

FORM ADV Part 2A Firm Brochure as of March 30, 2021

Barings LLC

300 S. Tryon Street
Suite 2500
Charlotte, NC 28202

Christopher A. DeFrancis

Chief Compliance Officer and Managing Director
300 S. Tryon Street
Suite 2500
Charlotte, NC 28202
(704) 805-7200 www.Barrings.com

This brochure provides information about the qualifications and business practices of Barings LLC. If you have any questions about the contents of this Firm Brochure, please contact us at 1-877-766-0014, or BaringsADV@barings.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Barings LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Barings is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply that Barings LLC possesses any certain level of skill or training.

ITEM 2 – Material Changes

This March 30, 2021 Form ADV Part 2A Firm Brochure annual amendment contains material changes from Barings LLC's last annual amendment, which was filed on March 27, 2020.

Barings has reviewed and refreshed sections of this Form ADV Part 2A in the ordinary course of business. While these changes are largely non-substantive, Items 5, 6, 7, and 8 include expanded descriptions and clarifications of Barings' services and strategies and the associated fees and risks that could be deemed material. Material changes include:

Item 5 – Expansion and clarification of the description of Barings' fees and compensation structure;

Item 6 – Clarification of the description of Barings' performance based fee structure and of the policies and procedures to address any associated conflicts of interests;

Item 7 – Addition of disclosure regarding certain non-client relationships;

Item 8 – Expansion of the description of Barings' methods of analysis, investment strategies, and associated risk factors; and

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ITEM 4 – Advisory Business

I. OWNERSHIP AND HISTORY OF BARINGS

Barings LLC (“Barings”) is a leading provider of investment advice to institutional clients, registered investment companies, and other pooled investment vehicles. Barings and its predecessor organizations have been providing investment advice since 1940. As of December 31, 2020 Barings and its subsidiaries managed a total of \$345 billion in client assets.

Barings is a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”). MassMutual’s affiliated companies include financial services companies that provide investment management services and individual protection insurance to clients worldwide.

The origin of Barings follows the paths of several early pioneers in investments and financing including – Babson Capital Management LLC (“Babson”), Baring Asset Management Limited (“BAML”) and Cornerstone Real Estate Advisers LLC (“CREA”).

Babson, through its predecessor, David L. Babson & Company, Inc., was founded in 1940. Babson was acquired by MassMutual in 1995 and on January 1, 2000, the Investment Management Division (“IMD”) of MassMutual was consolidated into Babson.

On the other side of the Atlantic, BAML traces its roots to 1762, when the Baring brothers founded a merchant and banking firm in London. The firm was one of the first U.K. firms to form an investment department in 1955. Throughout the 1970s and 1980s, the firm continued to expand its asset management business internationally and, in 1989, combined its asset management activities within BAML, headquartered in London. BAML was acquired by MassMutual in 2004. In July 2016, BAML became an indirect, wholly-owned subsidiary of Babson. Babson changed its name to Barings LLC on September 12, 2016.

Adding to the rich history of pioneering investment advice, the IMD began advising on real estate debt transactions nearly 30 years ago for MassMutual. In 1994, CREA was established to provide real estate equity management to MassMutual and eventually third parties. In 2010, CREA combined with Babson’s real estate debt group to form a comprehensive real estate adviser. CREA changed its name to Barings Real Estate Advisers LLC on September 12, 2016, and merged with and into Barings on December 30, 2016.

References to Barings throughout this Firm Brochure also refer, where applicable, to the activities of Babson and its predecessors, David L. Babson & Company, Inc.; CREA, and those of MassMutual’s former IMD.

II. ADVISORY SERVICES

Barings, together with its subsidiaries and affiliates, is a global, diversified asset management firm with expertise in fixed income, equity, real estate, and alternative asset markets. Barings is headquartered in Charlotte, North Carolina, and with its subsidiaries and affiliates has offices in 17 countries, including a long-standing, established presence in Europe and the Asia-Pacific region.

A. CLIENT RELATIONSHIPS

Barings provides a broad range of investment advisory and management services to sophisticated investors of all types. In the United States, these clients include institutional investors, registered and unregistered pooled vehicles, and accounts for its ultimate parent company, MassMutual, and certain of MassMutual's subsidiaries and affiliates.

1. INSTITUTIONAL SEPARATE ACCOUNT CLIENTS

Barings' institutional investment advisory clients include, without limitation, pension plans, endowments, foundations, government entities and agencies, banks, insurance companies, family offices, and other institutional capital markets participants. For each of these types of relationships, Barings works with the client to design and implement an investment program tailored to the client's specific objectives, guidelines, and needs. As a result, Barings' advisory services for a given client may be a "standard" offering or a customized solution, depending on the client's preferences.

2. REGISTERED INVESTMENT COMPANIES

Barings provides investment advisory services to a number of investment companies registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), including open-end funds, closed-end funds, and business development companies ("BDCs").

3. PRIVATE FUNDS

Barings offers investment advisory services to a wide variety of funds exempted from the definition of an investment company under the Investment Company Act. These types of funds include hedge funds, private equity funds, and other structured funds, many of which are sponsored by Barings or its affiliates. Barings also provides investment advisory services to collective investment trusts and other types of private investment vehicles. Collectively these clients are referred to as "private funds."

4. AFFILIATED ACCOUNTS

Barings provides investment advisory services to its ultimate parent company, MassMutual, and certain of MassMutual's subsidiaries and affiliates. Among other things, Barings acts as investment adviser or sub-adviser to various separate accounts of MassMutual, investment funds

sponsored by MassMutual or its subsidiaries, and investment funds in which MassMutual or an affiliate has invested and/or for which MassMutual or an affiliate serves as investment manager.

B. STRATEGIES

The types of strategies used by Barings in managing clients' accounts are briefly described below. Please refer to "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*," for additional information about these strategies and the related risks.

1. FIXED INCOME

Barings' fixed income expertise is organized into five investment teams: Investment Grade, Global High Yield, Structured Credit, Emerging Markets, and Global Private Credit. Among these teams, Barings manages portfolios of fixed and floating rate income assets and highly diverse corporate debt portfolios.

Barings invests in a variety of fixed income and financing instruments across various industries as well as credit qualities and maturities in North America, Europe, Latin America, Africa/Middle East, and the Asia-Pacific region. Investment capabilities include the management and trading of domestic and international senior secured loans, second lien loans, high-yield bonds, unitranche, mezzanine, limited partnerships, private placements, government and agency obligations, mortgage and asset-backed securities, collateralized mortgage obligations, corporate debt securities, structured credit securities, municipal bonds, money market instruments, U.S. dollar- and non-U.S. dollar-denominated bonds, derivative instruments, and convertible securities.

2. PUBLIC EQUITY

Barings' public equities expertise is organized into four investment teams: Small Cap, Global Equities, and Emerging Markets. Among these teams Barings manages portfolios of public equity securities and equity-related securities of issuers of all sizes, including common stock, preferred stock, securities convertible into common or preferred stock, stock rights, warrants, exchange-traded funds, American Depositary Receipts ("ADRs"), and securities of foreign issuers that trade on domestic exchanges or in the over-the-counter market.

3. ALTERNATIVE INVESTMENTS

Barings has teams focused on three alternative investment sectors: Real Estate, Private Equity & Real Assets, and Funds & Co-Investments.

a. REAL ESTATE

Barings' real estate expertise is comprised of three teams: Private Real Estate Equity, Private Real Estate Debt, and Public Real Estate Equity and Debt Securities. Among these teams Barings manages portfolios of real estate and real estate-related securities, including public real estate securities (domestic and global, debt and equity), equity investments in real estate across all property types (including, without limitation, multifamily, affordable housing, retail, office,

industrial, parking, land, hotels, self-storage, and student housing, as well as Section 42 affordable housing tax credit investments), and real estate debt (including, without limitation, commercial mortgages, affordable housing mortgages, residential mortgages, syndicated commercial real estate debt, loan participations, mezzanine debt, and preferred equity loan facilities).

b. PRIVATE EQUITY & REAL ASSETS

Barings' Private Equity & Real Assets team provides investment advice regarding the purchase and sale of interests in real assets and asset-based businesses across different sectors, including, but not limited to, transportation, financial services, agriculture, media and entertainment, energy infrastructure, pharmaceuticals, midstream agriculture, and telecommunications.

c. FUNDS & CO-INVESTMENTS

Barings' Funds & Co-Investments team provides investment advice regarding investment in third-party funds, including hedge funds, private equity funds, venture funds, real estate funds, and fixed-income funds, among others ("Underlying Funds"). In addition, Barings advises clients regarding direct investments in companies and projects alongside third-party funds or investment advisers ("co-investments"). Barings also provides investment advice regarding purchases and sales in the secondary market of interests in Underlying Funds or other existing interests in private equity, real estate, or other investments ("secondary investments"). In addition, for some clients, Barings acts as a "manager of managers," selecting third-party investment advisers to sub-advise portfolios for clients' accounts, in lieu of investing in a third-party manager's funds (e.g., where the manager does not offer fund products).

C. TYPES OF SERVICES

Barings' investment advisory services are offered on a discretionary or a non-discretionary basis, depending on the strategy and the client, as provided in the applicable investment advisory agreement between Barings and the client. Barings acts as the investment adviser, sub-adviser, and/or collateral manager, for client accounts. Barings also offers some additional, non-investment advisory services, such as loan servicing.

1. DISCRETIONARY INVESTMENT ADVICE

Barings typically acts as a discretionary investment adviser for its clients' accounts, implementing one or more of the investment strategies described above with full discretionary authority on its clients' behalf.

2. NON-DISCRETIONARY INVESTMENT ADVICE

For certain clients, Barings acts as a non-discretionary investment adviser. For these clients, Barings generally provides non-discretionary investment recommendations and implements the recommendations after obtaining client approval. For other clients, Barings provides non-

discretionary investment recommendations and the client implements recommendations at its election.

Barings also offers non-discretionary investment advice to certain “model-only” programs. In these programs, Barings acts as a non-discretionary investment adviser providing a model portfolio to an unaffiliated, third-party program sponsor that is responsible for trade execution, client reporting, and all other client services. Fees and features of each model-only program vary. The program sponsors have sole discretion with respect to implementing a model, in whole or in part, for any of its program client accounts. Any such implementation will be effected through trading arrangements entered into by the applicable program sponsor with third parties (e.g., an executing broker-dealer). Barings therefore does not affect any trades in connection with its model-only advisory service. Generally, Barings does not have an advisory relationship with the underlying program clients. Delivery of this Firm Brochure to any underlying program client is for informational purposes only and should not be construed to imply that any advisory relationship exists between program clients and Barings as a result of the program clients’ participation in the model-only program.

3. SUB-ADVISORY SERVICES

Barings also provides sub-advisory services to affiliated and third-party investment advisers, funds, accounts and/or assets. In such instances, Barings will negotiate a sub-advisory agreement that details the services to be provided and the fee arrangement, among other items. Barings may act as a sub-adviser on either a discretionary or non-discretionary basis.

4. ADDITIONAL SERVICES

Barings also provides management services for real estate equity and debt products, including origination and servicing of commercial mortgages, permanent mortgages, mezzanine loans and high yield loans, collateral management services and related activities.

D. ADDITIONAL INFORMATION ABOUT BARINGS’ ADVISORY SERVICES

1. CLIENT RESTRICTIONS

Barings manages client accounts in accordance with the clients’ investment objectives and guidelines in accordance with the applicable investment advisory agreement. Separate account clients can, among other things, impose specific restrictions on investments, including types of investments within their account, provided that Barings agrees to such restrictions. For private fund clients, the investment objectives and guidelines, as well as any investment restrictions, are described in the applicable offering materials and apply to the fund.

2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ANALYSIS

Barings is a signatory to the United Nations-supported Principles for Responsible Investment initiative. Barings believes that incorporating environmental, social and governance (“ESG”) into our analysis gives us a more holistic understanding of the complex issues, risks, and value drivers that may impact our client portfolios. As a signatory, Barings has committed to adopt and

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implement the initiative's principles, where consistent with Barings' fiduciary responsibilities. Barings has established an ESG working group to assess ESG trends across asset classes and to consider how these trends may impact our clients.

