing, free cash flow, level of receivables; debt profile
	Overall	**1.7**			

Growth			Comments	Notes
	Last 3 years	2.0	Fr Mo	EPS growth >20% = 1, growth <0% = 5
	Next 12 Months	.0	fro model (2015e)	EPS growth >20% = 1, growth <0% = 5
	CAGR next 5 years		30% 5 years from model (2013-2019)	EPS growth >20% = 1, growth <0% = 5
			1) Supportive policy from PBOC that encourages financial institutions to promote non-casy payments in lower-tier cities and the adoption of the more secured IC card. Migration to card payment in the rural areas in China led by the 3rd party operators will be the new growing source for PAX in the domestic market; 2) stable and growing earnings and growing profitability via overseas expansion	
	Overall	**1.3**		

			Comments	Notes
Upside/Valuation	Market measure	2.0	EPS 15 = 0.446 x 22 FY1 PER 19x vs historical PER 21% of 12x. Global peers and local peers are trading at much higher multiples of 20x~30x	EPS NTM x P/E sector NTM (measures are relative to the market, sector and historic) Upside >25% = 1, upside <10% = 5
	Static measure	1.0	BPS 1H2014 = 2.14 HKD 32% ROE =12.59% (bottom of the historical range in 2011) LT interest rates = 2.5%	BV x (ROE/current long term interest rates) Upside >25% = 1, upside <10% = 5
	Discounted earnings	2.0	Terminal P/E = 18x (at par with average of last 3 years of 43% Ingenico and PAX) Discount rate = 11% (Source: HK/China Team)	Calculate an EPS forecast 5 years out depending on forecastability Putting an appropriate P/E **(this needs to explicit in the comments box)** multiple on the EPS forecast above Discount using (inflation plus the equity risk premium) (**this needs to explicit in the comments box)** Upside >25% = 1, upside <10% = 5
	Overall	**1.7**		

STOCK SCORE		**1.6**	

FOR DEMONSTRATION PURPOSES

Investment process

Sourcing ideas



High conviction ideas generated from Barings' diverse pool of global investors

- Analyst and Portfolio Manager expertise
- Company meetings
- Quantitative screening for quality GARP

Researching companies



- Focused and in-depth
- Finding unrecognised growth on a three to five year horizon
- Companies scored 1 to 5
- Best Ideas List owned by a panel of three senior investors

Constructing portfolios



Maintaining

- Quality
- Growth
- Upside

Analysing

- Liquidity
- Volatility
- Concentration

Delivering

- High conviction
- High active share
- Quality GARP

Monitoring portfolios



- Portfolio Manager
- Quant Team
- Investment Committee
- Investment Risk

Global Emerging Markets Fund

Portfolio overview

Portfolio Overview

Portofolio Mnemonic: GEMS
Portofolio Name: Baring Global Emerging Markets Fund
Peformance Comparator: Msci Emerging Markets Total Return Index With Gross Dividends
Date: 30 April 2015

