BARINGS

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and uncommon perspectives.

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Global Emerging Market Equity

Barings Asia Regional Conference 2015

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Jean-Louis Scandella, Head of Equities



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What sets us apart

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

Equity strategies



Global Emerging Markets
Team and resource



Jean-Louis Scandella
Head of Equities
22 ; 1



William Palmer
Investment Manager
22 ; 4



Isabelle Irish
Investment Manager
10 ; 2

Quant Team
5 members, average 11 years investment experience

GEMS Best Ideas Panel
3 members
average 17 years investment experience

Specialist Analysts, Portfolio Managers and Team Heads
61 members, average 14 years investment experience

Regional Emerging
- EMEA
- Latin America
- Asia Pacific
- Greater China
- ASEAN

Country Emerging
- China
- Russia
- Korea

Frontiers
- Global
- MENA

Developed
- Over 50% of the company is exposed to Emerging Markets

Global Sectors
- Technology
- Pharmaceuticals
- Commodities

Source: Barings, 31 December 2014. Years of experience: Investment experience; Time at Barings

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

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

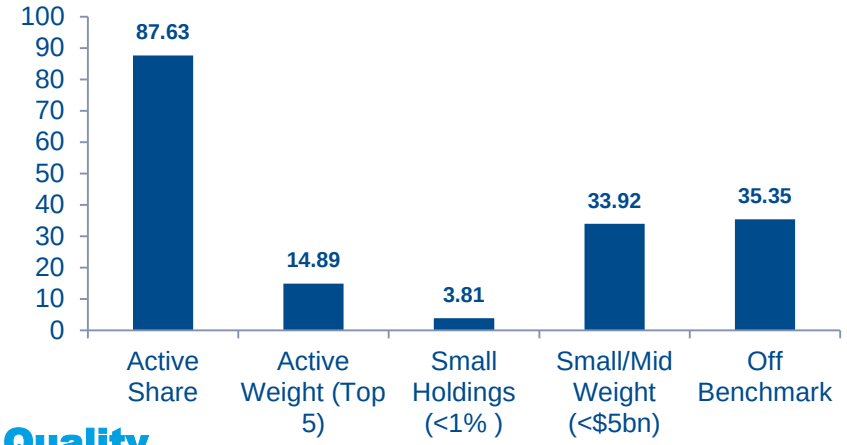
The portfolio

Baring Global Emerging Markets Fund

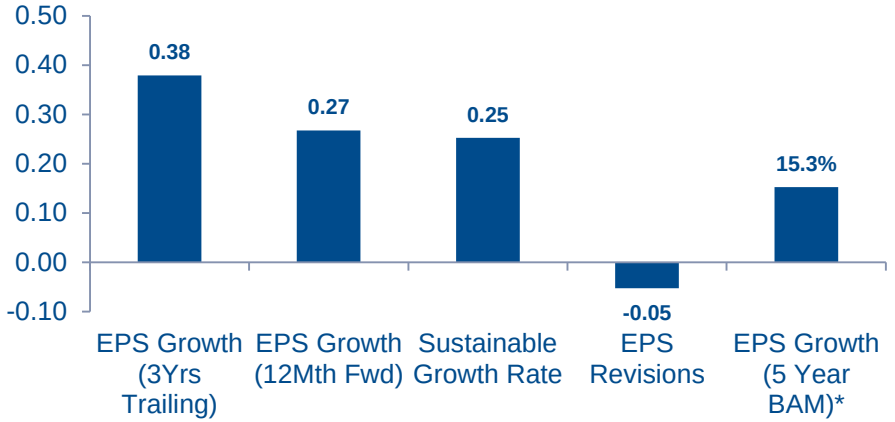
Systematic analysis of the portfolio

GEMS portfolio scorecard

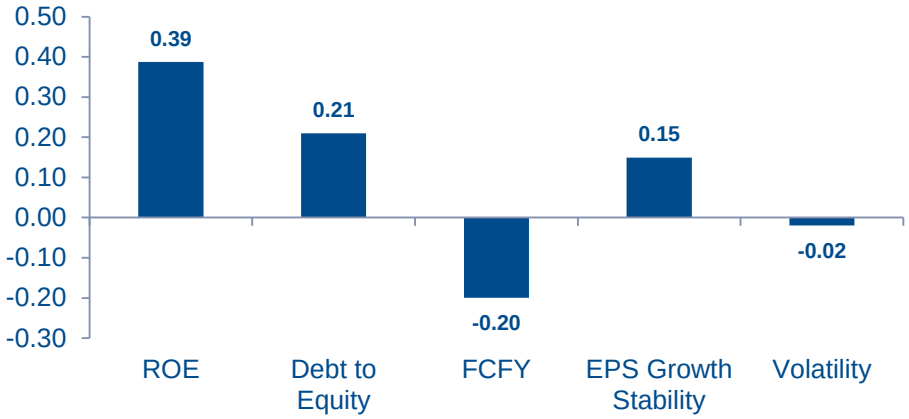
Conviction



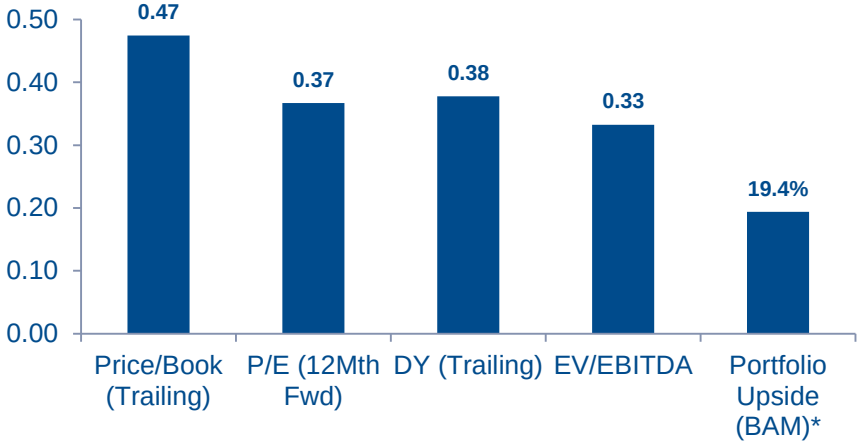
Growth



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

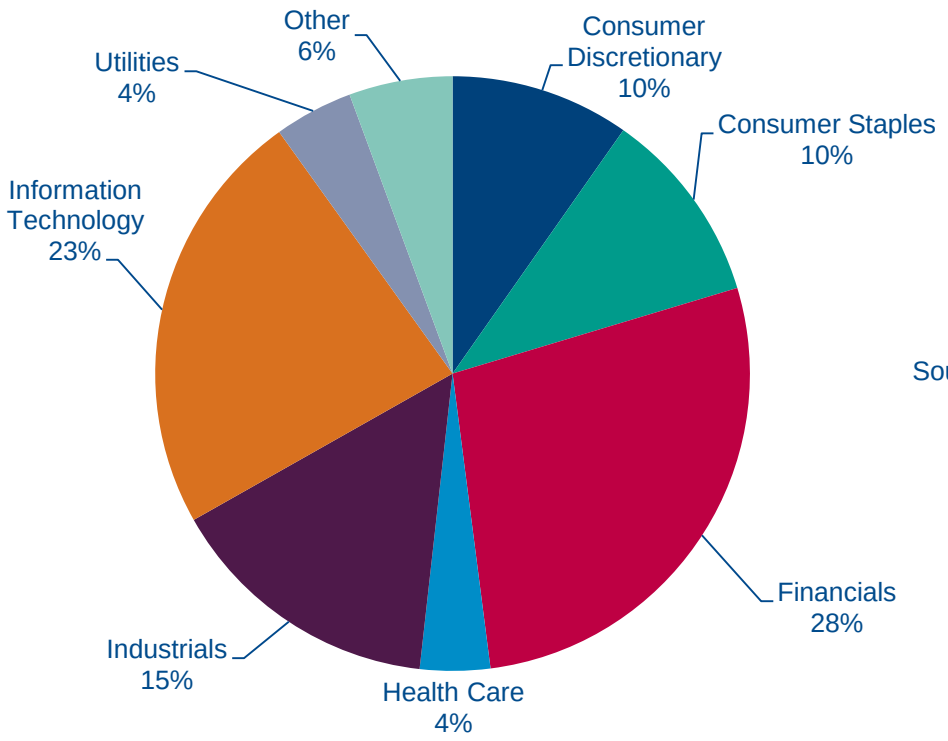
Style characteristics
Consistent with GARP approach