III. ASSETS UNDER MANAGEMENT

Barings' regulatory assets under management as of December 31, 2020 (rounded to the nearest dollar) was as follows:

Discretionary:	\$	275,950,880,061
Non-Discretionary:	\$	<u>1,540,975,699</u>
Total:	\$	<u>277,491,855,760</u>

ITEM 5 – Fees and Compensation

I. ADVISORY FEES

A. INSTITUTIONAL SEPARATE ACCOUNTS

Advisory fees for institutional separate accounts are negotiated on a case-by-case basis and are generally based on a percentage of assets under management (generally of the net asset value of the assets, or, with regards to certain Advisory Accounts, the book value or the levered or notional value of the assets in the advisory account). Barings maintains standard fee schedules applicable to separate accounts managed according to certain investment strategies, which can be found in Appendix A. Barings does not have standard fee schedules for all investment strategies. Notwithstanding the standard fee schedules for certain strategies, fee arrangements will vary by client and will depend on a number of factors, including, without limitation, the characteristics of the investment mandate, aggregate size of the client relationship with Barings and its affiliates, and reporting and servicing requirements. Even within the same investment strategy, different clients or accounts sometimes have different fee structures.

Advisory fee arrangements are asset based only for certain clients; other clients have performance-based fee arrangements in accordance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Performance-based fee arrangements may be in addition to or in lieu of asset-based fees, depending on the client. Please refer to "*Item 6 - Performance-Based Fees and Side-By-Side Management*" for more information about performance-based fee arrangements, including associated conflicts of interest.

B. REGISTERED INVESTMENT FUNDS

Information concerning the advisory fees for registered investment funds can be found in each fund's prospectus, or relevant disclosures, along with information regarding other fund-related fees and expenses, minimum account requirements (if any), and applicable termination provisions. Each fund's prospectus also provides more information about the manner of calculation and timing of payment of applicable advisory fees.

C. PRIVATE FUNDS

The advisory fees applicable to private funds are determined on a fund-by-fund basis. Information regarding the fees and expenses for a private fund, including any applicable performance fees, can be found in the fund's offering materials, along with information regarding other fund-related fees and expenses, minimum account requirements (if any), and applicable termination provisions. Private fund clients typically pay both an asset-based fee and a performance-based fee (which is often in the form of a carried interest and received by an affiliate of Barings). Certain private fund clients pay Barings fees for administrative or other services, which are in addition to the advisory fees. Different investors in these funds can pay different fees as a result of negotiations.

D. PERFORMANCE-BASED FEE ARRANGEMENTS

Some clients have performance-based fee arrangements with Barings. These may be in addition to or in lieu of asset-based fees, depending on the client. Performance-based fees are contingent on the performance of the applicable account, and in some cases are subject to a preferred return or a high water mark. Please refer to "*Item 6 - Performance-Based Fees and Side-By-Side Management*" for more information about important considerations applicable to performance-based fee arrangements.

E. AFFILIATE ACCOUNTS

Fees charged to accounts of Barings' ultimate parent company, MassMutual, and certain of MassMutual's subsidiaries and other affiliated companies, or to investment funds sponsored by MassMutual or its subsidiaries or affiliates, vary from those charged to Barings' other clients.

F. PAYMENT OF ADVISORY FEES

The timing of fee payments is agreed upon with each client and is generally set forth in the applicable investment advisory agreement. Asset-based fees for separate account clients are generally determined quarterly in arrears based on the quarter-end market value, the average value for the quarter, or the billable balance on the last day of the previous calendar quarter (prorated for additions and withdrawals). These fees are generally billed by invoice to the client. However, fees can be directly debited from a client's custodial account if requested by the client and agreed to by Barings. If a client terminates or begins its relationship with Barings during a billing period, asset-based fees are prorated for the number of days during the quarter such client was a client of Barings.

Advisory fees for private fund clients are typically calculated and deducted by the fund's third-party administrator in accordance with the investment advisory agreement between the fund and Barings and are generally payable in arrears. Asset-based fees are calculated monthly, quarterly, or semi-annually in accordance with the applicable investment advisory agreement. Barings serves as administrator for certain fund clients and, in those cases, is responsible for calculating and deducting its own fees from the fund's custodial account.

Performance-based fees for both separate account and private fund clients are generally billed and payable annually. Unless otherwise set forth in the client's investment advisory agreement, clients that have a performance-based fee arrangement who elect to terminate their advisory agreements will be charged the performance-based fee based on the performance of the account prorated from the date on which the performance-based fee was last assessed through the termination date.

Termination and notification requirements, guidelines, and other additional terms are negotiated on a case-by-case basis and are included in the investment advisory agreement.

II. OTHER FEES AND EXPENSES

In addition to the advisory fees described above, clients bear certain other fees and expenses related to the investment of their accounts, including transaction charges, service provider fees, and fees and expenses related to Underlying Fund investments, among others.

A. TRANSACTION CHARGES

Clients will pay brokerage commissions, mark ups, mark-downs, and other commission equivalents as well as spreads and other transaction costs to executing broker-dealers. Please refer to "Item 12 – Brokerage Practices" for more information about Barings' brokerage practices.

B. SERVICE PROVIDER EXPENSES

Clients will pay the fees charged by the service providers to their accounts, including the fees charged by the applicable custodian, administrator, and any other service providers to their accounts.

C. PRIVATE FUND EXPENSES

Private fund clients generally bear their own organizational, operating, and other expenses, which are ultimately borne by the investors in those funds. These expenses typically include, without limitation: (1) all legal, accounting, filing, organizational, and other establishment expenses incurred in the formation of, and raising of capital for, the fund and any related vehicles; and (2) all expenses that are incurred by or arise out of the operation of the fund including, without limitation (a) the costs and expenses of identifying, investigating, negotiating, structuring, acquiring, owning, monitoring, financing, hedging, expanding, operating, and disposing of investments, whether or not such investments are actually consummated, including but not limited to fees for services, inspections, appraisals, audits, administration of the fund and corporate entity expenses, third-party broker, legal, third-party modeling, auditing, consulting, financing, and accounting; (b) costs incurred for engineering, technical, or other studies of or reports on proposed or existing investments, legal, auditing, and consulting expenses in connection with the preparation of amendments, financial statements, tax returns, and reports to investors; (c) other expenses associated with the acquisition, holding, and disposition of the fund's investments, including, without limitation, expenses relating to the analysis, formation, and implementation of any special purpose investment entity and extraordinary expenses; (d) taxes, fees or other governmental fees and charges levied against the fund and any special purpose investment

entity; (e) expenses of the members of any fund advisory committee; (f) insurance costs; (g) expenses incurred in connection with any litigation, claim, or proceeding arising out of or related to the operation of the fund; (h) damages associated with any such litigation, claim, or proceeding; (i) all principal, interest, and expenses in connection with borrowing, financings, hedges, or derivatives entered into in connection with the fund or any special purpose investment entity; (j) administrative expenses; (k) out-of-pocket expenses incurred in connection with transactions not consummated; (l) expense related to meetings of the investors of the fund; (m) indemnification expenses; (n) all expenses incurred in connection with the liquidation of the fund; and (o) amounts to be contributed or advanced to any special purpose investment entity or investment for the purpose of such entity or investment paying any cost of the foregoing clauses (a) through (n).

D. UNDERLYING FUND EXPENSES

If a client's account is invested in a pooled investment vehicle (e.g., a mutual fund, closed-end fund, or a hedge fund or other Underlying Fund), the client will bear all fees and expenses associated with investment in the Underlying Fund. These fees and expenses include applicable investment advisory fees charged by the investment adviser of the Underlying Fund, and fees for administration, custody, or other service providers as well as the client's share of the organizational, operating, and other expenses of the Underlying Fund.

E. OTHER

In addition to the fees described above, clients bear certain other costs associated with their investments or accounts including, without limitation: (1) taxes, duties and other governmental charges; (2) principal, interest, and expenses in connection with borrowing, financings, hedges, or derivatives entered into by the client's account; (3) loan servicing, origination, or extension fees, which in some cases are payable to Barings or its affiliates; (4) real estate fees; (5) broken deal expenses; (6) warehoused investment fees, which are payable to Barings; and (7) other costs, expenses and fees associated with products or services that are necessary or incidental to their investments or accounts.

In some instances, Barings provides services to client accounts that are not included in the advisory fee, including, without limitation, certain services referenced above. Barings may also receive fees from its client portfolio investments or related parties (e.g., loan servicing or consulting fees). Except as otherwise specifically negotiated with a client, Barings is entitled to retain all such fees. Please refer to "*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*" for more information about conflicts of interest related to this practice.

Barings LLC and its affiliates may receive fees from portfolio companies, prospective portfolio companies and their affiliates including without limitation origination, underwriting, structuring, due diligence and work fees paid with respect to new investments, potential new investments, and amendments, waivers, and consents of existing investments. Unless otherwise agreed to in writing by Barings LLC and its affiliates, such structuring fees or work fees may be retained by Barings LLC and its affiliates (and not be paid to clients) without any offset or reduction to any management, performance or other fee owed by clients.

In some private equity transactions, the amount of equity capital that is required to complete a large deal may be significant, and as a result such transaction may be structured as a consortium transaction, which involves a debt or equity investment for which two or more entities serve together or collectively as sponsors, with additional debt financing (third-party or otherwise) provided on an as-needed basis. Barings may receive compensation for structuring consortium transactions.

F. ALLOCATION OF EXPENSES

In some circumstances, more than one client account may participate in a particular investment and in certain circumstances a client account can be subject to costs or expenses that are allocable to more than one client account. Barings may allocate such expenses among the applicable clients on a pro rata or different basis. However, some client accounts are not responsible for any or all of their share of certain expenses (as a result of negotiations with Barings or otherwise), this can result in other client accounts bearing a different or greater amount of expenses.

ITEM 6 – Performance-Based Fees and Side-By-Side Management

As discussed under Item 5 – Fees and Compensation, fee arrangements vary by client, even within the same strategy. Some client accounts compensate Barings with performance-based fees, while other clients pay only asset-based fees. In addition, performance-based fees are calculated in different ways for different clients and, for some clients, performance-based fees are subject to high water marks or preferred return thresholds; as a result, some clients will pay higher performance-based fees than others.

Barings recognizes that management of accounts with performance-based fee arrangements alongside accounts that do not have performance-based fee arrangements (or have lower performance-based fees) creates certain conflicts of interest. These conflicts include:

- When client accounts pay performance-based fees, Barings has an incentive to select investments that present a greater potential for return but also involve a greater risk or are more speculative than might otherwise have been selected for client accounts that do not have performance-based fees.
- When client accounts with performance-based fee arrangements are managed side-by-side with client accounts that do not have performance-based fee arrangements (or that have lower performance-based fees), Barings has an incentive to favor client accounts from which it earns the highest fees when allocating limited investment opportunities.

In order to address these conflicts of interest, Barings has adopted policies and procedures that provide for the allocation of investment opportunities in a manner that is not influenced by fee arrangements. These policies and procedures are described in “*Item 12 – Brokerage*.” No assurance can be made that these policies and procedures will have their intended effect.

ITEM 7 – Types of Clients

I. TYPES OF CLIENTS

As described above under “*Item 4 – Advisory Business*,” Barings provides a broad range of investment advisory and management services to sophisticated investors of all types, including institutional investors, registered funds, private funds and accounts for MassMutual and certain of MassMutual’s subsidiaries and affiliates.

Barings also has non-client relationships with certain entities for which it provides services and receives compensation. These services are not provided pursuant to an investment advisory agreement and these entities are not investment advisory clients of Barings. However, in certain circumstances Barings, in its discretion, elects to treat such entities in the same manner as its clients for purposes of certain of Barings’ policies and procedures. Specifically, such entities generally receive allocations of opportunities from Barings and are included in Barings’ allocation policies and procedures, as described in “*Item 12 – Brokerage Practices*.”

II. MINIMUM ACCOUNT SIZE

A. INSTITUTIONAL SEPARATE ACCOUNTS

For separate account clients, Barings generally requires a minimum investment of between \$50-\$100 million per investment strategy. Barings can waive the minimum investment requirement for any investment strategy in its sole discretion. To the extent a minimum investment requirement is waived for a particular investment strategy, there generally will not be a waiver of the minimum fee detailed in that investment strategy’s fee schedule. For smaller accounts, this can result in a substantially higher percentage fee than is indicated on the respective fee schedule.

B. MINIMUM INVESTMENT IN FUNDS

Barings’ fund clients (private funds and registered investment companies) have minimum investment amounts, which are set forth in each fund’s offering materials and vary from fund to fund depending on the particular investment product. The minimum investment amount for private funds is generally \$1-5 million depending on the strategy (or strategies) managed, provided that the minimum can be waived in the discretion of a fund’s general partner, board of directors, or other managing party.

III. OTHER ACCOUNT OPENING REQUIREMENTS

Separate accounts and private funds are generally only available for investment by “accredited investors,” “qualified purchasers,” and “qualified eligible persons” as these terms are defined under federal securities laws.