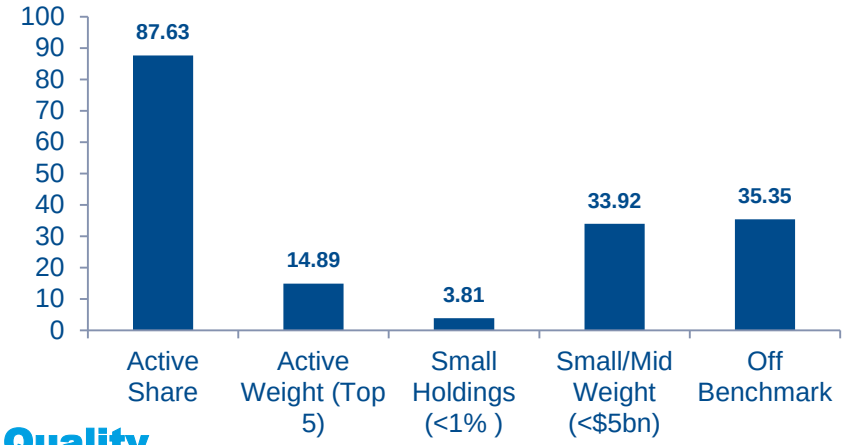
		Values From Underlying Security											Abs Performance (Loc.)					Rel Performance					
Security	Portfolio Weight	Stock Score	Quality	Growth	Value	Target PE	Discount Rate	Price Currency	Current Price	Target Sell Price	Upside in USD	5Y EPS Growth in USD	Currency	1W	1M	3M	12M	1W	1M	3M	12M	Last update	Analyst
Total Fund											15%	17.98											
Petra Diamonds Limited	0.97	2.0						GBP	1.58	2.30	46%	18.4	GBP	-5.8	-12.7	3.0	-3.1	-3.4	-10.8	-3.8	-18.4	17-Apr-2015	C BURSTOW
Al Noor Hospitals Group PLC	2.30	2.0						GBP	8.98	12.60	41%	18.6	GBP	3.2	-11.5	-0.1	-8.8	5.9	-2.2	-6.7	-23.3	1-May-2015	A EL-ARABY
China Mengniu Dairy Co., Ltd.	2.67	2.0						HKD	39.25	52.00	32%	16.0	HKD	-8.0	-1.6	11.0	-0.9	-7.5	-14.6	1.4	-8.3	28-Mar-2015	M YANG
HDFC Bank Limited	1.86	1.0						INR	989.20	1365.00	32%	20.8	INR	-2.4	-4.6	-8.1	38.9	-2.3	-9.8	-18.1	21.9	3-Feb-2015	A ARGAL
Taiwan Semiconductor Manufacturing Co., Ltd.	4.66	1.0						TWD	147.00	189.20	29%	12.5	USD	0.6	5.1	7.6	23.7	1.1	-6.6	-1.1	14.4	21-May-2015	N LAI
HollySys Automation Technologies Ltd.	2.00	2.0						USD	21.97	28.10	28%		USD	-7.5	6.6	-11.0	4.7	-7.0	-14.1	-18.8	-3.2	11-Aug-2014	J CHEN
Huaneng Renewables Corp. Ltd. Class H	2.68	2.0						HKD	3.40	4.30	26%	28.0	HKD	3.0	21.9	21.9	13.1	3.6	1.4	[illegible]	32.3	12-May-2015	D LEUNG
China Construction Bank Corporation Class H	2.13	2.0						HKD	7.55	9.50	26%		HKD	-1.0	17.[illegible]	[illegible]	0.6	-0.5	[illegible]2	10.[illegible]	39.3	21-Apr-2015	J CHEN
Chicony Electronics Co. Ltd.	2.04	2.0						TWD	88.50	108.00	23%	9.4	TWD	2[illegible]	0.2	[illegible].1	[illegible].8	4.2	[illegible].8	5.0	9.2	8-May-2015	N LAI
IndusInd Bank Ltd.	2.16	1.0						INR	823.95	1051.00	22%	20.8	[illegible]	[illegible]	-7.3	[illegible].4	[illegible].1	[illegible]	-11.2	-15.8	52.0	6-May-2015	A ARGAL
Industrial and Commercial Bank of China Limited	2.08	2.0						HKD	6.74	8.20	22%		HK[illegible]	[illegible]	[illegible].3	[illegible].8	5.[illegible]	-0.5	-8.1	10.3	44.0	21-Apr-2015	J CHEN
Infosys Limited	0.99	2.0						INR	1942.40	2454.00	[illegible]%	8.3	[illegible]	[illegible]	-12.[illegible]	-9.4	25.0	-8.4	-15.4	-19.3	9.8	27-Apr-2015	M SHROFF
Delta Electronics, Inc.	1.46	1.0						TWD	185.00	22[illegible].00	20%	10.4	TWD	[illegible].6	-6.6	-4.4	2.8	-2.8	-10.2	-10.2	-6.3	19-Jan-2015	N LAI
PAX Global Technology Limited	3.67	1.0						HKD	[illegible].30	13[illegible]	2[illegible]	0.0	HKD	6.8	39.9	55.4	179.7	7.4	-0.9	42.0	158.6	22-May-2015	E HONG
China Railway Construction Corporation Limited	1.63	2.0						HKD	1[illegible].2	[illegible]	19[illegible]		HKD	-0.3	28.7	74.2	147.5	0.3	-7.4	59.1	128.9	16-Apr-2015	J CHEN
Kasikornbank Public Co. Ltd. NVDR	1.35	2.0						THB	21[illegible].0	247.[illegible]	18%	12.0	THB	-5.0	-6.1	-4.0	11.5	-5.9	-13.1	-12.9	1.2	22-May-2015	S LIM
Ping An Insurance (Group) Company of China, L	3.83	2.0						KD[illegible]	11[illegible].0	131.00	18%		[illegible]KD	2.1	19.4	34.9	97.1	2.6	-5.2	23.2	82.2	16-Apr-2015	J CHEN
Coca-Cola Icecek A.S.	1.83	2.0						TRY	[illegible]5.35	56.00	17%	18.1	TRY		3.1	-8.2	-7.7	0.9	-6.8	-23.6	-32.5	18-May-2015	M SZCZESNA
China Life Insurance Co. Ltd. Class H	2.83	2.0						HKD	37.75	44.00	17%		[illegible]D	0.0	[illegible].9	23.4	92.3	0.5	-7.2	12.7	77.8	16-Apr-2015	J CHEN
Promotora y Operadora de Infraestructura SA	2.03	1.0						MXN	176.39	210.[illegible]	[illegible]%	[illegible].1	MXN	[illegible]	6.8	4.5	-3.5	1.4	-6.3	-6.9	-24.0	31-Dec-2014	T COLVIN
PT Bank Negara Indonesia (Persero) Tbk Class [illegible]	1.66	[illegible]						IDR	642[illegible]	[illegible]04[illegible]	[illegible]%	1[illegible]	[illegible]	-9.8	-8.2	4.9	36.2	-9.4	-16.3	-6.4	12.3	2-Feb-2015	C LEE
AIA Group Limited	2.3[illegible]	1.[illegible]						HK[illegible]	51.[illegible]	0.0[illegible]	1[illegible]%	[illegible].0	HKD	-0.7	5.2	14.5	39.3	-0.1	-7.8	4.6	28.8	6-May-2015	W FONG
Luxoft Holding, Inc. Class A	1.8[illegible]	2						[illegible]D	51.8	60.00[illegible]	[illegible]%	20.2	USD	-7.4	-0.8	32.8	92.0	-6.9	-14.0	21.3	77.5	24-Mar-2015	Z ROBERT SKEPPER
Turkiye Halk Bankasi Anonim Sirketi	1.69	[illegible].0						TR[illegible]	[illegible]13.5[illegible]	16.50	15%	5.8	TRY	1.9	3.6	-13.1	-2.6	3.8	-4.1	-27.7	-28.8	29-May-2015	M SZCZESNA
My E.G. Services Bhd.	2.15	2.0						MY[illegible]	[illegible]3	2.95	15%	44.6	MYR	-3.8	-9.8	-1.0	84.5	-1.5	-9.1	-7.9	56.4	21-Jan-2015	S LIM
Corporacion Inmobiliaria Vesta S.A.B. de C.V.	2.08	2.0						MXN	28.71	33.60	15%	13.1	MXN	0.2	3.1	0.9	10.4	0.9	-6.8	-10.2	-13.0	23-Jan-2015	E ROY
DP World Limited	1.84	2.0						USD	23.08	26.00	13%	15.0	USD	-0.6	9.9	18.8	26.2	-0.1	-7.8	8.5	16.6	27-Mar-2015	G ABU LEIL-COOPER
Aspen Pharmacare Holdings Limited	1.87	2.0						ZAR	362.00	424.00	13%	14.4	ZAR	-4.8	-5.1	-17.5	30.0	-2.4	-9.9	-26.7	5.9	26-Mar-2015	A EL-ARABY
Magnit PJSC Sponsored GDR RegS	2.27	1.0						USD	55.15	60.00	9%	22.0	USD	-6.0	10.1	44.4	19.7	-5.5	-12.8	31.8	10.6	21-Apr-2015	M SZCZESNA
Life Healthcare Group Holdings Limited	1.08	2.0						ZAR	40.81	46.00	8%	8.6	ZAR	-2.6	-3.9	-6.2	1.1	-0.2	-7.8	-16.7	-17.7	31-Dec-2014	A EL-ARABY
China State Construction International Holdings	3.00	1.0						HKD	14.98	16.20	8%	19.0	HKD	-1.8	40.0	25.7	17.9	-1.3	-8.9	14.8	9.0	22-Jan-2015	W FONG
Bidvest Group Limited	1.37	2.0						ZAR	322.68	360.00	7%		ZAR	-0.4	0.5	1.2	15.0	2.1	-5.8	-10.1	-6.4	10-Mar-2015	W PALMER
SK Telecom Co., Ltd.	1.72	2.0						KRW	287000.00	308000.00	7%	11.7	KRW	4.4	3.1	-0.7	39.2	5.9	-2.2	-7.5	24.0	31-Dec-2014	K SHIN
Tech Mahindra Limited	0.91	2.0						INR	623.30	690.00	6%	13.1	INR	1.2	-0.4	-13.4	37.3	1.3	-6.5	-22.9	20.5	29-May-2015	M SHROFF
China Resources Land Limited	2.24	2.0						HKD	28.25	29.70	5%	8.3	HKD	9.3	27.3	42.1	88.5	9.9	1.4	29.8	74.3	11-May-2015	D LEUNG
BB Seguridade Participacoes SA	3.23	2.0						BRL	35.25	39.00	4%	27.4	BRL	-3.4	7.0	23.1	40.9	-2.5	-10.0	0.6	-2.9	5-Jan-2015	E ROY
Guangdong Investment Limited	1.56	1.0						HKD	11.58	12.00	4%	6.0	HKD	-1.5	17.0	11.3	41.1	-1.0	-8.6	1.7	30.5	31-Dec-2014	W FONG
Mega Financial Holding Co., Ltd.	2.02	2.0						TWD	27.30	27.00	-1%		TWD	-3.4	6.4	12.8	23.3	-1.5	-9.0	6.0	12.4	28-Apr-2014	N LAI
CCR S.A.	2.01	2.0						BRL	16.60	17.00	-3%	9.2	BRL	0.3	0.6	9.0	-0.3	1.2	-6.5	-10.9	-31.3	31-Dec-2014	T COLVIN
Baidu, Inc. Sponsored ADR Class A	3.25	3.0						USD	200.28	192.70	-4%	24.1	USD	-5.7	-4.9	-8.1	30.2	-5.1	-12.4	-16.1	20.4	8-May-2015	D LEUNG
China Overseas Land & Investment Limited	2.11	1.0						HKD	32.45	31.20	-4%		HKD	6.7	24.8	44.5	74.7	7.3	-0.9	32.0	61.5	31-Dec-2014	D LEUNG
Naspers Limited Class N	3.68	2.0						ZAR	1871.03	1850.00	-5%	24.4	ZAR	-2.6	3.8	10.2	89.2	-0.1	-7.8	-2.1	54.1	18-Feb-2015	Z ROBERT SKEPPER
Baring China A-Share Fund PLC Class X USD Acc	2.77							USD	16.98				USD	-1.4	7.1	27.0	93.2	-0.9	-8.5	16.0	78.6		
BARING INV FRONT CL X AC	1.86																						
Baring Investment Funds PLC - Baring India Fur	1.06							USD	14.14				USD	-2.6	-5.3	-9.0	21.6	-2.1	-9.6	-16.9	12.4		
Fomento Economico Mexicano SAB de CV Units	1.89							USD	90.49				MXN	-3.9	-3.0	11.1	16.5	-3.2	-10.6	-1.1	-8.2		