Metrics	GEMS	MSCI Emerging Markets
Return on equity (ROE)	21.6%	17.0%
Debt/ equity ratio	68.9%	93.0%
Three year EPS growth	23.9%	13.4%
Dividend yield	2.0%	3.0%
P/E FY1	14.3x	11.3x
Active share	87.6%	0%
Market cap (US$Bn)	22.0	33.3
Number of holdings (ex cash)	43	834

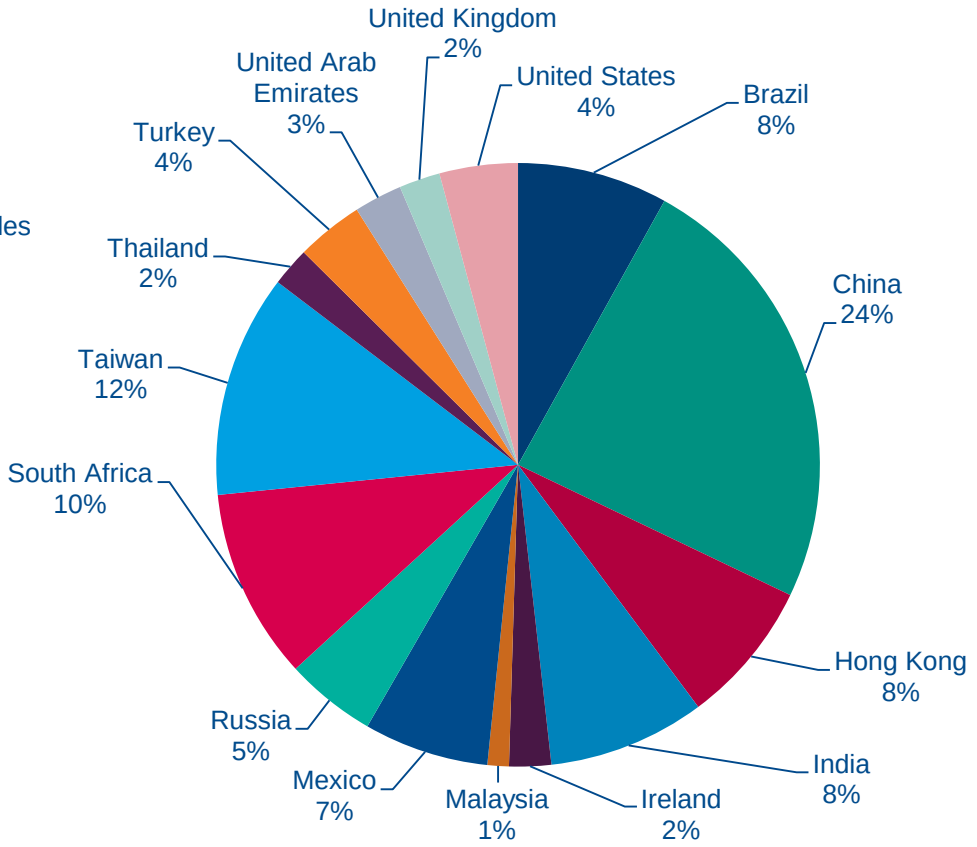
Source: Barings and Style Research (Index source), 30 September 2015