Barings will request certain identifying information about its prospective clients and, in some cases, the owners or control persons of the prospective client, in order to help the U.S. government fight the funding of terrorism, prevent money laundering activities, and comply with

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economic sanctions. This may include a request for identifying documents allowing for verification of the prospective client's identity. If the prospective client refuses to provide the information requested and Barings is not able to independently verify the prospective client's identity, Barings generally will not be able to accept the prospective client.

ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

I. METHODS OF ANALYSIS

Barings' investment decisions across all asset classes incorporate a comprehensive analysis that uses or combines top-down and/or bottom-up approaches to investment analysis. Barings utilizes economic, fundamental, technical/cyclical, and quantitative analyses, along with a sound understanding of both macro drivers (*i.e.*, business cycles, property sector cycles, capital flows, identification of target markets, and investment vehicles) and micro considerations (*i.e.*, market dynamics and trends, credit worthiness, capital needs, property submarket dynamics, rent and occupancy trends, characteristics of property leases) in its investment decision-making process and to manage risk. Barings' methods of analysis include:

- **Economic analysis**, which emphasizes daily and historical review of economic and financial data that impact short-, intermediate-, and long-term interest rates and other macroeconomic factors.
- **Fundamental analysis**, which examines qualitative and quantitative factors to determine the current financial strength and expected future performance of an issuer or business. Factors examined often include: historic and projected company financial results, credit metrics, capital structure, management assessment, financial discipline, competitive forces and life-cycle analysis. The fundamental analysis school of thought maintains that markets may misprice a security in the short term but that the "correct" price will eventually be reached. Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security. Therefore, unforeseen market conditions and/or company developments can result in significant price fluctuations that can lead to a negative impact on the price of a security.
- **Technical/cyclical analysis**, which involves an analysis of yields relative to other asset classes and other indicators as deemed appropriate in the marketplace. Technical/cyclical analysis measures the movement of a particular security against the overall market in an attempt to predict the future price or direction of a security. Technical/cyclical analysis is based on an examination of rising and falling market trends or patterns assuming that the markets react in cyclical or discernible patterns. Once a pattern is identified it can be leveraged to predict performance. There is no assurance that accurate patterns or trends will develop in the markets or that markets will follow the identified patterns or trends. The length of such patterns or trends is not predictable, with a specific trend lasting longer or shorter than expected. The current prices of securities generally reflect all information known about the

securities and day-to-day changes in market prices of securities can follow random patterns and are not predictable with any reliable degree of accuracy. This presents potential risks as the markets do not always repeat cyclical patterns, lengths of economic cycles can be difficult to predict with accuracy thereby affecting the price of securities and if too many investors implement technical/cyclical analysis strategies, it can change the very cycles such investors are attempting to take advantage of.

- **Quantitative analysis**, which involves a mathematical analysis of the risk and return characteristics of securities and portfolios. Quantitative analysis is a method of evaluating securities and other assets by analyzing a large amount of data through the use of models or algorithms. Barings uses proprietary models as well as models developed by third parties to enhance its analysis of securitized and other instruments (e.g., interest rate and prepayment characteristics) and to augment its risk analytic and performance attribution systems. Investment strategies using quantitative models can perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, information or data supplied by third parties, technical issues in the construction, implementation, and maintenance of the models, and human error in the correct and complete input of data. If quantitative models or algorithms or information or data supplied by third parties prove to be incorrect or incomplete, investment decisions made, in whole or part, in reliance on such models expose the strategy to additional risks. There can be no assurance that the use of models or algorithms will result in effective investment decisions for the strategy.

Barings' investment professionals and research analysts utilize a number of different information sources to make investment decisions and recommendations, including media sources and national data sources and services. In addition, particularly with respect to private placement investments, senior secured loans and high-yield bonds, Barings often relies on information supplied directly by the issuers, private equity sponsors, banks, or agents. For its real estate strategies, a primary source of investment information is developed by the Barings' Real Estate Research Group ("RE Research"). Macro and micro market information is compiled and analyzed by RE Research to determine fundamental space market and capital market trends, risks, and opportunities. RE Research utilizes a number of national data sources, which is scrubbed and embedded in Barings' real estate proprietary database product, The Barings Real Estate Analyst.

II. INVESTMENT STRATEGIES

A. FIXED INCOME

1. INVESTMENT GRADE

Barings' investment grade fixed-income strategies are managed by teams in the United States. These strategies consist of a top-down, macroeconomic view established by senior portfolio managers, coupled with a bottom-up perspective driven by fundamental credit analysis and security selection. The goal of this process is to produce portfolios that consistently provide positive excess returns, regardless of where markets are in the economic cycle.

The primary investments include investment grade (defined as obligations rated Baa3 or above by Moody's Investors Services, Inc. ("Moody's") or BBB- or above by either S&P Global Ratings Services, Inc. ("S&P"), or Fitch, Inc. ("Fitch"), or unrated but judged by Barings to be of comparable quality) obligations including: U.S. government and agency securities, domestic and foreign corporate bonds, residential mortgage-backed securities ("MBS"), commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS"), convertible securities, and money market securities, including commercial paper. Additional asset classes may include collateralized loan obligation ("CLOs") and emerging market hard currency debt. Though they are primarily focused on investment grade obligations, these strategies can invest in securities rated below investment grade by at least one credit rating agency (rated below Baa3 by Moody's or below BBB- by either S&P or Fitch) or unrated but judged by Barings to be of comparable quality (also referred to as "high-yield" obligations). Derivative use within these strategies incorporates certain options, futures contracts, options on futures contracts, forward contracts, swaps, caps, floors, collars, structured notes, indexed securities, options on indexed securities, and other derivative instruments to mitigate or modify risk and exposures, such as duration, sector and issuer exposures, term structure, volatility, and to take exposure in certain sectors of the market. Barings utilizes a risk management process designed to challenge portfolio managers through both scheduled meetings and ad hoc review of analytical and data risk tolerances. Investment grade strategies include, without limitation:

- **Global Investment Grade**, an actively managed, multi-asset strategy that invests primarily in a diversified portfolio of global investment grade fixed-income assets, including: global corporate credit, securitized products, and structured credit CLOs. In addition, the strategy also makes opportunistic allocations to emerging markets debt and high-yield debt.
- **Core/Core Plus Fixed Income**, a multi-sector approach that utilizes a top-down, macroeconomic view coupled with bottom-up, credit analysis and security selection using measured, opportunistic allocations to high-yield, convertible bonds, structured credit, and emerging market debt to provide additional sources of potential alpha.
- **Short Duration**, a short duration strategy that invests in a broad range of fixed-income asset classes including treasuries, Agency MBS, credit, and securitized products, and that uses measured opportunistic allocations to high-yield, convertible bonds, structured credit and emerging market debt to provide additional sources of potential alpha.
- **Long Duration**, a long duration strategy that utilizes a top-down, macroeconomic view coupled with bottom-up, fundamental credit analysis and security selection while remaining duration neutral to a pre-determined benchmark.
- **Corporate Credit**, a corporate credit strategy that seeks to efficiently identify undervalued securities within a client-driven opportunity set through robust credit underwriting and risk management.

- **Inflation Protected Bonds (TIPS)**, a strategy that seeks to generate alpha through two different levers: inflation relative value opportunities and an out-of-index yield enhancing income strategy.
- **Stable Value**, a multi-sector credit strategy that seeks to outperform the total return of the benchmark while maintaining liquidity and preserving capital.

2. GLOBAL HIGH YIELD

Barings' global high yield efforts are managed by a globally integrated investment team. Barings' strategy is to invest primarily in senior secured loans and high-yield bonds in North America and Western Europe. Barings' portfolio management strategy is based upon building diversified portfolios of issuers and industries. Barings manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. Barings bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate. Global high yield strategies include, without limitation:

- **Global Senior Secured Loan**, which invests primarily in senior secured bank loans (both U.S. dollar-denominated loans and those denominated in European currencies). This actively managed strategy is driven by fundamental credit selection and seeks to exploit relative value across geographies.
- **U.S. Senior Secured Loan**, which invests primarily in U.S. dollar-denominated senior secured bank loans. This actively managed strategy is driven by fundamental credit selection and seeks to achieve attractive risk-adjusted returns.
- **European Senior Secured Loan**, which invests primarily in senior secured bank loans denominated in European currencies. This actively managed strategy is driven by fundamental credit selection and seeks to achieve attractive risk-adjusted returns.
- **U.S. High Yield Bond**, which invests primarily in U.S. dollar-denominated high yield bonds. This actively managed strategy is driven by fundamental credit selection and seeks to achieve attractive risk-adjusted returns.
- **European High Yield Bond**, which invests primarily in high-yield bonds denominated in European currencies. This actively managed strategy is driven by fundamental credit selection and seeks to achieve attractive risk-adjusted returns.
- **Global High Yield Bond**, which invests primarily in high-yield bonds, both secured and unsecured and both U.S. dollar-denominated and those denominated in European currencies. This actively managed strategy is driven by fundamental credit selection and seeks to exploit relative value across geographies.
- **Global Senior Secured Bond**, which invests primarily in senior secured high yield bonds (both U.S. dollar-denominated and those denominated in European currencies). This actively managed strategy is driven by fundamental credit selection and seeks to exploit relative value across geographies.

- **Global High Yield Multi-Strategy**, a multi-sector strategy that invests primarily in senior secured loans, high-yield bonds, CLOs and distressed corporate debt (both U.S. dollar-denominated and those denominated in European currencies). Certain accounts may also incorporate aspects of the EM and Private Credit strategies described below. This actively managed strategy seeks to exploit relative value across geographies by targeting investments in high-conviction ideas across strategy sectors.

3. PRIVATE CREDIT

a. GLOBAL PRIVATE FINANCE

Barings' global private finance strategies are managed by teams in North America, Europe and the Asia-Pacific region. Barings' global private finance strategies include investing in private, investment grade and below-investment grade senior secured leveraged loans, unitranche, second lien loans, leases, mezzanine and equity. Barings' strategy is to target these asset classes which generally have constrained supply, are difficult for investors to access directly, and have a favorable supply/demand imbalance. Barings' investment and portfolio management approach is built on consistent fundamental credit analysis where each investment is unique and separately negotiated. Barings generally seeks to create well-diversified portfolios, thus limiting exposure to any particular company, industry or geography.

b. PRIVATE DEBT

Barings' private debt strategy is implemented globally through teams in the United States and Europe, with a focus on North America, the developed economies of the U.K. and Europe, and Australia/New Zealand. Barings' private debt strategy is focused on the tenets of risk-adjusted returns; diversification; and fundamental, bottom-up credit analysis. Investments may include secured and unsecured debt from both publicly-listed and privately-held corporations, as well as interests in structured transactions including sports deals, aviation deals, credit tenant loans, and other structured transactions across a wide variety of industries. Investments can include both senior and junior debt and investments may be rated or unrated. Infrastructure debt investments can include investments in the following sectors: transportation (e.g., airports, roads, rail and ports), public/private partnerships (e.g., hospitals, schools, etc.) and power, energy and utilities (e.g., power generation, transmission, pipelines, oil and gas). Barings' private debt strategy invests globally to seek to capture incremental spread premiums versus comparable investment grade public bonds over a broad range of industries and structures. As a long-term investor in this space, Barings' investment philosophy for the private debt strategy encompasses three important tenets: credit intensive bottom-up underwriting, covenant and legal protection, and risk-adjusted spreads versus comparable public bonds.

4. STRUCTURED CREDIT

Barings' structured credit investment strategy is managed by teams in the United States and revolves around investments in CLOs. In managing these strategies, Barings focuses on structure and transparency of risks in selecting CLOs, analyzing and assessing CLO risks with the benefit of local market expertise. Barings has developed strong relationships with CLO managers with whom Barings has gained a level of confidence in the CLO managers' abilities to

execute their respective mandates. By studying a CLO manager's style, Barings believes it can make informed investment decisions and capture relative value among CLO debt and equity tranches. When selecting an investment, three key levels of analysis are performed: (i) assessing the current and future fundamental/credit health of the underlying collateral; (ii) understanding the impact of the structural mechanics; and (iii) assessing the impact of the manager of the investment.