FOR DEMONSTRATION PURPOSES

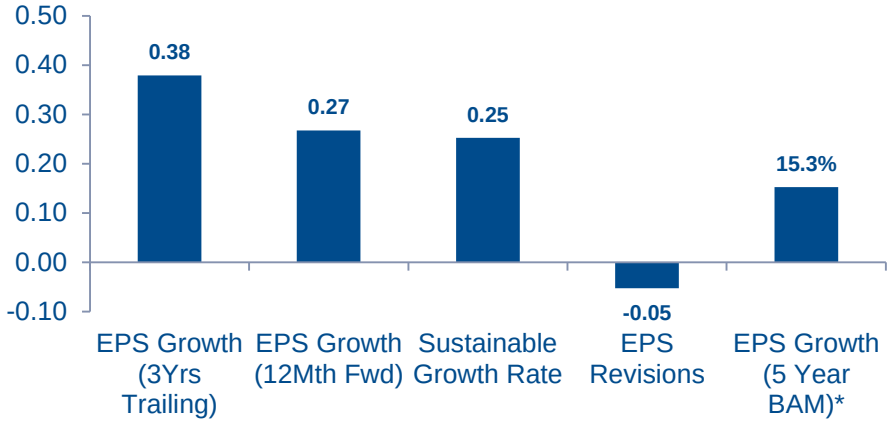
Systematic analysis of the portfolio

GEMS portfolio scorecard

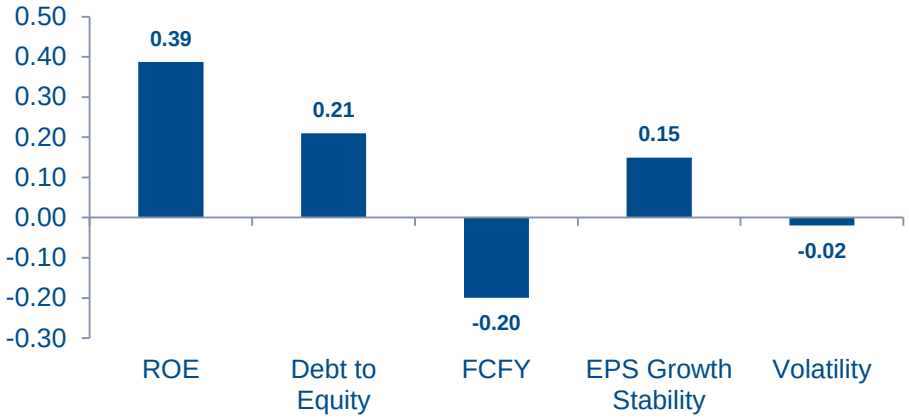
Conviction



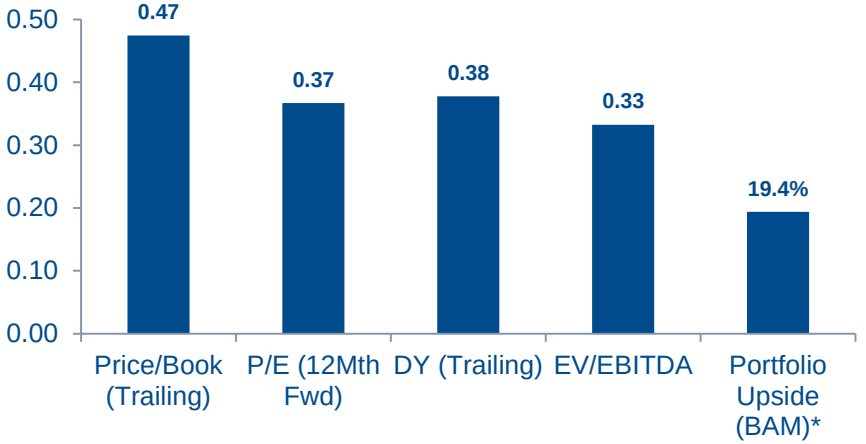
Growth



Quality



Upside/ valuation



Systematic quantitative tools support the portfolio managers in building portfolios in line with their objectives

Source: Barings 30 September 2015. Data relates to Baring Global Emerging Markets Fund
* Absolute Figures

Conclusion

Genuinely high conviction portfolios

- High active share
- Best Ideas orientated
- Rigorously applied through the Portfolio Scorecard

Well defined quality GARP philosophy

- Emphasis on Quality, Growth and Upside
- Identifying strong businesses with good expansion potential and attractive valuations
- Three to five year time horizon gives us a non-consensus perspective

In-depth, in-house, bottom-up research

- Focused approach to identifying the best opportunities
- Robust peer review encourages innovative thinking
- Company Scorecards provide a structured approach, common across all teams

… a strong platform for strong performance

Regulatory disclosure

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BARINGS

250 years of open minds
and uncommon perspectives.

FOR PROFESSIONAL INVESTORS ONLY

Best Ideas Panel

Airports of Thailand

October 2015

Hyungjin Lee, Head of Asian Equities



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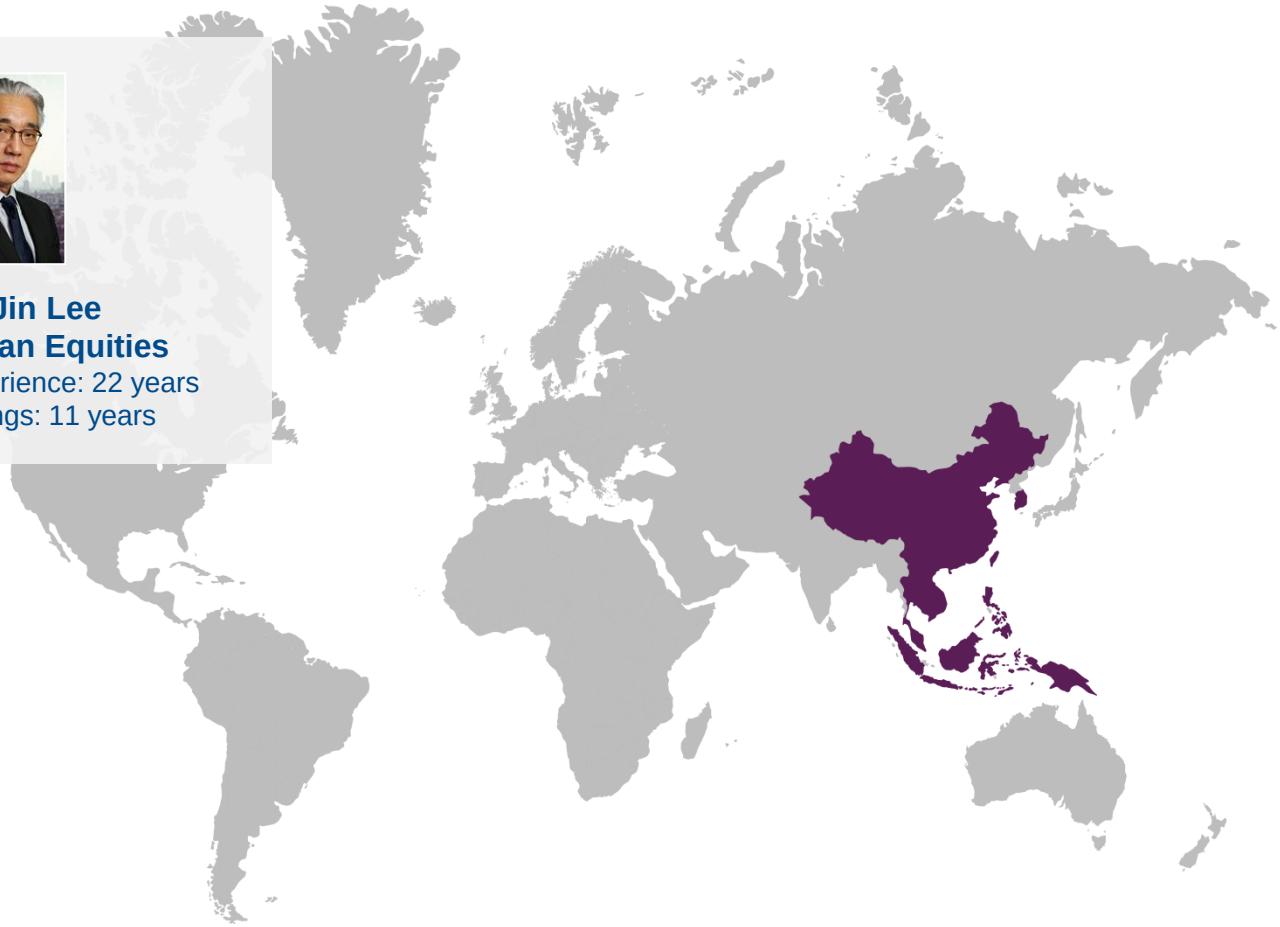
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Baring Eastern Trust
Introduction