Sector and country breakdown

Sector breakdown



Country breakdown



Country and sector breakdown are a by product of bottom-up stock selection

Source: Barings 30 September 2015

Concepts in our portfolio

South/South trade

AIA

PAX

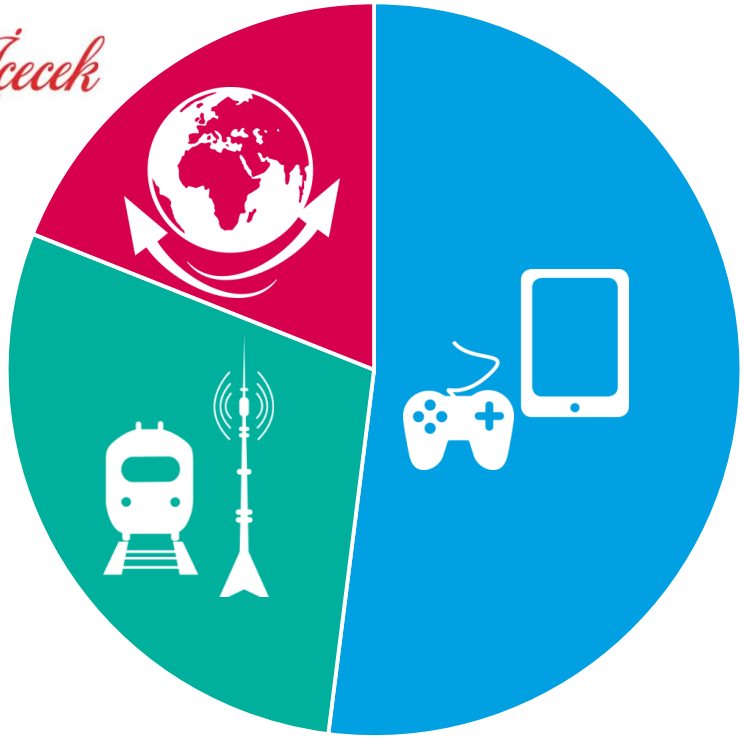
Coca-Cola İçecek

Infrastructure enhancement

PINFRA

HollySys

AOT



Middle class emergence

Banco do Brasil Seguridade

МАГНИТ

MARUTI SUZUKI

Source: Barings 31 December 2014. Data relates to Baring Global Emerging Markets Fund

Pax Global Technology
Electronic fund transfer point-of-sale terminals

Company scorecard

Company name	Pax Global	
Quality	Franchise	1.0
	Management	3.0
	Balance sheet	1.0
	Overall	1.7
Growth	Last three years	2.0
	Next 12 months	1.0
	CAGR next five years	1.0
	Overall	1.3
Upside	Market measure	2.0
	Static measure	1.0
	Discounted earnings	2.0
	Overall	1.7
Stock score		1.6



- Third largest global player
- Products internationally security certified
- Strong presence in China, Brazil, Middle East
- Under-penetration of key markets provides many growth opportunities over the next five to ten years

Global brand offers security

Source: Barings, 31 December 2014

BB Seguridade
Brazilian insurance

Company scorecard

Company name	BB Seguridade	
Quality	Franchise	2.0
	Management	4.0
	Balance sheet	2.0
	Overall	2.7
Growth	Last three years	1.0
	Next 12 months	1.0
	CAGR next five years	1.0
	Overall	1.0
Upside	Market measure	5.0
	Static measure	5.0
	Discounted earnings	1.0
	Overall	3.7
Stock score		2.4



- Life insurance, credit life, rural insurance, pension, premium bonds
- Extensive distribution through Banco do Brasil branches