5. EMERGING MARKETS (EM)

Barings' EM investment strategies are managed by teams in the United States and the United Kingdom, and revolve around investments in debt securities issued in the currencies of emerging market countries, as well as debt denominated in U.S. dollar and European currencies from sovereign, quasi-sovereign agency, supranational and subnational government issuers, MBS, ABS, corporate debt securities, loan participation securities, and credit and index-linked derivatives, as well as other fixed- and floating-rate debt securities. The EM strategies can buy and sell exchange-traded and over-the-counter derivatives instruments, including bond futures, currency, interest rate, total rate of return and credit default swaps, bond and swap options, deliverable and non-deliverable currency forward contracts, exchange-traded funds or exchange-traded products that seek to track the relevant index and other derivative instruments to enhance portfolio management efficiency. These strategies can hold short positions in these instruments for hedging purposes and otherwise in pursuit of the strategies' investment goals. The EM investment strategies will include investment in both investment grade and non-investment grade debt securities. Barings' EM strategies include:

- **EM Corporate Debt**, a strategy that seeks to exploit market imperfections by seeking to identify favorable secular and cyclical credit stories, capitalizing on relative opportunities and avoiding credit events. This strategy leverages Barings' disciplined bottom-up approach to credit underwriting and structured evaluation of security selection opportunities to identify and act on inefficiencies as they are presented in the market. Barings' sovereign debt team provides macroeconomic and sovereign insights to compliment the bottom-up approach to credit underwriting.
- **EM Sovereign Currency**, a sovereign hard currency strategy that seeks to achieve maximum total return consistent with preservation of capital and prudent investment management by investing primarily in a diversified portfolio of hard currency bonds issued by emerging markets sovereigns. This strategy's investment philosophy is to identify favorable secular and cyclical credit stories, capitalize on relative value opportunities and market volatility, and avoid credit events. Barings' emerging markets sovereign investment team analyzes each country and combines the country analysis with peer group analysis and cross-country quantitative modeling to form high convictions on investments. The investment process also involves monitoring of sovereign credit developments that allow the investment team to spot and seek to take advantage of opportunities.
- **EM Local Debt**, a local debt strategy that focuses on the economic cycle of the specific country rather than the creditworthiness. In selecting an investment, Barings uses

proprietary models to analyze and forecast, country by country, gross domestic product growth, inflation, policy rates, and exchange rates. The model output is paired with an investable security universe and then analyzed by the portfolio management team to build a portfolio.

- **EM Debt Blended Total Return**, a strategy that seeks maximum total return, consistent with preservation of capital; generation of current income generation; and, where appropriate, capital appreciation. This strategy leverages Barings' EM corporate debt's disciplined bottom-up approach to credit underwriting, Barings' EM sovereign debt's bottom-up fundamental research on emerging market sovereign countries, and Barings' EM local debt strategy which focuses on the economic lifecycle of the specific country rather than the creditworthiness. In addition, this strategy uses quantitative models to analyze trends and forecast, country by country, gross domestic product, growth inflation policy rates, and exchange rates.
- **EM Debt Short Duration**, a strategy that seeks maximum total return, consistent with preservation of capital, generation of current income, and, where appropriate, capital appreciation. This strategy leverages Barings' disciplined bottom-up approach to credit underwriting and structured evaluation of security selection opportunities to identify and act on inefficiencies as they are presented in the market. Barings' sovereign debt team provides macroeconomic and sovereign insight to compliment the bottom-up approach to credit underwriting and investment selection.

B. PUBLIC EQUITIES

Barings' public equity team, located in the United States and Hong Kong, manages a diverse array of strategies designed to fulfill a variety of investment needs. The common thread in Barings' public equity strategies is an investment process where risk and portfolio constraints are integrated. At a basic level, Barings' process is rooted in the assessment of cash flows, growth, yield, capital use, and valuation. Barings analyzes numerous companies and manages portfolios with disparate investment strategies as it has systematic processes to measure selected inputs on a historical, sector, and universal basis. Investments include public equity securities and equity-related securities of issuers of all sizes, including common stock, preferred stock, securities convertible into common or preferred stock, stock rights, warrants, exchange-traded funds, ADRs, and securities of foreign issuers that trade on domestic exchanges or in the over-the-counter market.

C. ALTERNATIVE INVESTMENTS

1. REAL ESTATE

Barings offers a broad spectrum of strategies across private and public real estate debt and equity. Research and strategy groups at Barings lead a collaborative process to synthesize a company-wide forward-looking view of economies, real estate fundamentals and capital market dynamics. This "House View" feeds into the estimation of investment returns across metropolitan areas and property sectors - the Barings' Real Estate "Relative Value" metric - that help to inform

and guide investment strategy as a function of client goals, objectives and constraints. Barings' real estate equity strategy revolves around the premise that real estate is cyclical in nature, and, as a result, different property types and economic regions respond independently to market dynamics. Barings invests across all property sectors, including office, multifamily, retail, industrial, and hotel, as well as other specialized properties such as self-storage, senior housing, student housing, parking, and medical office buildings.

a. PRIVATE REAL ESTATE DEBT

Barings' private real estate debt strategy, managed by teams located in the United States and the United Kingdom, leverages Barings' direct origination capabilities and credit expertise to invest in loans secured by institutional-quality commercial real estate in highly desirable locations in the U.S. and Europe. Barings' full spectrum of real estate lending capabilities enhances its market presence, generating opportunities across various sectors, styles, and the capital stack. This gives Barings a unique ability to assess relative value globally across the real estate spectrum. Barings' private real estate debt strategies include:

- **Core Debt**, a strategy that invests primarily in commercial mortgage loans secured by assets with stable, contracted or regulated cash flows through a long-term hold period that Barings believes present an investment grade-equivalent risk and return profile.
- **Structured Real Estate Investments**, a strategy that invests primarily in commercial mortgage loans secured by assets undergoing some degree of cash flow disruption, potentially including complete cash flow disruption, that will require execution of a business plan to achieve stabilization and that Barings believes present a high yield equivalent risk and return profile.

b. PUBLIC REAL ESTATE DEBT SECURITIES

Barings' real estate debt strategy has a fundamental value orientation wherein it seeks to determine where value exists within and between markets, based on bottom-up analysis of individual investments and how they compare to alternatives in a risk/reward framework. Investments in this strategy include, CMBS, RMBS, CLOs, and CMOs, among others. Barings seeks to capitalize on market inefficiencies that can affect individual investments, and attempts to capture incremental return advantages to provide more consistent long-term investment results. Barings' debt business is supported by various regional and international offices.

c. PRIVATE REAL ESTATE EQUITY

Barings' real estate private equity strategy is a value-based approach centered on purchases of real estate that, in Barings' view, offer an opportunity to out-perform by analyzing investment fundamentals and using a focused strategy supported by research and hands-on market knowledge. Barings' regional office property teams, located across the United States and Europe, work closely with select local property management and leasing companies to manage properties effectively.

d. PUBLIC REAL ESTATE EQUITY SECURITIES

Barings' public real estate equity strategies are based on the philosophy that global real estate equity securities reflect both the fundamentals of real estate markets and the impact of broader capital market trends and sentiments. These strategies seek to invest in equity securities representing ownership interests in quality real estate that have the potential to generate attractive long-term earnings and value growth. The strategies can be customized to focus on income, growth, or both.

1. **GLOBAL REAL ESTATE SECURITIES**, a global strategy offering broad diversification opportunities or the ability to augment an existing investment program with targeted regional or country exposure. The strategy can focus on income generation by investing primarily in real estate investment trusts ("REITs") and listed Real Estate Operating Companies ("REOCs") that develop real estate globally and provide access to growing economies.
2. **U.S. REIT SECURITIES**, a U.S.-focused strategy that offers potential diversification opportunities via exposure to specific property types and markets across the country, through investment in U.S. REITs. Barings offers both a U.S. Equity REIT Strategy, focused on traditional property sectors, and equity REITs, as well as a U.S. All REIT Strategy, which invests in the finance and non-traditional property sectors.
3. **EUROPE REAL ESTATE SECURITIES**, a European regional strategy providing exposure to a number of diverse real estate markets, economies and property types through investment in public real estate equity securities.
4. **ASIA-PACIFIC REAL ESTATE SECURITIES**, an Asia-Pacific regional strategy focused on public real estate equity securities listed in Australia and Japan, as well as in Hong Kong and Singapore, where companies have exposure to China and other emerging economies.

2. PRIVATE EQUITY & REAL ASSETS

Barings' private equity and real assets strategy focuses on real asset and asset-based investments across different sectors including, among others, infrastructure, intangible assets, and natural resources. This strategy seeks to deliver attractive risk-adjusted returns by using a top-down macroeconomic analysis. Barings uses fundamental research and analysis, market mapping, and selective sourcing to proactively manage each portfolio. Barings' private equity and real assets strategy is managed by teams across the United States.

3. FUNDS & CO-INVESTMENTS

Barings' funds and co-investments strategy provides customized investment programs and offers strategic advice to help investors reach their goals and objectives across segments of the private

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market. The strategy makes minority investments in unaffiliated, third-party Underlying Funds, as well as related equity co-investments and transactions in the secondary market. Specific segments of the market where Barings invests include buyouts, growth equity, venture capital, natural resources, infrastructure, and real estate. This strategy seeks to deliver attractive risk-adjusted returns by using a top-down macroeconomic analysis and a bottom-up investment specific analysis. Barings uses fundamental research and analysis, market mapping, sourcing, and access to proactively manage each portfolio. Barings' funds and co-investments strategy is managed by teams across the United States and the United Kingdom.

D. OTHER

While each strategy described above in "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss - Investment Strategies*" includes a general list of the primary types of investments made for that strategy, these are not exclusive lists. Barings can invest in any security or financial instrument consistent with a client's investment policies and restrictions. Examples of the other types of securities or instruments in which Barings invests include, without limitation, the following: senior secured loans; ABS; MBS; CMBS; collateralized debt obligations ("CDOs"); equity in CDO funds; emerging market debt instruments; fixed income instruments; international (non-U.S.) government, agency or corporate securities; money market instruments; derivatives such as options, caps/floors, interest rate swaps, other swap types (e.g., credit default and total return swaps); futures; private placements; private equity; preferred equity; mezzanine; convertible securities; real assets (e.g., intellectual property rights, timber rights and rail cars) and repurchase agreements.

III. MATERIAL RISKS

The risks for each client's account will vary based on the particular strategy and investments made for each portfolio within the client's account (each a "client portfolio"). There can be no assurance that client portfolios will meet their respective investment objectives, or that investments will not lose money, as all investments involve the risk of loss, including the potential loss of the entire investment.

The risks set forth below are a summary of the principal risks that pertain to Barings' significant investment strategies described above in "*Item – 8.II - Methods of Analysis, Investment Strategies and Risk of Loss – Investment Strategies.*" The realization of any of these risks, in part or in whole, can have an adverse effect on the value of a client's portfolio. Although certain of the risks below have been grouped into general categories, it is possible that risks within a particular category will apply to investments in other categories. To the extent applicable, clients should also review any prospectuses, offering materials or other supplemental risk disclosures provided to them for additional information relating to the risks associated with their accounts. Please refer to "*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Potential Conflicts of Interest with Clients*" for additional risks associated with certain conflicts of interest faced by Barings.

A. GENERAL RISK FACTORS

General Investing Risk. Prices of securities in which a client's portfolio invests may fluctuate in response to many factors, including, but not limited to, the activities of the individual companies whose securities the portfolio owns, general market and economic conditions, interest rate changes, and industry-specific changes. Such price fluctuations subject a portfolio to potential losses. In addition, regardless of any one company's particular prospects, a declining securities market may produce a decline in prices for all securities in the market. Market declines may continue for an indefinite period of time, and clients should understand that during temporary or extended securities market declines, the value of all types of securities in the market are likely to decline.

Concentration Risk. Generally, concentrated portfolios experience greater volatility than more diversified investment portfolios. Investments may be concentrated in a number of ways. For example, a client portfolio's investments may be concentrated in a single issuer or a small number of securities; a single country or geographical region; a single sector, a single industry or a small number of industries; a single asset class or a small number of asset classes. By concentrating a client's portfolio in any of the foregoing, the portfolio is subject to the risk that market, economic, political, regulatory, environmental, or other conditions that have a negative effect on the issuer, securities, country or geographical region, sector, industry or industries, or asset class(s) will negatively impact the value of the portfolio to a greater extent than if the portfolio's assets were invested in a larger number or variety of issuers, securities, countries, geographical regions, sectors, industries, or asset types.

Conflicts of Interest. In certain circumstances, Barings and its investment professionals have direct and indirect interests in securities and issuers in which a client portfolio may invest and may engage in activities or dealings that can affect a client's investments. The interests of Barings and its investment professionals can conflict with, or have the potential to conflict with, the interests of Barings' clients. A description of certain actual and potential conflicts of interest that Barings has is set forth under "*Item 10 - Other Financial Industry Activities and Affiliations*" and "*Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.*"

Counterparty Risk. Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. If a counterparty fails to perform, experiences a decline in financial condition or creditworthiness, or files for bankruptcy, a client's portfolio may not receive payments owed under the contract or may experience significant delays in obtaining any payments or other recovery, and the value of agreements with such counterparty can be expected to decline, potentially resulting in material losses to the portfolio. Further, in the event of any such default or bankruptcy, a portfolio may only have the rights of a general creditor. In addition, the institutions, including brokerage firms and banks, with which a client portfolio trades or invests may encounter financial difficulties that impair the operational capabilities or the capital position of the client portfolio. In certain derivative transactions, securities pledged as collateral with a broker may be available to the creditors of such broker in the event of such broker's insolvency. In certain circumstances, a broker also may liquidate the assets held as collateral by such broker. There can be no assurance that a counterparty will not default and that a client portfolio will not sustain a loss on a transaction as a result.