HyungJin Lee
Head of Asian Equities
Investment experience: 22 years
Time at Barings: 11 years



Asian consumption

Travel: China tourism wave hits everywhere



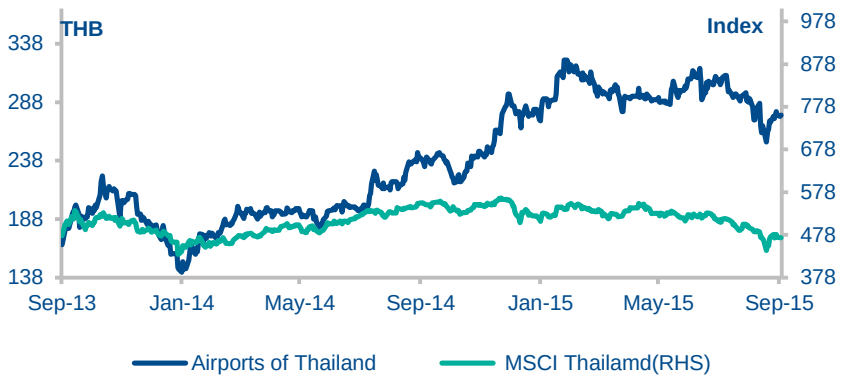


- Guinness world record for longest human-made phrase visible from the sky
- Company takes 6,400 of its 12,000 employees from China to France for four days to celebrate its 20th anniversary
- They take up 4,700 hotel rooms, use 7,500 high-speed tickets and 146 tour buses
- Luxury department store Galeries Lafayette closed its doors to all other shoppers for one morning just for the Chinese visitors
- The group spent at least €33 million in Paris and the south of France, not including shopping
- French Foreign Minister Laurent Fabius greeted them

- Straittimes.com

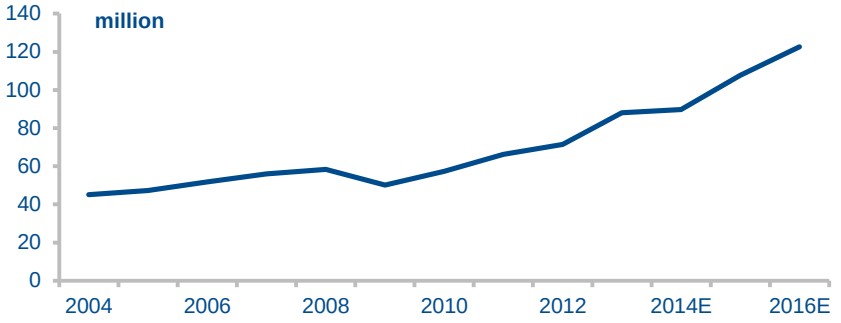
Consumption: rising middle class
Airports of Thailand

Stock price performance



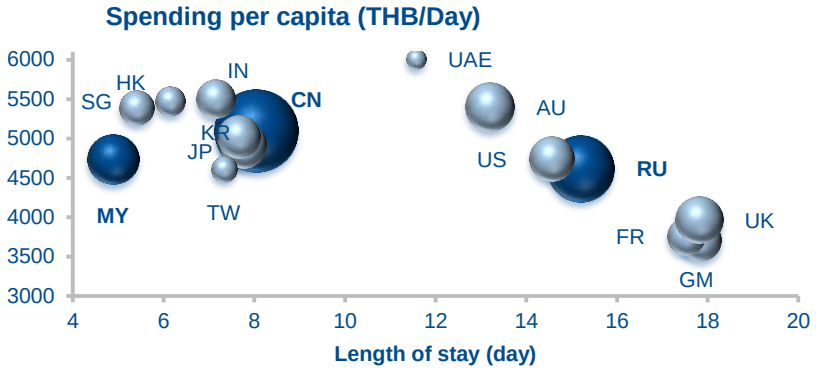
Source: Factset, Barings, September 2015

Total passenger traffic



Source: Airport of Thailand, Standard Chartered, September 2014

Tourist expenditure in Thailand



Note: the size represent the total tourism income from each country
Source: Citi Research, April 2015

Chinese traveler arrivals by destination

		2010		2011		2012		2013		2014
Rank	Country	Arrivals	Country	Arrivals	Country	Arrivals	Country	Arrivals	Country	Arrivals
1	Macau	13,229	Macau	16,163	Macau	16,902	Macau	18,632	Macau	21,252
2	Hong Kong	11,678	Hong Kong	13,600	Hong Kong	15,110	Hong Kong	17,090	Hong Kong	19,077
3	South Korea	1,875	South Korea	2,220	South Korea	2,837	**Thailand**	**4,637**	South Korea	6,127
4	Taiwan	1,608	Taiwan	1,756	**Thailand**	**2,789**	South Korea	4,327	**Thailand**	**4,538**
5	Japan	1,413	**Thailand**	**1,721**	Taiwan	2,552	Taiwan	2,837	Taiwan	3,983
6	Singapore	1,171	Singapore	1,578	Singapore	2,034	Singapore	2,270	Japan	2,411
7	Malaysia	1,130	Vietnam	1,417	Italy	1,583	Vietnam	1,908	Germany	1,682
8	**Thailand**	**1,122**	Italy	1,343	Malaysia	1,559	United States	1,807	France	1,209

Asian consumption: rising middle class
Airports of Thailand

Company scorecard

Company name	Airports of Thailand	
Quality	Franchise	1.5
	Management	2.0
	Balance sheet	1.0
	Overall	**1.5**
Growth	Last three years	1.0
	Next 12 months	3.0
	CAGR next five years	3.0
	Overall	**2.3**
Upside	Market measure	1.0
	Static measure	1.0
	Discounted earnings	2.0
	Overall	**1.3**
Stock score		**1.7**

- Operator of six of Thailand's commercial airports (including the two international airports in Bangkok and Phuket) and has near monopolistic status. Its airports are the gateways to over 80% of Thailand’s tourist arrivals
- Best proxy to Thailand’s strength in tourism; Thailand is the second most popular destination for Chinese outbound tourism after Hong Kong
- Solid franchise is evidenced by above sector RoE of 15% and EBITDA margin over 50%

Source: Barings, 26 January 2015
Please refer to Important Information.