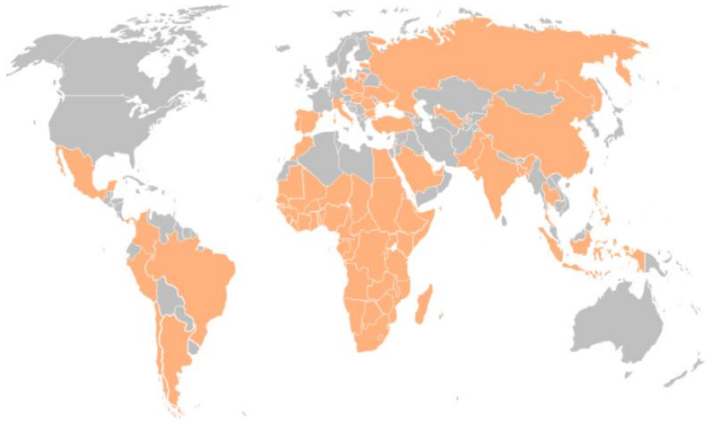
Strong distribution

Source: Barings, image from Arenadopavini. As at January 2015.

Naspers
Technology and media

Company scorecard

Company name	Naspers	
Quality	Franchise	1.0
	Management	1.0
	Balance sheet	1.0
	Overall	1.0
Growth	Last three years	1.0
	Next 12 months	2.0
	CAGR next five years	1.0
	Overall	1.3
Upside	Market measure	4.0
	Static measure	5.0
	Discounted earnings	1.0
	Overall	3.3
Stock score		1.9



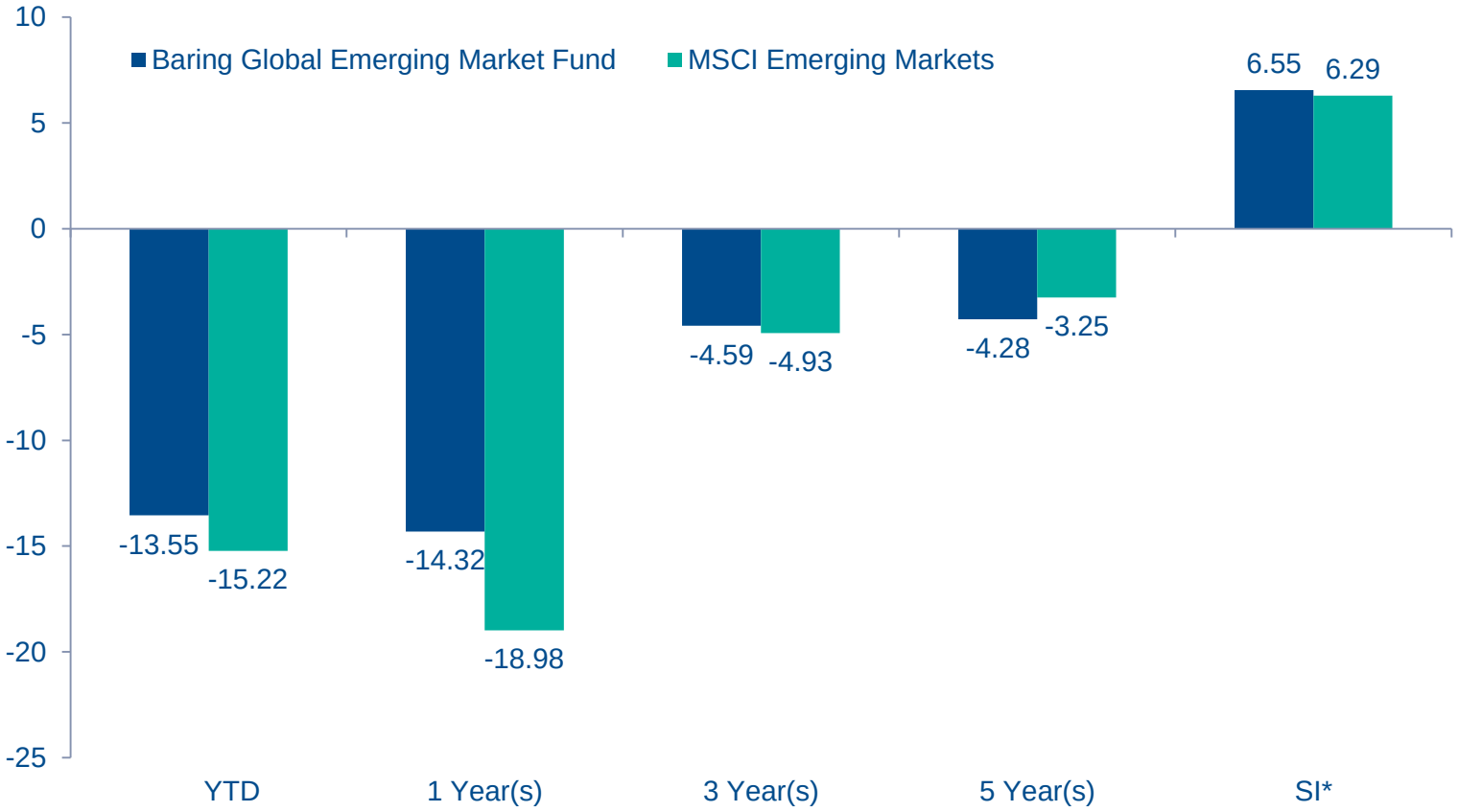
- Naspers is a diversified technology and media company that offers investors unique exposure in the fastest growing segment of on-line gaming and financial services in China, e-tail in India, online classifieds across emerging markets and the expansion of digital TV across Africa.
- Naspers' current market valuation attributes little value to the company's internet portfolio outside of its 30% stake in Tencent, despite its holding company discount.

