

## DECEMBER 2023 / FACTSHEET

### FUND FACTS

**Net Assets<sup>1</sup>**  
£76.2m

**Share Price<sup>2</sup>**  
475.00p

**NAV per Share<sup>1</sup>**  
645.88p

**Discount to NAV**  
26.46%

**Dividend Yield<sup>3</sup>**  
3.58%

**Structure**  
Closed Ended Investment Trust  
Company

**Inception Date**  
18 December 2002

**ISIN**  
GB0032273343

**Bloomberg Ticker**  
BEMO LN

**Base Currency**  
GBP

**Benchmark<sup>4</sup>**  
MSCI EM EMEA

**Management Fee (p.a.)**  
0.75%

**Ongoing Charges (p.a.)**  
1.59%

### PORTFOLIO MANAGERS

**Matthias Siller, CFA**  
25 years of experience

**Adnan El-Araby, CFA**  
13 years of experience

### OBJECTIVE

Barings Emerging EMEA Opportunities PLC is an actively managed equity strategy. The Company's investment objective is to achieve capital growth, principally through investment in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern and African (EMEA) securities markets.

### STRATEGY

The Company aims to harness the long-term growth and income potential of Emerging EMEA. It is managed by one of the region's most experienced and best-resourced investment teams, using fundamental, bottom-up analysis.

### MARKET OPPORTUNITY

- **Income diversifier:** the Company aims to deliver both income and long-term growth potential, accessing markets with compelling dividend prospects.
- **Undiscovered growth:** the broad investment focus provides exposure to a large opportunity set in high growth areas underrepresented in global portfolios.
- **High conviction:** concentrated exposure to 30 - 60 of the very best ideas we can find across the Emerging EMEA region - with a strong focus on environmental, social and governance (ESG) factors.

| PERFORMANCE (%) | Ordinary Shares<br>(Gross of Fees) | Ordinary Shares<br>(Net of Fees) | Benchmark <sup>4</sup> |
|-----------------|------------------------------------|----------------------------------|------------------------|
| Year to Date    | 7.29                               | 5.57                             | 2.09                   |
| 1 Year          | 7.29                               | 5.57                             | 2.09                   |
| 3 Years         | -2.27                              | -3.82                            | -0.62                  |
| 5 Years         | 1.39                               | -0.17                            | -0.20                  |
| 10 Years        | 2.53                               | 0.98                             | 0.41                   |
| Since Inception | 9.72                               | 8.10                             | 7.61                   |

| ROLLING 12 MONTH<br>PERFORMANCE (%) | Ordinary Shares<br>(Gross of Fees) | Ordinary Shares<br>(Net of Fees) | Benchmark <sup>4</sup> |
|-------------------------------------|------------------------------------|----------------------------------|------------------------|
| 31/12/2022 - 31/12/2023             | 7.29                               | 5.57                             | 2.09                   |
| 31/12/2021 - 31/12/2022             | -25.01                             | -26.21                           | -19.27                 |
| 31/12/2020 - 31/12/2021             | 16.02                              | 14.23                            | 19.10                  |
| 31/12/2019 - 31/12/2020             | -13.44                             | -14.69                           | -19.36                 |
| 31/12/2018 - 31/12/2019             | 32.61                              | 30.62                            | 25.10                  |

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** An investment entails a risk of loss. Returns for periods greater than one year are annualized.

1. Net Asset Value is Shareholders' funds expressed as an amount per individual Ordinary Share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities and prior charges at their fair value.
2. Share price is the mid-market price at market close and is determined by stock market supply and demand.
3. Dividend Yield is calculated using the Company's latest full year dividend expressed as a percentage of the share price.
4. The benchmark is the MSCI EM EMEA Index. Prior to the 16 November 2020, the benchmark was the MSCI EM Europe 10/40 Index.