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Best Ideas Panel

Wendel

October 2015

James Buckley, Head of Pan European Equities



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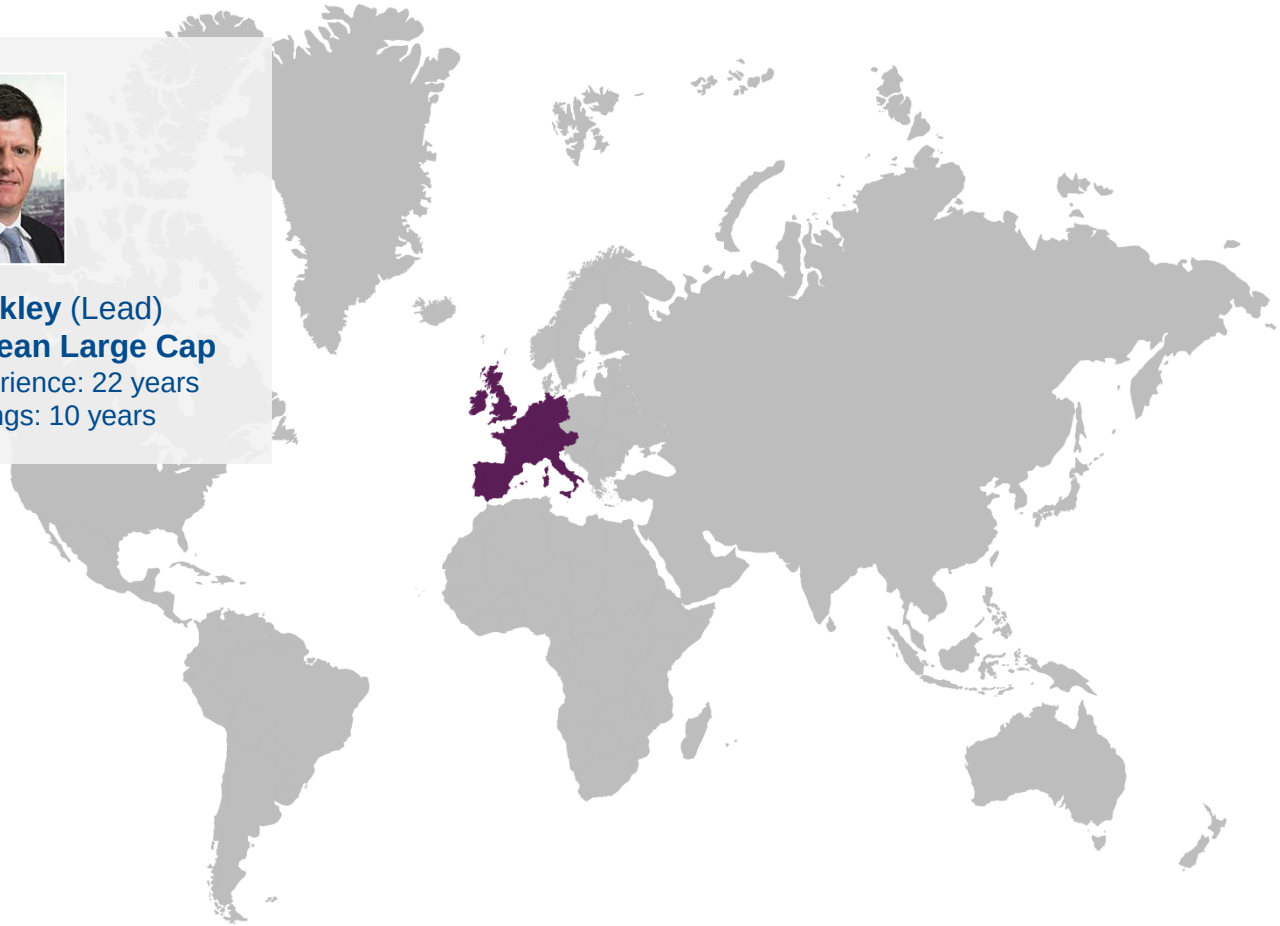
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Baring Europa Fund
Introduction



James Buckley (Lead)
Head of European Large Cap
Investment experience: 22 years
Time at Barings: 10 years



A long history

1704

Jean-Martin de Wendel acquires Hayange forge



1871

Wendel & Cie founded 1871

1970s

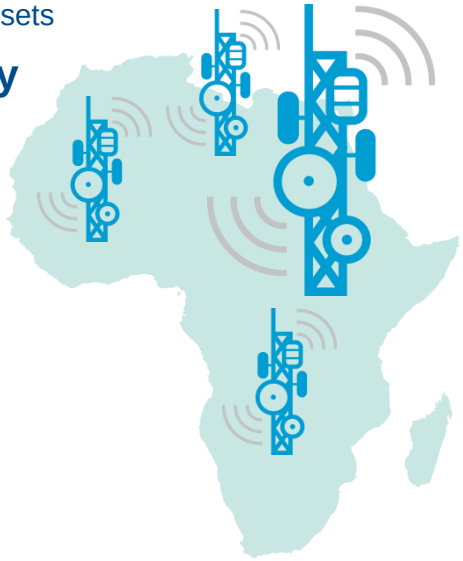
Collapse in steel prices in 1970s leads to nationalisation of steel industry by the French Government

1977

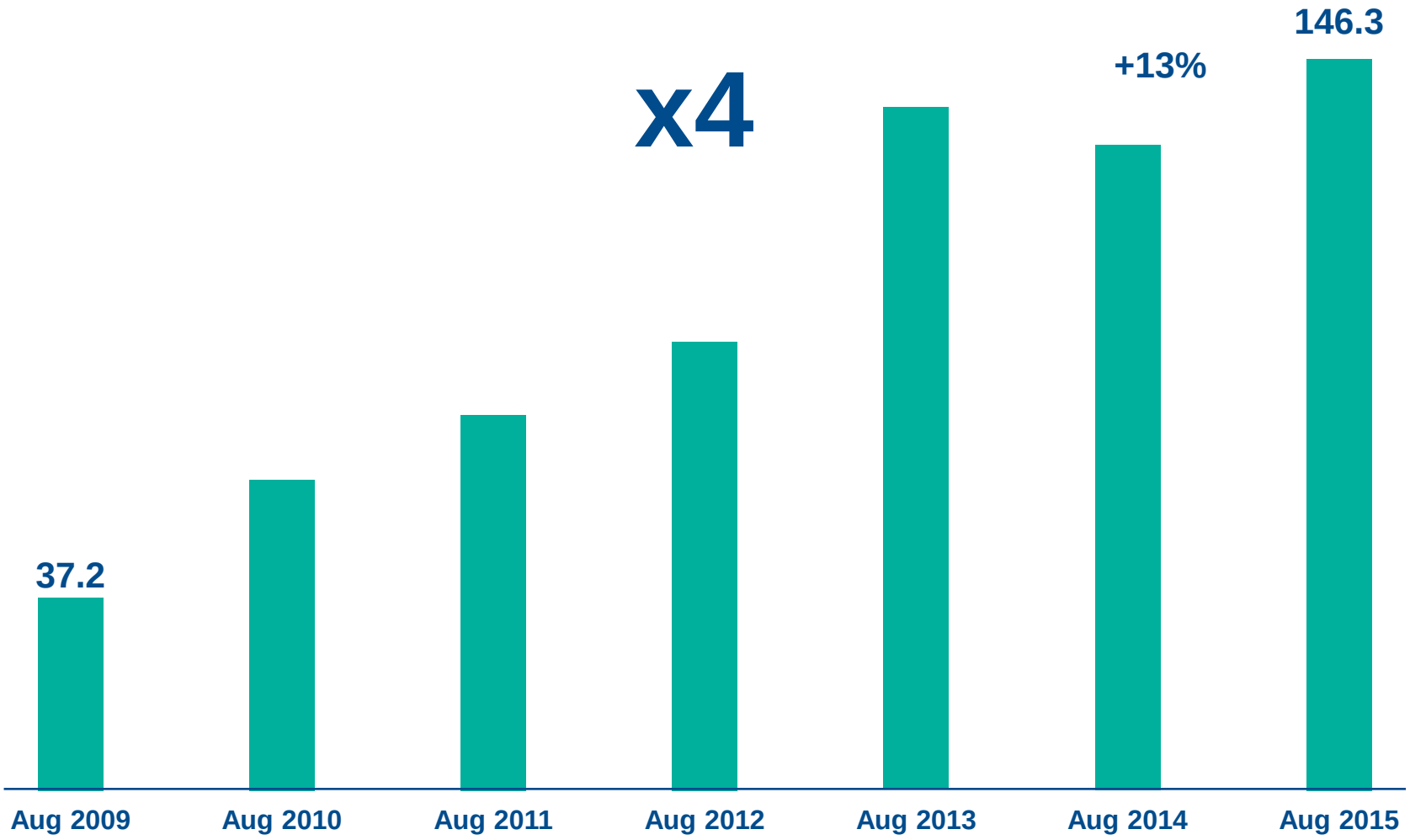
Wendel transforms itself into pioneer of private equity investment in 1977