Source: Naspers, Barings, August 2015

Appendix

Baring Global Emerging Markets Fund

Historic performance
Gross returns



Past performance is not a guide to future performance

Source: Barings, 30 September 2015. In US$. Based on end-of-day pricing annualised returns. *Inception 29th February 1992.
Benchmark MSCI Emerging Markets Total Return Index in US$ with gross dividends

Investment professionals
Biographies



Jean-Louis Scandella

Head of Equities

Location: London
Investment Experience: 22 Years

Jean-Louis joined Barings in May 2014 as Head of Equities. He is responsible for overseeing adherence to Barings equity investment philosophy and process and delivering performance across our equity product range. Jean-Louis is also a member of the Investment Committee. Jean-Louis joined Barings from Comgest where, for nine years, he was one of three senior investors responsible for leading the global emerging markets investment team and directly overseeing close to US$10 billion of assets. Jean-Louis also worked at Societe Generale Emerging Markets for 10 years, initially as an analyst before becoming a Founding Director. Jean-Louis holds a University Diploma from the l'Institute d'Etudes Politiques de Paris and a Master's Degree in German Literature from the University of Paris Sorbonne. Jean-Louis speaks fluent French, German, Italian & Russian.



William Palmer

Investment Manager
Global Emerging Markets Equity Team

Location: London
Investment Experience: 22 Years

William is an Investment Manager in the Global Emerging Markets Equity Team. Prior to joining Barings in October 2011 he was Senior Asset Manager/Head of Asia ex Japan Equities at KBC Asset Management in Dublin. During his time at KBC Asset Management he also held the roles of Asset Manager focusing on Asia ex Japan Equities and Equity Analyst responsible for producing equity research on Irish and Asian companies. William has an honours degree in Business Studies, majoring in Economics and Finance from the University of Limerick.



Isabelle Irish, CFA

Investment Manager
Global Emerging Markets Equity Team

Location: London
Investment Experience: 10 Years

Isabelle joined Barings in June 2013 as an Investment Manager in the Global Emerging Markets Equity Team. Prior to joining Barings, Isabelle spent eight years at Pictet Asset Management, initially as an analyst in the Global Emerging Markets Team before moving to her most recent role as Latin America Portfolio Manager. Isabelle has a First Class Honours Degree in Mathematics with French from the University of Birmingham, she passed the IMC examinations in 2005 and was awarded the CFA designation in 2009. Isabelle is fluent in French.

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