Credit Risk. Credit risk is the risk that an obligor on a loan or the issuer of a debt security is or will become unable or unwilling to make timely payments of principal and/or interest or is otherwise unable or unwilling to honor its financial obligations. If the issuer, guarantor, or counterparty fails to pay interest or to repay principal, income from the investment will be reduced. Further, the value of an investment will suffer because investors believe the obligor or issuer is less able to pay.

Currency Risk. Certain of Barings' strategies will involve currency exposure to one or more currencies on an opportunistic basis. Currency exposure to both emerging markets and developed countries, including cross-currency positions, may be taken. Currency hedging activities and active currency positions can utilize spot and forward foreign currency exchange contracts and currency futures, options and swaps. Currency rates in non-U.S. countries may fluctuate significantly over short periods of time for a number of reasons, including, without limitation, changes in interest rates and the imposition of currency controls or other political, economic, and tax developments in the U.S. or abroad. Fluctuations in currency values may adversely affect the relevant base currency value of an investment, interest, dividends, and other revenue streams, and gains and losses realized on the sale of an investment. To the extent debt investments are in a currency other than the native currency of the users of the asset or the payors on contracted assets, such investments will be exposed to risks associated with the ability of revenue counterparties to source the required currency to support the investments. In addition, clients will incur costs in converting investment proceeds from one currency to another.

Cybersecurity Risk. With the increased use of internet-based technologies, including cloud-based and mobile technologies, to conduct business, Barings and its client accounts are susceptible to operational, information security, and related risks through breaches in cybersecurity. Cybersecurity breaches include, but are not limited to, cyber-attacks to gain unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Barings and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of investors to transact business or access account information, interruptions in communication between Barings and its clients, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a client account is invested, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties. The cost of efforts to prevent cybersecurity breaches and the costs of remediation efforts in the event such a breach occurs may be substantial. While Barings and most service providers have established business continuity plans in the event of, and risk management systems designed to prevent, such cyber incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been adequately identified or prepared for. Furthermore, Barings cannot

control the cyber security plans and systems put in place by many service providers or any other third parties whose operations can affect the strategies. Successful cybersecurity breaches of Barings and/or the third parties through and with which Barings conducts business may adversely impact Barings' operations and ability to manage client accounts, resulting in losses in client portfolios.

Derivatives Risk. Derivatives are financial instruments whose value depends on, or is subject to the changes in the value of, the underlying assets, reference rates, or indices on which such instruments are based. An investment in derivatives could cause a portfolio's investment exposure to exceed the value of its portfolio securities and its investment performance could be affected by securities it does not own. Derivative instruments can be traded over-the-counter or on exchanges, and can be used for hedging, risk management, or speculative purposes. Such derivatives can consist of, among other things, options on futures contracts, indexes or components of an index, interest rate or other futures contracts, and swap agreements (consisting of total return swaps, credit default swaps, index swaps or swaps on an index and foreign currency forward contracts and futures), as well as structured products or credit-linked notes. Derivatives are subject to a number of risks, including, without limitation, liquidity risk, counterparty risk, interest rate risk, credit risk, management risk and volatility risk. Certain of these risks, including counterparty risk and liquidity risk, are further heightened for derivatives that are traded over-the-counter. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivatives may not correlate perfectly with an underlying asset, interest rate or index. Suitable derivative investments may not be available in all circumstances and there can be no assurance that derivative investments will have their intended effect. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices, and thus losses in a client's portfolio may be greater if it invests in derivatives than if it invests only in conventional securities. In addition, many jurisdictions continue to review and amend practices and regulations relating to the use of derivatives, or similar instruments. This could make such instruments more costly, limiting the availability of, or otherwise adversely affecting the value or performance of the instruments.

Economic Risk. Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of issuers in which a client portfolio invests, thereby resulting in declines in the value of the issuers' securities held by a client's portfolio.

Emerging Markets Risk. There are greater risks involved in investing in emerging markets than in developed foreign markets. Investing in emerging markets involves exposure to many risks, including, without limitation, risk associated with potentially unstable governments, the risk of nationalization of business, restrictions on foreign ownership, prohibitions on repatriation of assets, and a system of laws that may offer less protection of property rights. In addition, the economic structures in emerging markets are less diverse and less mature than those in developed countries. Economies in emerging markets may be based on only a few industries, be vulnerable to changes in local and global trade conditions, and suffer from extreme and volatile debt burdens or inflation rates. Information about emerging market issuers is not always readily available and reporting and disclosure requirements can be less sophisticated than in developed markets. Furthermore, the securities markets in emerging markets are substantially smaller, less

liquid, and more volatile than the major securities markets in the United States and other developed countries. Further, a high proportion of the shares of many issuers in emerging markets may be held by a limited number of persons and financial institutions, which may limit the number of shares available for investment, and a limited number of issuers in emerging markets may represent a disproportionately large percentage of market capitalization and trading value. Such concentration and volatility make securities in emerging markets sensitive to changes in those industries or the economy which may negatively impact the value of an investment in the emerging market. The limited liquidity of securities in emerging markets may affect the ability to acquire or dispose of securities at a favorable price.

Environmental, Social and Governance (ESG) Impact Considerations. Barings may, in its discretion, take into account ESG considerations and political, media, and reputational considerations relating thereto. As a result, in certain circumstances Barings may not make or not recommend the making of investments when it would otherwise have done so, which could adversely affect the performance of a client's portfolio. On the other hand, Barings may determine not to take such considerations into account. The extent to which Barings takes ESG considerations into account will vary from client portfolio to client portfolio, based on, among other things, the client portfolio's investment objective, investment strategies and investment restrictions. Barings' determinations whether to take such considerations into account may have an adverse effect on a client's portfolio.

Illiquid Investments Risk. A client's portfolio may be invested in securities and other financial instruments or obligations for which a limited market or no established market exists and/or which are restricted as to their transferability under federal or state securities laws or by contract. The lack of an established, liquid secondary market or the existence of a limited market makes such investments difficult to value, and restricts the ability to sell or dispose of these investments in a timely manner. As a result, the sale of illiquid investments may be subject to delays and additional costs, and may be possible only at substantial discounts.

Infrastructure Risk. Infrastructure assets and infrastructure-related investments are subject to a variety of risks, not all of which can be foreseen or quantified, including: (i) the burdens of ownership of infrastructure; (ii) local, national and international political and economic conditions; (iii) the supply and demand for services from, and access to, infrastructure; (iv) the financial condition of users and suppliers of infrastructure assets; (v) changes in interest rates and the availability of funds which may render the purchase, sale, or refinancing of infrastructure assets difficult or impracticable; (vi) changes in regulations, planning laws, and other governmental rules; (vii) changes in fiscal and monetary policies; (viii) under-insured or uninsurable losses, such as force majeure acts and terrorist events; and (ix) other factors which are beyond the reasonable control of Barings. Many of the foregoing factors could cause fluctuations in usage, expenses and revenues, causing the value of the investment to decline. In particular, volume-based infrastructure assets, such as toll roads, maritime ports, and real estate operating companies, can see their revenue and ability to service debt instruments affected by an economic downturn that can lead to less use of the infrastructure asset and a correlated decline in revenues.

Interest Rate Risk. Interest rates may fluctuate significantly at any time and from time to time. A wide variety of market factors can cause interest rates to rise, including central bank monetary policy, rising inflation, and changes in general economic conditions. Interest rate changes can

affect the value of a debt security or loan indirectly (especially in the case of fixed-rate obligations) or directly (especially in the case of securities or loans where rates are adjustable). In general, rising interest rates will negatively impact the value of a fixed-rate debt security or loan and falling interest rates will have a positive effect on value. Adjustable rate securities or loans also react to interest rate changes in a similar manner although generally to a lesser degree (depending on the characteristics of the note or reset terms, including the index chosen, frequency of reset and reset cap and floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in securities with uncertain payment or prepayment schedules. Similarly, equity real estate financed with variable-rate financing can experience stress on operating income in a rising-rate environment. Further, securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. In addition, increases in interest rates typically lower the present value of a company's future earnings stream. Since the market price of a stock changes continuously based upon investors' collective perceptions of future earnings, stock prices will generally decline when investors anticipate or experience rising interest rates.

Issuer Risk. A client portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. The value of a security may increase or decrease for a number of reasons which directly relate to the issuer, including, without limitation, management performance, financial condition, and reduced demand for the issuer's goods or services, or to the industry in which the issuer operates.

Large Capitalization Companies Risk. Investments in large capitalization companies may go in and out of favor based on market and economic conditions. Generally, large capitalization companies are more mature and may be unable to respond as quickly to new competitive challenges or to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion. Due to these factors and others, returns on investments in stocks of large capitalization companies may be less than the returns on investments in stocks of small and mid-sized capitalization companies or other asset classes.

Leverage Risk. Depending on market conditions, investments can be leveraged to enhance returns. Leverage creates exposure to potential gains and losses in excess of the initial amount invested. Leverage can take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged including, but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements, reverse repurchase agreements and forward purchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged, such as credit-linked notes and structured products. Additionally, investments can be pledged in order to borrow additional funds for investment purposes. While the use of leverage presents opportunities for increasing the total return of investments, it has the effect of potentially increasing losses as well. Relatively small market movements may result in large changes in the value of a leveraged investment and the use of leverage by a portfolio can substantially increase the volatility and result in greater declines of a portfolio's value. Any event which adversely affects the value of an investment would be magnified to the extent it is leveraged.

Limited Operating Histories. Investments in less established companies may involve greater risks than are generally associated with investments in more established companies. Generally, less established companies have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. The success of less established companies is subject to numerous factors including, without limitation, the availability of financing, the rapid pace of technological change, market shifts (including the entry of competitors with greater resources or development of competing products, or other changes in the demand for products and services), the company's ability to develop and protect intellectual property, changes in relevant governmental regulations and changes in the economy generally. Consequently, investments in less established companies are highly speculative and may experience significant losses.

Long-Term Purchase Risk. Certain investment strategies purchase securities with the intention of holding them for a year or longer. A security can be held long-term because it is believed the security is currently undervalued or because it allows exposure to a particular sector over time, regardless of the current projection for this sector. However, by employing a long-term purchase strategy, short-term gains on a security that could be profitable to a client portfolio may not be taken and in the long-term the investment thesis may not hold resulting in a loss.

Management of Discretionary and Non-Discretionary Accounts. Barings is able to implement recommendations for discretionary accounts more quickly than Barings can implement recommendations for non-discretionary advisory clients due to Barings' need to obtain approval for implementation of recommendations for non-discretionary accounts, or because the clients with non-discretionary accounts implement approved recommendations themselves. The foregoing delays could cause significant differences in the performance between non-discretionary and discretionary advisory accounts with the same or similar investment objectives.

Management Risk. Discretionary clients must rely on the judgment, ability, and investment style of Barings with respect to the selection of investments in which their portfolios will be invested and generally will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments made for their portfolios. Particular strategies and investment styles may fall in and out of favor in the then-current market environment of the different markets in which Barings chooses to invest. It has been demonstrated that investment styles play a significant role in returns. A strategy may fail to produce the intended results, and there is a risk that the entire amount invested in a client portfolio may be lost. There is no guarantee that the investment objective of the client portfolio will actually be achieved and investment results of the client portfolio may vary substantially over time.

Market Risk. The value of debt securities, equity securities, and other instruments may be adversely affected by factors affecting securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for corporate earnings, interest rate or current rate movements, or adverse investor sentiment generally, or volatility in commodity or security prices. In addition, regardless of any one company's particular prospects, a declining securities market may produce a decline in prices for all securities in the market. Market declines may continue for an indefinite period of time, and clients should understand that during temporary or extended securities market declines, the value of all types of securities in the market can decline. Failure of a marketplace to function

properly for any reason, including, without limitation, outside events affecting the marketplace or market participants, may adversely affect a client's portfolio.