Today

Wendel global investor in listed and unlisted assets



Net asset value per share

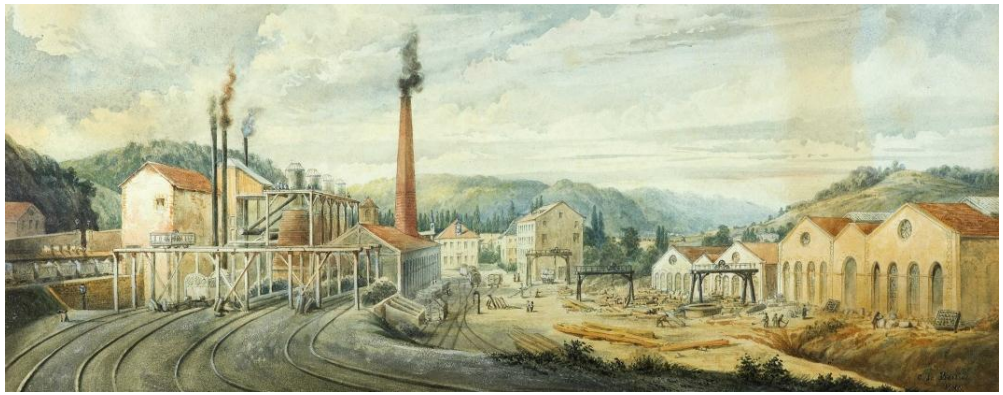


Wendel
French private equity group

Company scorecard

Company name	Wendel	
Quality	Franchise	2.0
	Management	1.5
	Balance sheet	2.5
	Overall	**2.0**
Growth	Last three years	5.0
	Next 12 months	1.0
	CAGR next five years	1.0
	Overall	**2.3**
Upside	Market measure	5.0
	Static measure	1.0
	Discounted earnings	3.3
	Overall	**3.1**
Stock score		**2.5**

- Steelmaker founded in 1704, diversified into private equity in 1970s
- Increasing focus on unlisted investments, including telecom towers in Africa, plastics packaging and vehicle leasing
- Listed assets include 40% stake Bureau Veritas (testing services) and 12% stake Saint Gobain (industrial)
- Wendel family are reference shareholders with 36% stake facilitating long-term investment approach



Source: Barings internal estimates, 31 December 2014

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Best Ideas Panel

Ping An Insurance

October 2015

Laura Luo, Head of Hong Kong China Equities



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Baring China A-Share Fund
Introduction



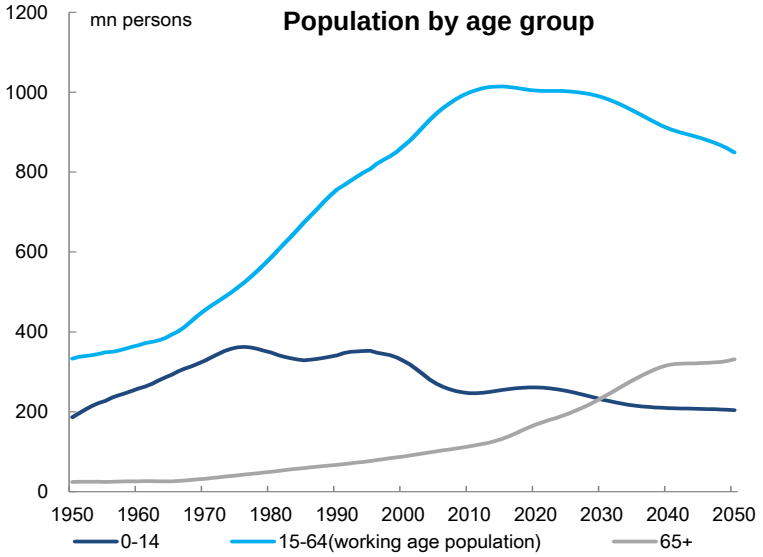
Laura Luo
Head of Hong Kong China Equities
Investment experience: 20 years
Time at Barings: 2 years



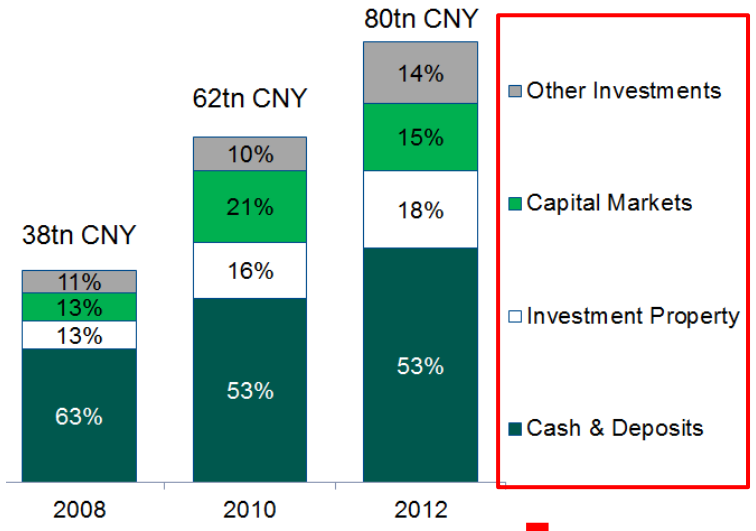
From insurer to personal financial services provider