Baring Emerging Europe PLC was launched on the 18 December 2002. As of 16 November 2020, the Company changed its investment policy and objective and was renamed Barings Emerging EMEA Opportunities PLC. For further details please visit [www.bemopl.com](http://www.bemopl.com)

## EQUITY PLATFORM<sup>1</sup>

Barings manages \$381+ billion of equities, fixed income, real estate and alternative assets globally

We focus on building high-conviction, research-driven equity solutions for our clients. We have a long history of being early investors in new and established markets

- Global Equities
- Emerging Markets Equities
- Small-Cap Equities

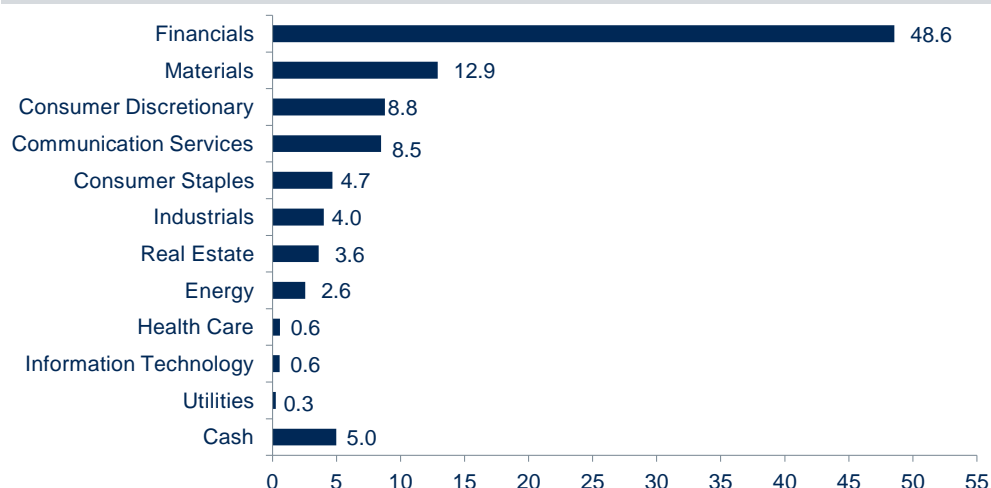
Equities investor base includes financial institutions, pensions, foundations and endowments and wholesale distributors

## CHARACTERISTICS<sup>2,3,4</sup>

## BARINGS EMERGING EMEA OPPORTUNITIES PLC

|                             |       |
|-----------------------------|-------|
| Number of Holdings          | 55    |
| Active Share (%)            | 48.85 |
| Off Benchmark (%)           | 5.63  |
| Tracking Error (%) (3Y Ann) | 7.35  |
| Information Ratio (3Y Ann)  | -0.22 |
| Standard Deviation (3Y Ann) | 16.57 |
| Alpha (3Y Ann)              | -1.03 |
| Beta (Ex Ante)              | 1.02  |
| Av. Market Cap (USDb)       | 28.55 |

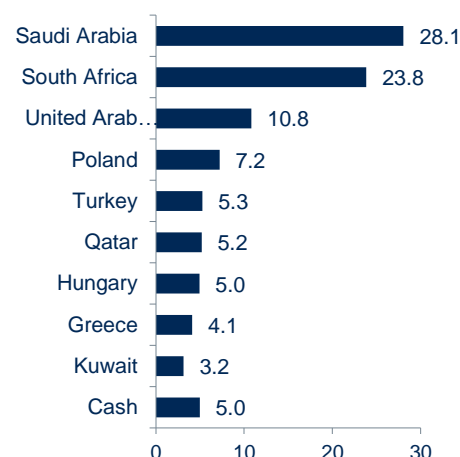
## TOP SECTOR WEIGHTINGS (% OF NAV)<sup>3</sup>