Non-U.S. Instruments Risk. Investments in non-U.S. instruments present certain risks not ordinarily associated with investments in U.S. instruments. These risks include political, economic, or legal developments (including war or other instability, expropriation of assets, limitations on the removal of funds or other assets, nationalization, and confiscatory taxation); withholding taxes; delays in making trades relating to volume constraints, limitations or restrictions, clearance or settlement procedures or otherwise, higher transaction costs (including higher brokerage, custodial and settlement costs); and possible difficulty in enforcing contractual obligations or taking judicial action. Often there is less publicly available information about many non-U.S. issuers, and issuers of non-U.S. instruments are subject to different, often less comprehensive, auditing, accounting, financial reporting, and disclosure requirements than U.S. issuers and such issuers are generally subject to less government regulation than in the United States. Also, non-U.S. instruments may not be as liquid and may be more volatile than comparable domestic securities. All of these factors can make investments in non-U.S. instruments more volatile and potentially less liquid than U.S. instruments, which can negatively affect the ability to dispose of such instruments and the value of a client's portfolio.

Operational Risk. A client's portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. For example, any errors, omissions, systems breakdown, natural disasters, or fraudulent activity could limit or adversely affect Barings' ability to effectively manage and service client portfolios. Operational risks are heightened for certain complex instruments, including without limitation, derivative instruments traded over-the-counter.

Political and/or Regulatory Risk. The value of securities can be affected by uncertainties, such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations, and other developments in the laws and regulations of the countries in which the issuers or securities are exposed. Please refer to the Legal, Tax, and Regulatory Risks below for more information.

Private Investment Risk. Certain client portfolios invest in private investments, which may include debt or equity investments in companies, investment funds, joint ventures, royalty streams, commodities, real assets, and other similar types of investments that are illiquid, long term investments. The ability to transfer and/or dispose of private investments is typically restricted and private investments are subject to a number of risks including, without limitation, risk associated with illiquid investments, risks associated with restricted securities, and valuation risks. Barings may not be able to obtain material information about a private investment that other investors obtain. Private investments are not subject to the same reporting and disclosure requirements as public companies, these information limitations paired with the lack of a liquid market increase the valuation risk associated with those investments.

Recent Environmental Risk. First detected in Wuhan City, Hubei Province, China, during the fourth quarter of 2019, an outbreak of a respiratory disease caused by a novel coronavirus (sometimes referred to as the "coronavirus" and abbreviated as "COVID-19"), was detected internationally at the beginning of 2020 and has resulted in closing borders, quarantines, cancellations, disruptions to



supply chains and customer activity, as well as general concern and uncertainty. The impact of COVID-19, and other epidemics and pandemics that may arise in the future, has impacted and is likely to continue to impact the economies of many nations, individual companies and the markets in general in ways that cannot be foreseen at the present time. Such health crises could also exacerbate other political, social, and economic risks.

Restricted Securities Risk. Restricted securities are securities that cannot be sold to the public without an effective registration statement under the Securities Act of 1933, as amended, or, if they are unregistered, can be sold only in a privately negotiated transaction or pursuant to an exemption from registration. These restrictions could prevent prompt liquidations of unfavorable positions and result in substantial losses to a client's portfolio. Further, the sale of restricted securities often requires more time and results in higher broker or dealer charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or traded in the over-the-counter markets. When registration is required to sell a security, a client portfolio invested in such security may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the portfolio may be permitted to sell the security under an effective registration statement. If adverse market conditions develop during this period, such securities are likely to decrease in value before the sell recommendation can be implemented.

Short-Term Purchase Risk. Certain investment strategies purchase securities with the intent to sell them within a relatively short period of time (typically a year or less). Short-term purchasing is done in an attempt to take advantage of conditions that may soon result in a favorable price swing in the securities purchased. A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, the portfolio can be left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Small-Cap and Mid-Cap Companies Risk. Investments in small-cap and mid-cap companies generally involve greater risks than customarily associated with investments in larger or more established companies. Smaller capitalization companies generally are not as well known to the investing public and have less of an investor following than larger capitalization companies. Consequently, smaller capitalization companies are frequently overlooked by investors or are undervalued in relation to their earnings power. These relative inefficiencies in the marketplace can provide greater opportunities for long-term capital growth. Historically, however, such securities have been more volatile in price than those of larger capitalized, more established companies. The securities of smaller capitalization companies and recently organized companies pose greater investment risks because such companies tend to have narrower markets and limited product lines, distribution channels and financing, and managerial resources. Further, there is often less publicly available information concerning such companies than for larger and/or more established businesses. These securities are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, it may be necessary to dispose of such securities or cover a short position over a longer (and potentially less favorable) period of time than is necessary to dispose of or cover a short position with respect to the securities of larger or more established companies. Investments

in smaller capitalization companies can also be more difficult to value than other types of securities because of the foregoing considerations. Investments in companies with limited operating histories are more speculative and entail greater risk than investments in companies with an established operating record. Additionally, transaction costs for these types of investment are often higher than those of larger capitalization companies.

Third-Party Information Risk. Barings uses external data sources to assist in making investment decisions or for investment research and relies on the assumption that the issuers of the securities in which it invests, the rating agencies that review these securities, and other publicly-available sources of information about these investments, are providing accurate and unbiased data. Although Barings believes these third-party data sources to be generally reliable and is alert for indications that the data may be incorrect, there is always a risk that its analysis can be compromised by inaccurate or misleading information.

Valuation Risk. A client may be invested in real assets, securities and other assets that are illiquid or thinly traded, or that are otherwise difficult to value accurately. Barings may utilize third parties or research and other information from third parties in determining the value of such assets. In some cases, valuation of certain investments will be based upon models, indicative quotes or estimates of value and not actual executed historical trades. Valuations of illiquid or thinly traded assets are based upon assumptions and estimates that are subject to error and may be adjusted. Any adjustment to the value of such assets may result in an adjustment to the value of a client's portfolio. Further, there can be no assurances that illiquid investments can be disposed of or liquidated at the valuations assigned by Barings.

Volatility Risk. The prices of securities, and as a result the overall value of a client's portfolio, can be volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Such price movements will affect the value and performance of a client's portfolio.

Non-Securities Investments Risk. While Barings focuses its investment management services on investments in securities, Barings may also invest client portfolios in non-securities investments, such as real estate, real assets, loans, royalty streams, and commodities, among others, to the extent consistent with a client portfolio's investment objectives, strategies and restrictions. These investments are generally subject to the risk factors listed herein, as applied to the respective asset class.

B. RISK FACTORS RELATED TO FIXED INCOME

Convertible Securities Risk. The value of convertible securities may fluctuate in response to many factors, including, but not limited to, the activities of the issuer, general market and economic conditions, interest rates, and industry-specific changes. Generally, when the market price of the instrument underlying the convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying instrument. As the value of the

underlying instrument changes, the convertible security's value tends to mirror that change but to a lesser extent. Convertible securities also may be subject to transfer restrictions and be illiquid.

Credit Ratings Risk. Credit ratings are assigned to securities by a rating agency's assessment of the issuer's financial strength. Generally, the lower the quality rating, the greater the risk that the issuer will fail to pay interest and return principal. Barings may, but is not required to, use credit ratings to evaluate investments. The use of credit ratings in evaluating debt instruments can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings are only an agency's opinion, not an absolute standard of quality, and they do not reflect an evaluation of market risk or fully reflect the true risks of an investment. Changes to an issuer's credit rating may affect the value of the issuer's debt securities.

Debt Securities Risk. The values of debt securities change in response to, among other things, interest rate changes. In general, as interest rates rise, the value of a debt security is likely to fall. This risk is generally greater for obligations with longer maturities or for debt securities that do not pay current interest (such as zero-coupon securities). Debt securities may pay fixed, variable, or floating rates of interest. Debt securities with floating interest rates can be less sensitive to interest rate changes, although, to the extent a client portfolio's income is based on short-term interest rates that fluctuate over short periods of time, income received by the portfolio will generally decrease as a result of a decline in interest rates. The value of a debt security also depends on the issuer's credit quality or ability to pay principal and interest when due and can change due to market perception of the creditworthiness of the issuer or the issuer's guarantor, changes in market, economic, industry, political, and regulatory conditions that affect a particular type of debt security or issuer or debt securities generally. Such decline will adversely affect a client's portfolio and impair the liquidity of such security.

High Yield Securities Risk. Investments in securities rated lower than Baa by Moody's, BBB- by S&P or Fitch, or the equivalent rating of another nationally recognized statistical rating organization ("NRSRO") or unrated but judged by Barings to be of comparable quality, are considered below investment grade. Below investment grade securities are commonly known as "high yield" or "junk bonds." Securities which are in the lower-grade categories generally offer a higher current yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns. These investments are generally considered speculative based on the issuer's capacity or incapacity to pay interest and repay principal. High yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. The prices of high yield securities have in the past been found to be less sensitive to interest-rate changes than higher-rated investments, but more sensitive to adverse economic downturns or individual corporate developments. Further, the markets for high yield securities may be less liquid than the markets for investment grade securities which may make it more difficult to dispose of any high yield securities. In addition, a lack of reliable, objective data or market quotations makes it more difficult to value high yield securities and adverse publicity and investor perceptions about high yield securities, whether or not based on fundamental analysis, could contribute to a decrease in the value and liquidity of such lower-rated securities.

Inflation Protected Securities Risk. The value of inflation protected securities generally fluctuates in response to changes in real interest rates, which are in turn tied to the relationship between nominal interest rates and the rate of inflation. If nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in the value of inflation protected securities. The market for inflation protected securities may be less developed or liquid, and more volatile, than certain other securities markets. Further, there can be no assurance the various consumer price indices used in connection with inflation protected securities will accurately measure the real rate of inflation in the prices of goods and services, which may affect the value of inflation protected securities.

Loan Risk. Loan agreements (including loans originated for Barings clients and syndicated loans in which Barings clients participate) are privately negotiated with customized terms, and therefore are generally illiquid with limited secondary market potential. Accordingly, private loans are generally held for the long-term and, like all debt instruments, are also subject to debt risks generally (e.g., interest rate risk, credit risk, prepayment risk, etc.). In addition, loans are subject to the risk and potential costs of foreclosure. Therefore, the value of underlying collateral, the creditworthiness of borrowers and/or their guarantors and the priority of liens are each of great importance in determining the value of a loan. In the event of foreclosure, no guarantee can be made regarding the adequacy of the protection of the security for a loan.

Loan Participations Risk. Holders of participation interests ("participations") are subject to additional risks not applicable to a holder of a direct interest in a loan. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the lender, not with the borrower. A holder of a participation interest generally will have no right to enforce compliance by the obligor with the terms of the instrument evidencing such loan obligation, nor any rights of set-off against the obligor. A participation holder must rely on the seller of the participation interest not only for the enforcement of its rights against the borrower, but also for the receipt and processing of principal, interest, or other payments due under the loan. As a result, the holder will assume the credit risk of both the obligor and the seller, which will remain the legal owner of record of the applicable loan. In addition, the seller may have interests different from those of the holder, and the seller might not consider the interests of the holder when taking actions with respect to the loan underlying the participation. This may subject an investor to greater delays, expenses, and risks than if it could enforce its rights directly against the borrower. Participations are typically sold strictly without recourse to the seller thereof, and the seller will generally make no representations or warranties about the underlying loan, the borrowers, and the documentation of the loans or any collateral securing the loans.

Mezzanine Debt Risk. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees, and is subject to the additional risk that the cash flow of the borrower may be insufficient to make the scheduled payments after giving effect to the senior loan(s). Further, holders of mezzanine debt have less influence on the company's affairs than that of senior creditors. Mezzanine debt is generally subject to various risks including, without limitation: (i) a subsequent characterization of an investment as a "fraudulent conveyance"; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims by the issuer of the obligations; and (v) environmental liabilities that may arise with respect to any collateral securing the obligations.