Growing with customers' demands

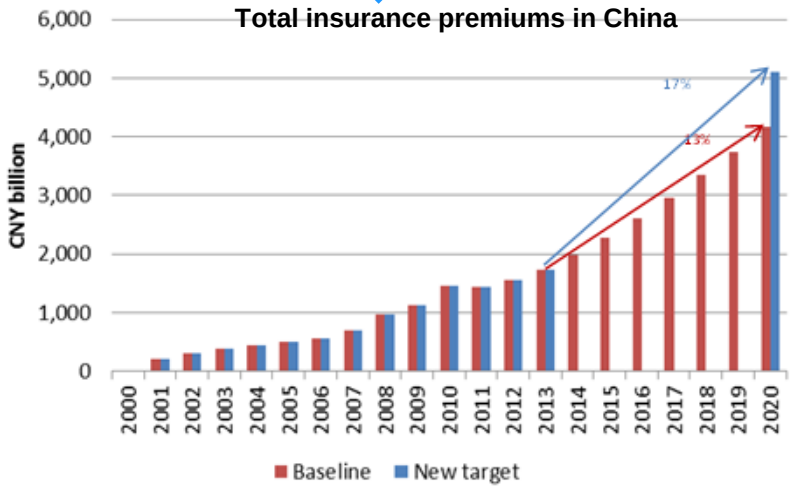
Population by age group

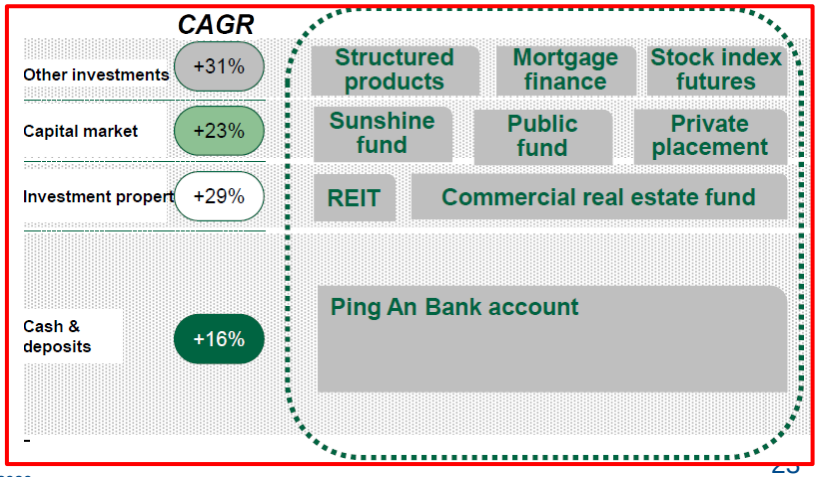


China's personal investable asset by asset classes



Total insurance premiums in China

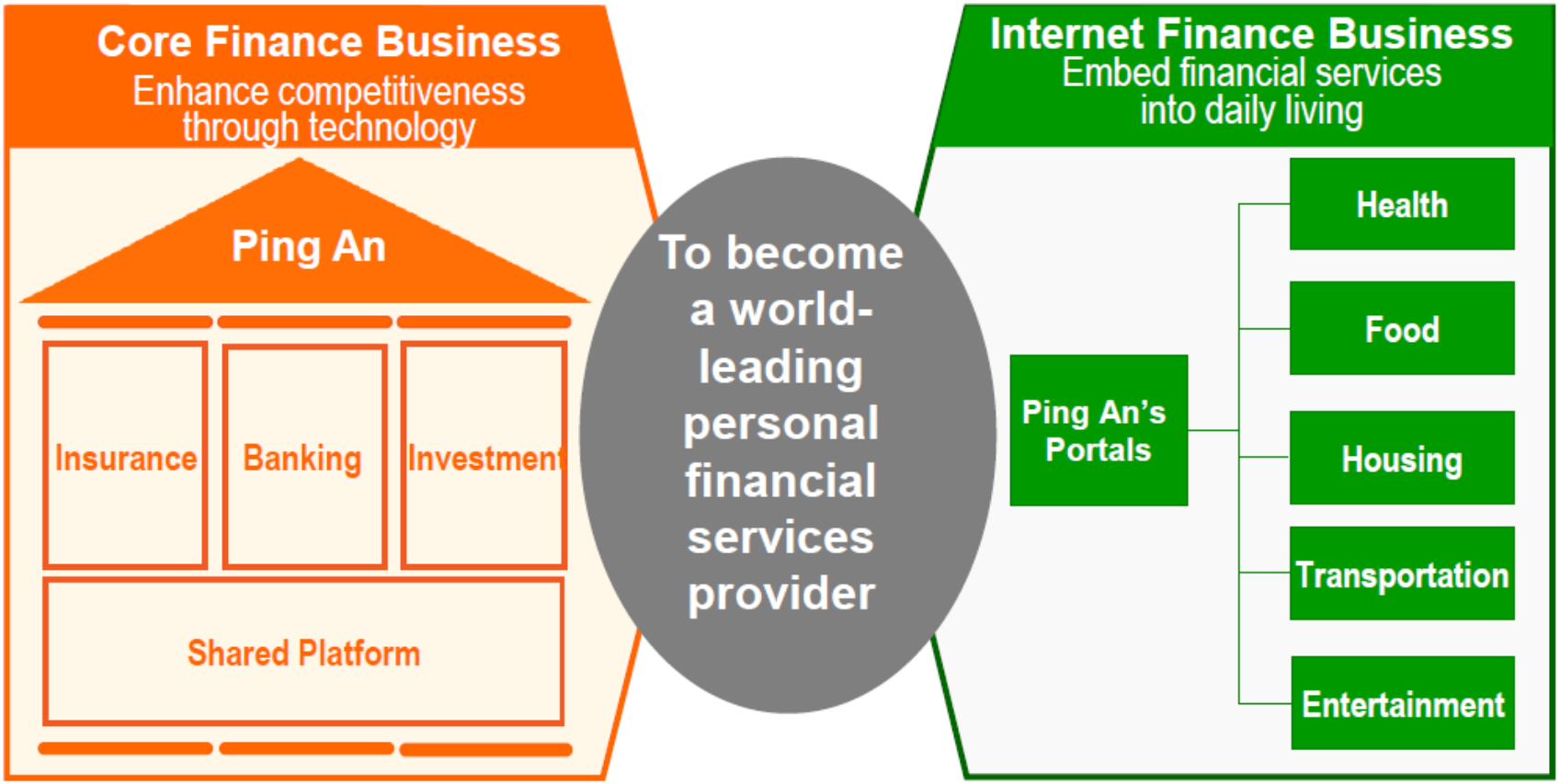




Note: baseline refers to ER&C's projection. New target refers to the implied growth to achieve Chinese government's 5% penetration by 2020.
Source: World Bank, Swiss Re Economic Research & Consulting and Ping An Insurance.

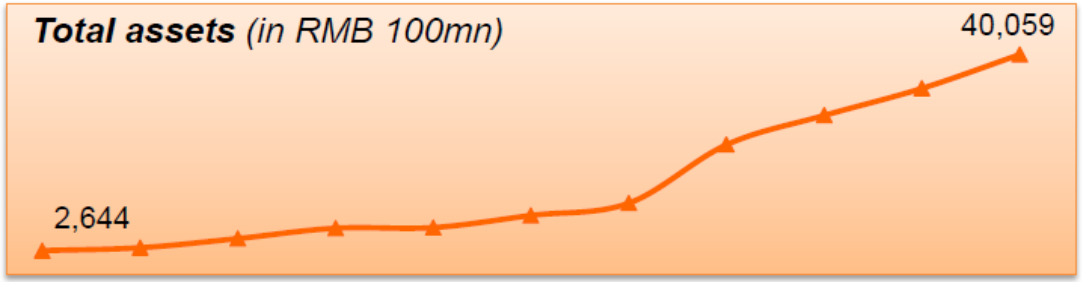
Diversification and innovation

Focus on franchise and long term sustainability

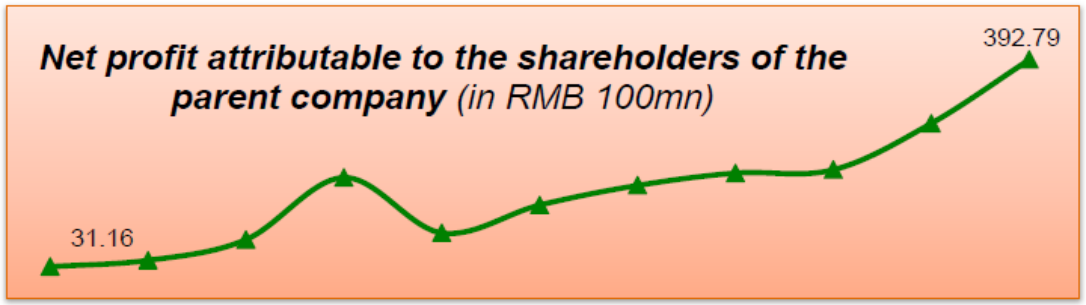


Source: Ping An Insurance.

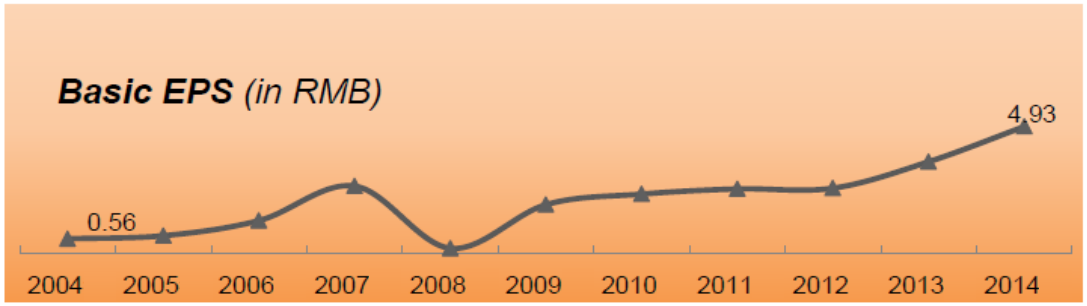
Superior business performance
Value-added for shareholders



- Increased 14 times
- Compound growth rate 31.2%



- Increased 12 times
- Compound growth rate 28.8%



- Increased 8 times
- Compound growth rate 24.3%

Source: Ping An Insurance.