## TOP HOLDINGS (% OF NAV)<sup>3</sup>

|                               |      |
|-------------------------------|------|
| Al Rajhi Bank                 | 7.59 |
| Naspers Limited Class N       | 5.32 |
| OTP Bank Nyrt                 | 4.27 |
| Saudi National Bank           | 4.11 |
| FirstRand Limited             | 4.05 |
| Saudi Basic Industries Corp.  | 3.82 |
| Qatar National Bank QPSC      | 3.48 |
| PKO Bank Polski S.A.          | 3.33 |
| Saudi Telecom Co.             | 3.08 |
| Capitec Bank Holdings Limited | 2.94 |

## TOP COUNTRY WEIGHTING (% OF NAV)<sup>3</sup>



1. Barings assets as of December 31, 2023.
2. Risk statistics based on gross performance.
3. As of 31 December 2023.
4. Refer to glossary on our website for definitions of terms. Characteristics are subject to change.

## MANAGER'S COMMENTS DECEMBER 2023

### PERFORMANCE SUMMARY

EMEA markets concluded the year on a positive note, with robust performance attributed to significant gains in the value of their respective currencies against the US Dollar, which was influenced by a more favourable outlook on US inflation and interest rates. Conversely, the Turkish market and the Turkish Lira diverged from global trends, experiencing a decline of over 8% during the month. This demonstrated the Turkish market's independent performance relative to other global markets.

Against this backdrop, the portfolio advanced by 5.2% and outperformed the benchmark, which climbed by 4.0%.

Al Rajhi ended the period as one of the top contributors to relative returns, helped by the growing expectations that the Fed will commence interest rate cuts sooner than expected amid continued cooling inflation signals, which in turn should support net interest margin growth for the Saudi bank. Elsewhere, our investment in Allegro outperformed, with the Polish online e-commerce platform continuing to gain market share, helped by an improving consumer backdrop.

In contrast, our holding in Naspers, which holds a significant stake in Chinese gaming giant Tencent, underperformed as the shares sold off in response to a resurfacing of broader regulatory concerns. Meanwhile, market leader Aldar Properties succumbed to some profit-taking following a period of strong absolute returns.

### STRATEGY

In 2023, the renewable energy systems (RES) sector faced significant challenges as the industry, which requires substantial capital investment, experienced rising financing costs. Additionally, re-negotiating off-take electricity prices for solar and wind projects proved to be difficult. Despite these challenges, ACWA, a leading Saudi RES company that is still in the early stages of its growth strategy, has set ambitious targets. ACWA aims to increase its capacity by 6-7 GW annually for the remainder of the decade. This would raise its current capacity of 14 GW to a level comparable to NextEra, the largest electric utility in the US by market capitalisation.

We believe that the substantial financing requirements associated with the utility sector's growth aspirations are a crucial aspect of the credit deployment strategies of prominent banks such as Al Rajhi and SNB. These two banks, which represent a combined weight of over 10% in our portfolio, are expected to play a vital role in supporting the sector's expansion plans.

### OUTLOOK

Going into the New Year, we believe EMEA equity markets to be well situated to profit from a further increase in investors' attention against a backdrop of 1) favourable domestic dynamics, 2) growing risk aversion towards Chinese investments within the EM space and 3) a solid company specific opportunity set. Further, we expect a broadening of equity liquidity, partially on the back of successful IPO strategies, to contribute to performance (and the opportunity set), whilst South African general elections mid-year 2024 will mark the end of a busy 18 months period of extensive electioneering in EMEA.

## Key Risks:

- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk
- Russia and the region pose special risks such as, economic and political unrest, lack of a transparent and reliable legal system, lower standards of corporate governance and an under developed process for enforcing legal ownership of investments
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets
- Debt securities are subject to risks that the issuer will not meet its payment obligations (ie, default). Low rated (high yield) or equivalent unrated debt securities of the type in which the fund will invest generally offer a higher return than higher rated debt securities, but also are subject to greater risks that the issuer will default.
- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated

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**EMEA based enquiries:**  
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