Mortgage-Backed and Asset-Backed Securities Risk. ABS, MBS, and other mortgage-related securities, including certain municipal housing authority obligations, are subject to risks from factors affecting the housing market and other assets underlying the securities (e.g., credit card receivables, automobile loans, etc.). As a result, during periods of declining asset values, difficult or frozen credit markets, significant changes in interest rates, or deteriorating economic conditions, the value of these securities may decline and become illiquid. These securities are also subject to prepayment and call risk. When mortgages and other obligations are prepaid and when securities are called, investors may have to reinvest in securities with a lower yield or fail to recover additional amounts (i.e., premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss and/or a decrease in the amount of dividends and yield. In periods of rising interest rates, these investments may be subject to extension risk which is the risk that the expected maturity of an obligation will lengthen in duration due to a decrease in prepayments. MBS offered by non-governmental issuers are subject to other risks as well including, without limitation, failures of private insurers to meet their obligations and unexpectedly high rates of default on the mortgages backing the securities. ABS are subject to risks similar to those associated with MBS, as well as risks associated with the nature and servicing of the assets backing the securities. ABS may not have the benefit of a security interest in collateral comparable to that of mortgage assets, resulting in additional credit risk. Investments in subordinated MBS and ABS involve greater risk of default than other securities. Default risks can be further pronounced in the case of MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities ("first loss securities") absorb all losses from default before any other class of securities is at risk. First loss securities generally are exposed to greater risk of loss if such securities have been issued with little to no credit enhancement or equity. In the recent past, mortgage loan originators and servicers have experienced serious financial difficulties and, in some cases, bankruptcy. Such financial difficulties can have a negative effect on the ability of the servicer to pursue collection on mortgage loans that are experiencing increased delinquencies and defaults, and to maximize recoveries on the sale of underlying mortgage loans. The inability of the originator to repurchase mortgage loans in the event of early payment defaults and loan representation breaches can also affect the performance of MBS. These difficulties can adversely affect the performance and market value of MBS.

Prepayment Risk. Loans may be prepayable in whole or in part at pre-agreed times. The frequency at which prepayments occur are affected by a variety of factors including, without limitation, interest rates, spreads, economic, demographic, tax, social, legal, and other factors. Generally, prepayments occur on fixed rate obligations when prevailing interest rates fall below coupon rates and on floating rate obligations when spreads narrow. In the event that loans are prepaid in whole or in part, investment returns may be adversely affected if the proceeds are reinvested at lower prevailing interest rates.

Second-Lien Loans Risk. Second lien loans are generally subject to the same risks associated with loans as described above. However, a second-lien loan is subordinate in right of collateral and/or payment to one or more senior secured first-lien loans, so it is subject to the additional risk that the cash flow of the borrower and the collateral securing the second lien loan may be insufficient to make the scheduled payments after giving effect to the senior secured first lien loan(s). This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Second-lien loans generally have greater

price volatility than senior loans and may be less liquid. The subordination of second-lien loans also makes them more illiquid investments than senior secured first-lien loans.

Secured Loans Risk. There can be no assurance that any collateral securing payment of a loan will have or maintain any particular value. In the event of default of a borrower in a secured loan arrangement, the source of repayment may be limited to the value of the collateral, which may be less than the outstanding amount of the investment, and may be subordinate to other lienholders. Returns on an investment of this type depend on the borrower's ability to make required payments and, in the event of default, the ability to foreclose and liquidate the loan. Certain loans have limited mandatory amortization and interim repayment requirements. A low level of amortization of any loan over the life of the investment may increase the risk that a borrower will not be able to repay or refinance the debt when it comes due at its final stated maturity.

Sovereign Debt Risk. Investment in sovereign debt obligations involves risks not present in debt obligations of corporate issuers. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due in accordance with the terms of such debt, and investors may have limited recourse to compel payment in the event of a default. Any failure to make payments in accordance with the terms of the debt could result in losses to a client's portfolio. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, foreign currency exchange rates, political or social factors, the general economic environment of the country, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders and the political constraints to which a sovereign debtor may be subject. If a sovereign debtor defaults, it may ask for more time in which to pay its debt, request additional loans or otherwise restructure its debt. Further, there is no legal process for collecting sovereign debt that a government does not pay, thereby resulting in potential losses on such debt up to the amount of unreturned principal at the time of default with no recourse for recovery.

Structured Finance Investments Risk. Investment in structured finance entities including, without limitation, collateralized debt obligations ("CDOs"), collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and collateralized mortgage obligations ("CMOs") entails various risks: credit risks, liquidity risks, prepayment risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, legal risks, and valuation risks. Structured finance securities are also subject to the risk that the servicer fails to perform. Structured finance securities are subject to risks associated with their structure and execution, including the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the issuing vehicle and the return to investors in such structured finance securities, whether the collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the structured finance instrument) any remaining balance in the accounts may revert to the issuing entity, and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such structured finance securities. Most structured investments are issued in multiple tranches that offer investors various maturity and credit risk characteristics, which are often categorized as senior, mezzanine, and subordinated/equity. Client portfolios may be invested in any tranche, including

subordinated/equity tranches that typically represent the first loss position, are unrated and may be highly leveraged, which magnifies the risk of loss on such investments. Some of the loans underlying the CDOs, CLOs and other types of structured securities in which a client portfolio may invest may be “covenant-lite” loans, which contain fewer or less restrictive constraints on the borrower than other types of loans. The impact of such covenant-lite loans may be to delay a lender’s ability to take control over troubled investments, which could impose a greater risk of loss on such investments as compared to investments that provide exposure to loans with additional or more conventional covenants.

U.S. Treasury Securities Risk. Client portfolios may invest in securities backed by the U.S. Treasury or the full faith and credit of the United States. Such securities are guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because U.S. Treasury securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. In addition, a decrease in the credit rating or financial condition of the U.S. government may cause the value of U.S. Treasury securities to decline.

C. RISKS RELATED TO EQUITIES

Equities Risk. The price of equities will fluctuate in response to many factors including, but not limited to, the activities of the issuer and the issuer’s competitors, general market and economic conditions, interest rates, and specific industry changes. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, including a decrease in consumer confidence, that are unrelated to the issuer or its industry. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization, new companies, and financially distressed companies may be subject to greater business risk, more abrupt or erratic price movements, and more limited liquidity as compared to larger or more financially healthy companies. These factors and others can cause significant fluctuations in the prices of equity securities and can result in adverse effects to the value of a client’s investment portfolio.

Preferred Stocks Risk. A preferred stock is a blend of the characteristics of a bond and common stock. Preferred stock offers the higher yield of a bond and has priority over common stock in the event of a liquidation, but does not have the seniority of a bond and, unlike common stock, preferred stock’s participation in the issuer’s growth may be limited. Preferred stock has preference over common stock in the receipt of dividends and in any residual assets after payment to creditors should the issuer be dissolved. Although the dividend on a preferred stock may be set at a fixed annual rate, in some circumstances it can be changed or omitted by the issuer. Because preferred stocks represent an equity ownership interest in an issuer, the value of preferred stock usually reacts more strongly than bonds and other debt instruments to actual or perceived changes in an issuer’s financial condition or prospects, fluctuations in the equity markets, and performance of the underlying common stock.

Private Equity Risk. Private equity investments involve a high degree of business and financial risk. Private companies may be in an early stage of development, may not have viable products or services, may not have a proven operating history or proven management, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion, or to maintain their competitive position, or may otherwise have a weak financial condition. Private companies may be leveraged and subject to restrictive financial and operating covenants, which generally impairs a company's ability to finance future operations and capital needs. As a result, private companies' flexibility to respond to changing financial, business and economic conditions, or to take advantage of business opportunities may be limited. In many cases, private companies' management and board of directors include third party investor representation whose interests may conflict with the interests of other investors. Private companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

Rights Risk. Rights are usually granted to existing shareholders of a corporation to subscribe to shares of a new issue of common stock before the common stock is issued to the public. The right entitles its holder to buy common stock at a specified price. Rights have similar features to warrants, except that the life of a right is typically much shorter, usually a few weeks. The purchase of rights involves the risk that an investor could lose the purchase value of a right if the right is not exercised prior to its expiration. Also, the purchase of rights involves the risk that the effective price paid for the right added to the subscription price of the related security may exceed the value of the subscribed security's market price such as when there is no movement in the level of the underlying security.

Warrants Risk. The value of a warrant varies with the movements in the equity market and the performance of the underlying common stock. Investments in warrants are subject to, without limitation, general equity risks related to the underlying security, liquidity risk, and the potential failure of the price of the underlying security to reach or have reasonable prospects of reaching a level at which the warrant can be prudently exercised (in which event the warrant may expire without being exercised, resulting in a loss of the entire investment therein).

D. RISKS RELATED TO REAL ESTATE

Asset Level Management Risk. The management of the business or operations of a real asset may be contracted to a third party management company or operator unaffiliated with Barings. The initial selection of a management company or operator is inherently based on subjective criteria, making the performance and abilities of a particular management company or operator difficult to assess. Although it will likely be possible to replace any such operator, the failure of such an operator to perform its duties adequately or to act in ways that are in investors' best interest, or the breach by an operator of applicable agreements or laws, rules, and regulations, could have an adverse effect on the real asset's financial condition or results of operations. It may not be possible to replace an operator in certain circumstances, or do so on a timely basis or on favorable terms. A third party management company may suffer a business failure, become bankrupt, or engage in activities that compete with the particular real asset in which a client

portfolio is invested. These and other risks, including the deterioration of the business relationship between Barings and the third party management company, could have an adverse effect on managed properties.

Development Risk. Certain real estate investments may involve developing existing or new buildings or undeveloped sites or renovating existing buildings. Risks associated with development projects include, without limitation, risks relating to the availability and timely receipt of zoning, land use, and other regulatory and governmental approvals, the cost and timely completion of construction (including risks beyond the control of Barings or the property manager, such as weather, labor conditions, or material shortages), availability of both construction and permanent financing on favorable terms, unidentified site conditions, such as rock or environmental problems that could be encountered during construction, cost overruns with increased construction pricing, contractors' or architects' inability or failure to perform, liabilities arising from possible defects in construction or workmanship, construction delays that add to project costs and possibly delay tenant move-ins, and difficult to obtain and restrictive construction financing agreements with lenders. Additionally, development projects may be undertaken on a speculative basis, meaning that they may be commenced without any leases in place to secure the value of the investment. Typically such projects have higher return potential, but there is also a significant risk that such projects will not meet leasing targets or achieve the value anticipated. Investments under development or properties acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development, and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the investments.

Environmental Risk. Client portfolios investing in real estate may be exposed to substantial risk of loss arising from real asset investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Under various federal, state and local laws, ordinances and regulations, an owner and operator of real property may be liable for the costs of removal or remediation of certain hazardous substances released or located on its property. Such laws may impose joint and several liabilities, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The cost of any required remediation and the owner's liability therefore as to any assets are generally not limited under such laws and could exceed the value of the assets and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, when released, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. The presence of hazardous waste at the property could result in personal injury or similar claims by private plaintiffs, in addition to clean-up actions brought by federal, state and local agencies. Operating costs and performance of real asset investments, and any portfolios invested in such assets, may be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to investments in real estate, including additional compliance obligations arising from any change to such statutes, rules and regulations or other actions. Statutes, rules

and regulations may also restrict development of, and use of, real assets. Further, even in cases where an owner or operator of real estate is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or an owner or operator's ability to enforce such indemnities.

General Real Estate Risk. Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. Risks inherent in owning and operating real property include, without limitation: general and local economic and social conditions; neighborhood values and the adverse use of adjacent or neighboring real estate; the supply of, and demand for, properties; perceptions of the safety, convenience and attractiveness of properties and the neighborhoods in which they are located; adverse events (e.g., crime, fires, earthquakes, floods) in the geographic area surrounding properties that could have a negative effect on public perception of the safety of properties; changes in tax, zoning, building, environmental and other applicable laws; real property tax rates; changes in interest rates; governmental actions; fluctuation of real estate values; the unavailability or limited availability of credit that may render the sale of properties difficult or unattractive; calamities; and acts of bad faith. Such risks may cause fluctuations in operating expenses, which could adversely affect the value of real estate and real estate-related investments. In addition, certain significant expenditures, such as debt service, real estate taxes, and operating and maintenance costs generally remain the same notwithstanding a reduction in income from the investment. Further, the limited liquidity of real estate investments impairs the ability to react quickly to the foregoing risks.

Real Estate Companies Risk. The real estate industry is particularly sensitive to economic downturns; specific market conditions may result in occasional or permanent reductions in property values. The value of securities of companies in the real estate industry may go through cycles of relative under-performance and out-performance in comparison to equity securities markets in general. Additionally, there are risks related to general and local economic conditions which may include: possible increased cost of or lack of availability of mortgage financing or insurance; variations in rental income; decreases in neighborhood, municipal or regional property values; decline in the appeal of properties to tenants; interest rates; overbuilding; extended vacancies of properties; increases in competition; property and other taxes; increases in assessed values; and changes in land-use laws. Real estate industry companies are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. Changes in laws or in the condition of a real estate asset may create liabilities that did not exist at the time of acquisition of an investment and that were unforeseen.