Ping An Insurance

Company scorecard

Company name	Ping An Insurance	
Quality	Franchise	1.0
	Management	2.0
	Balance sheet	2.0
	Overall	**1.7**
Growth	Last three years	1.0
	Next 12 months	1.0
	CAGR next five years	1.1
	Overall	**1.0**
Upside	Market measure	2.9
	Static measure	1.0
	Discounted earnings	1.0
	Overall	**1.6**
Stock score		**1.4**

中国平安
PING AN

- Ping An was established in 1988 as an insurance company and gradually developed into a full financial services provider in China
- Efficient agency team with highest productivity and retention ratio among Chinese peers; most unique and innovative product offering, leveraging on its strong brand, nation-wide coverage and cross-platform financial services
- Solid track record of delivering superior business performance; clear long term strategy on sustainable franchise and competitiveness, focusing on diversification, innovation and risk-control
- Stock currently undervalued, due to 1) over-concerns on risks (e.g. connected transactions, inter-segment leverage) and 2) under-estimation of the benefits (e.g. cross selling, financial risk diversification, branding, operational leverage) from the business model of a financial holding company

Source: Barings, August 2015

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Best Ideas Panel

Kajaria Ceramics Limited

October 2015

Ajay Argal, Head of Indian Equities








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Baring India Fund
Introduction



Ajay Argal
Head of Indian Equities
Investment experience: 22 years
Time at Barings: 4 years

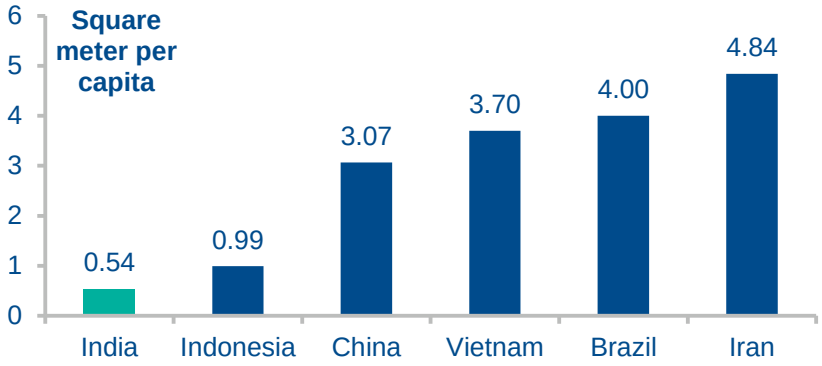


Kajaria Ceramics
Second biggest Indian tile maker

Tile penetration

% of houses by materials of floor	2011 Census			2001 Census
	Total	Rural	Urban	Total
Mud	46.5	62.7	12.2	54.9
Wood/ bamboo	0.6	0.8	0.4	0.9
Burnt brick	2.3	2.3	2.4	2.5
Stone	8.1	6.2	12.3	5.8
Cement	31.1	24.2	45.8	28.0
Mosaic/ floor tiles	10.8	3.7	25.9	7.4
Any other material	0.5	0.2	1.0	0.4

Per capita consumption of tiles



Investment case

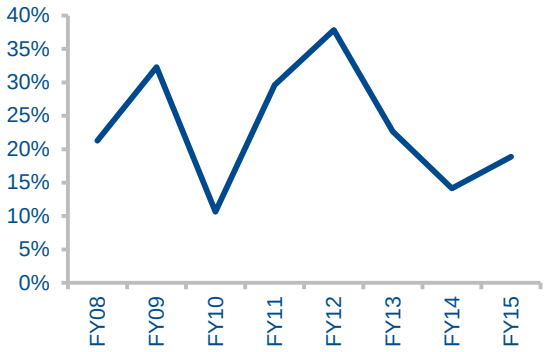
- Structural growth story with low penetration levels
- Compared with other emerging markets, further highlights the fact
- Structural changes in industry
  - Joint venture approach to manufacturing: disorganised industry with high capacity
  - Technology changes: Digital printing has changed the structure of the industry with lower inventory and capital requirements
- Why should this trend continue?
  - Expect pace of penetration to improve with focus on aesthetics and growing income levels
  - Incremental capex largely through joint venture route, increasing sales turnover further

Clear penetration story: 23% expected earnings CAGR

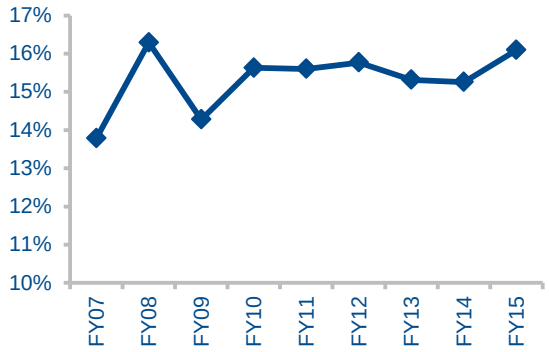
Source: India 2001 & 2011 Census, Ceramic World Review, Barings, October 2015. Please refer to important information.

Continuous improvement in operating matrix

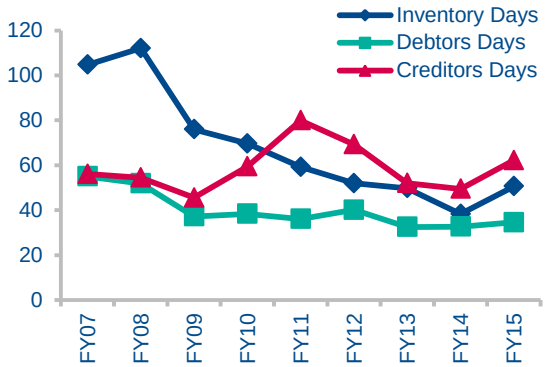
% Revenue growth



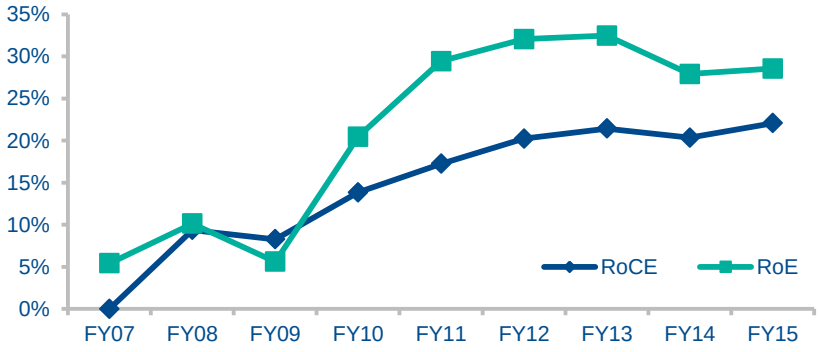
EBITDA margin (%)



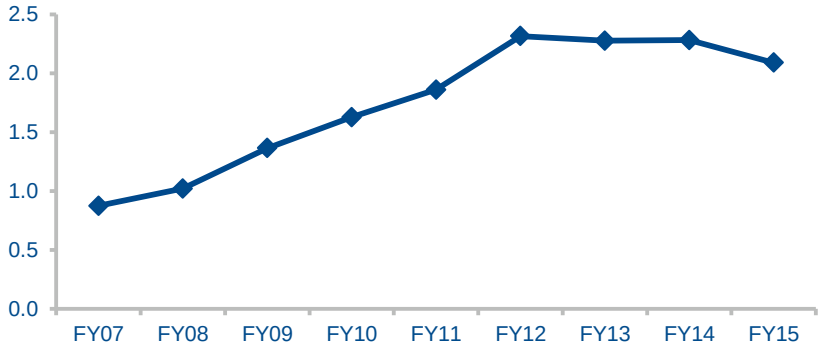
Structural improvement in working capital



Return on Capital Employed (RoCE) and Return on Equity (RoE)



Sales to assets



Source: Company data, Barings, October 2015

Kajaria Ceramics

Fastest growing and most efficient tile maker in India

Company scorecard

Company Scorecard	Kajaria Ceramics	
Quality	Franchise	2.0
	Management	2.0
	Balance sheet	2.0
	Overall	**2.0**
Growth	Last three years	1.0
	Next 12 months	2.0
	CAGR next five years	1.0
	Overall	**1.3**
Upside	Market measure	5.0
	Static measure	5.0
	Discounted earnings	1.0
	Overall	**3.7**
Stock score		**2.3**



- 10% market share pan-India. 20% of organised industry
- Strong visionary management – impeccable execution. Commands premium versus other players
- Improving mix towards premium tiles – ensuring profitable growth
- Strong hold on distribution – high entry barriers and product premium
- Expect 23% earnings CAGR over next five years

Source: Barings, October 2015. Please refer to important information.

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A portion of the fund's portfolio is invested into emerging markets and investors should be aware of the risk associated with such investments.

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