Real Estate-Related Investments Risk. All real estate-related investments are subject to risks related to underlying or related real estate properties that are attributable to, without limitation: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion, or development on advantageous terms; (iii) adverse government, environmental, and tax regulations; (iv) leasing delays, tenant bankruptcies, and low occupancy levels and lease rates; and (v) changes in the liquidity of applicable real estate markets. Real estate-related investment strategies that employ leverage are subject to risks normally associated with debt

financing, including the risks that: (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or (d) breaches of loan covenants. Real estate-related investments are also subject to risks that underlying or related real estate properties could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

REITs Risk. Investments in REITs and in securities of other companies principally engaged in the real estate industry are subject to risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing, and changes in interest rates or property values. The value of interests in a REIT may be affected by, among other factors, changes in the value of the underlying properties owned by the REIT, changes in the prospect for earnings and/or cash flow growth of the REIT itself, defaults by borrowers or tenants, market saturation, decreases in market rates for rents, and other economic, political, or regulatory matters affecting the real estate industry generally. REITs and similar non-U.S. entities depend upon specialized management skills, may have limited financial resources, may have less trading volume in their securities, and may be subject to more abrupt or erratic price movements than the overall securities markets. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Internal Revenue Code. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially and adversely affect its value. In addition, due to recent changes in tax laws, certain tax benefits of REITs may not be passed through to investors. Some REITs (especially mortgage REITs) are affected by risks similar to those associated with investments in debt securities, including changes in interest rates and the quality of credit extended.

E. RISKS RELATED TO UNDERLYING FUNDS AND CO-INVESTMENTS

Co-Investment Risk. In addition to the risks associated with the underlying investment, co-investments present additional risks where a third party is involved. Co-investments may be structured as partnerships, joint ventures, or other entities, and a client portfolio participating in a co-investment may not have control over the co-investment entity and, therefore, may have a limited ability to protect its position. Baring expects to negotiate for appropriate rights to protect its clients' interests in a co-investment. However, there can be no assurance that such rights will be available or that such rights will provide sufficient protection. Co-investments where a third party is not involved also present the risks associated with the possibility that a third party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the client portfolio, or may be in a position to take (or block) action in a manner contrary to the client's investment objectives. A client portfolio may also in certain circumstances be liable for the actions of such third parties. Co-investments may involve carried interests and/or other fees payable to such third party partners or co-investors. Co-investments often involve additional risks as a result of the limited timeframe in which these investments are typically made. This compressed time frame may negatively impact the ability to source, analyze and execute co-investments.

Contingent Liabilities on Disposition of Investments Risk. In connection with an Underlying Fund's disposition of an investment, the Underlying Fund may be required to make representations typical of those made in connection with the sale of any asset, which may include representations in relation to the asset or the company in which the Underlying Fund is invested. An Underlying Fund may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate or with respect to other matters. These arrangements may result in contingent liabilities which, if not satisfied out of the Underlying Fund's assets, may ultimately be required to be funded by investors making contributions to the Underlying Fund or returning previous distributions.

Dilution from Subsequent Closings Risk. Investors admitted or increasing their capital commitment to an Underlying Fund following the Underlying Fund's first closing date will generally participate in investments made prior to such admission or increase, diluting the interest of existing investors. Although such investors generally will contribute their pro rata share of previously made capital calls (plus potentially an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the existing investments at the time such additional investors subscribe for interests or existing investors increase their respective capital commitments.

Risk of Failure to Make Capital Contributions. If an investor in an Underlying Fund fails to contribute funds as required under the terms of the applicable offering materials or is excused from participating in an investment, then the other investors in the Underlying Fund may be required to contribute additional capital to make up for such shortfall, and their exposure to such investment may be non-pro rata to their capital commitments in the Underlying Fund. As a result, the Underlying Fund may make fewer investments and be less diversified than if all investors had met their capital commitments. Further, if other investors' capital contribution or borrowings by the Underlying Fund are insufficient to cover the defaulted capital contribution, the Underlying Fund may be subject to significant penalties that could materially and adversely affect investor returns (including non-defaulting investors). In addition, upon default by an investor in an Underlying Fund, the Underlying Fund's manager or general partner may undertake various actions that may be materially adverse to the defaulting investor.

Giveback Obligations Risk. The terms of an Underlying Fund may require the return of distributions received from investments upon the occurrence of certain circumstances including, without limitation, to satisfy any indemnification, reimbursement, contribution, or similar obligation (including any obligation resulting from applicable law), or any other expense or obligation, of the Underlying Fund. The manager of an Underlying Fund may also set aside amounts otherwise distributable to investors for one or more of the foregoing purposes, should applicable circumstances or requirements arise. Any return of distributions or amounts set aside as described above will decrease the return to investors in the Underlying Fund and affect the overall performance and value of an investment in the Underlying Fund.

Illiquidity of Underlying Fund Interests and Investments Risk. Generally, investments in an Underlying Fund are speculative in nature and require a long-term commitment with no certainty of return. Interests in Underlying Funds are not freely transferable and there will generally be no active secondary market for such interests. In addition, many Underlying Funds have limitations on an investor's ability to redeem its capital account balance or withdraw its interests, impose

minimum holding periods (“lock-ups”), have limited dates on which interests may be redeemed, impose significant redemption notice periods or redemption fees or implement holdbacks until after the completion of year end or final audits. Depending on the Underlying Fund’s investment strategy, investments of the Underlying Fund may be highly illiquid or restricted as to their transferability under applicable laws, and there can be no assurance the Underlying Fund will be able to realize on such investments in a timely manner. Certain Underlying Funds may segregate assets, including illiquid or difficult to value assets, through the use of “side-pockets,” and may suspend, gate, or otherwise further limit redemptions, make distributions in-kind in connection with redemption requests, or liquidate their portfolios. The timeframe for the recovery of illiquid assets is typically unknown, and it may be a significant period of time before an investor is able to redeem from the Underlying Funds or to liquidate any assets received in respect of a distribution in-kind.

Limited Regulatory Oversight Risk. Certain Underlying Funds will not be registered as investment companies. As a result, such Underlying Funds will not be subject to the provisions of the Investment Company Act that apply to registered investment companies. These provisions, among other things: (i) place restrictions on certain investment practices, such as short sales and leverage; (ii) require investment companies to have a certain percentage of disinterested directors; (iii) require securities held in custody for the account of the investment company to be segregated from the securities of any other person and marked to clearly identify the securities as the property of the investment company; and (iv) regulate the relationship between the investment company and its investment adviser and its affiliates. Therefore, investors in such Underlying Funds may not have the benefit of certain protections that would otherwise be afforded to investors in funds that are more heavily regulated.

Multiple Fees and Expenses Risk. Subject to applicable law, in circumstances in which client portfolios invest in Underlying Funds, the client portfolios will generally bear any asset-based fees and performance-based fees or allocations and expenses associated with such Underlying Funds (including organizational and offering expenses, operating costs, sales charges, brokerage expenses and administrative fees). These fees and expenses of the Underlying Funds are in addition to the fees paid to Barings and the other expenses associated with the client’s advisory account with Barings. A client portfolio may be subject to performance-based fees or allocations in respect of its investment in an Underlying Fund, irrespective of the performance of the client’s portfolio generally.

Risks of Valuation of an Underlying Fund Investment. The valuation of a client portfolio’s interest in an Underlying Fund is ordinarily determined based upon valuations provided by the Underlying Fund’s manager or general partner. Barings may have no ability (including due to a lack of sufficient information), and has no obligation or other duty to assess the accuracy of the valuations provided by third party Underlying Funds. The valuations received by Barings will typically be estimates only, and such valuations generally will be used to calculate the Underlying Fund’s net asset value and fee accruals (to the extent applicable). Such valuations may be subject to later adjustment based on valuation information available at that time including, without limitation, as a result of year-end or final audits. In certain circumstances, Barings may independently determine the fair value of an investment in an Underlying Fund based on the best available information, which may be the information most recently provided by the third party manager or general partner, and any factors deemed relevant by Barings at the time of such valuation;

however, in such circumstances, the determination, while made in good faith, may be materially inaccurate because, for example, the information available to Barings regarding the investment was insufficient, inaccurate or out of date.

F. LEGAL, TAX, AND REGULATORY RISKS

Risks of Changes in Regulations and Unexpected Outcomes. The laws and regulations affecting businesses, particularly those involving taxation, investment, and trade, continue to evolve in an unpredictable manner. Regulatory reform of the financial markets, both in the United States and elsewhere, has had, and will continue to have, an impact on the ways in which Barings invests client portfolios in certain markets and financial instruments. As regulations continue to change, Barings cannot predict the effects that any new or amended regulations will have on the ability of client portfolios to invest in different markets or instruments, or with different counterparties.

On January 31, 2020 the United Kingdom officially left the European Union. The initial referendum in 2016 led to volatility in the financial markets of the United Kingdom and more broadly across Europe. Although the United Kingdom has now exited the European Union, the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the European Union following such exit remain unclear and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. It may also lead to weakening in consumer, corporate and financial confidence in these markets. This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of Barings to implement certain strategies and to generate positive returns. Significant changes to law and regulation in the United Kingdom may also occur. It is not currently possible to assess the effect of these changes on a particular strategy, its investments or the positions of clients. Clients should be aware that these and other similar consequences following from the United Kingdom's exit from the European Union may adversely affect the value of certain investments and the performance of certain strategies.

Risks of Changes in Taxation. The rules dealing with taxation are constantly under review, resulting in revisions of resolutions and revised interpretations of established concepts as well as changes in law. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of a client portfolio.

LIBOR Risk. Many financial instruments reference or may reference a floating rate based on the London Interbank Offered Rate, or "LIBOR." The United Kingdom ("UK") Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the financial instruments in which client portfolios invest cannot yet be determined. If LIBOR is discontinued, or if a LIBOR replacement rate is lower than market expectations, either change could have an adverse impact on the value of preferred and debt securities with floating or fixed-to-floating rate coupons, and could have an impact on derivative instruments that reference LIBOR.

Privacy Risk. Many jurisdictions in which Barings operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information including, but not limited to, the General Data Protection Regulation (“GDPR”) in the EU. GDPR imposes stringent data protection requirements for EU data subjects and provides for significant penalties for noncompliance. Any inability, or perceived inability, to adequately address privacy and data protection concerns, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations, even if unfounded, could result in additional cost and liability and could damage Barings’ reputation and adversely affect Barings and its clients.

ITEM 9 – Disciplinary Information

Item 9 is not applicable – Barings does not have any legal or disciplinary events to report that would be material to a client’s or prospective client’s evaluation of Barings’ advisory business or the integrity of Barings’ management.

ITEM 10 – Other Financial Industry Activities and Affiliations

Barings, a Delaware limited liability company, is an indirect, wholly-owned subsidiary of MassMutual. It has been registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) since November 1, 1940. Barings has relied on the International Adviser Exemption with the Ontario Securities Commission since December 18, 2009, the Quebec Financial Markets Authority since December 18, 2009, the British Columbia Securities Commission since November 19, 2010, the Alberta Securities Commission since July 30, 2012, the Nova Scotia Securities Commission since November 20, 2013, the Manitoba Securities Commission since August 19, 2014, and the New Brunswick Financial and Consumer Services Commission since August 19, 2014. It has been authorized as an International Investment Fund Manager with the Ontario Securities Commission since February 13, 2018, as an investment manager to authorized collective investment schemes with the Central Bank of Ireland / Irish Financial Services Regulatory Authority since July 14, 2008 and has been an exempted investment firm with the Netherlands Authority for the Financial Markets since September 13, 2007. Since August 26, 2008, it has held a Class Order Exemption with the Australian Securities and Investments Commission and a Cross-Border Discretionary Investment License with the South Korean Financial Services Commission since March 2016.

Barings Securities LLC (“Barings Securities”), a Delaware limited liability company, is a wholly-owned subsidiary of Barings. Barings Securities acts as a placement agent for private funds, including funds sponsored and/or advised by Barings and its affiliates, as well as, from time to time, unaffiliated third parties. Since January 11, 1995, Barings Securities has been registered as a broker-dealer with the SEC and is a member of the Financial Industry Regulatory Authority (“FINRA”). Certain employees of Barings and its affiliates are registered representatives of Barings Securities. Barings Securities has relied on the International Dealer Exemption with the Ontario Securities Commission since December 18, 2009, the Quebec Financial Markets Authority since December 18, 2009, the British Columbia Securities Commission since November 19, 2010, the Alberta Securities Commission since July 30, 2012, the Nova Scotia Securities Commission since November 20, 2013, the Manitoba Securities Commission since August 19, 2014, the New Brunswick Financial and Consumer Services Commission since August 19, 2014, the Newfoundland and Labrador Financial Services Regulation Division of the Department of

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Government Services since September 21, 2017, the Prince Edward Island Office of the Attorney General since September 21, 2017, and the Saskatchewan Financial and Consumer Affairs Authority since September 21, 2017.

Barings (U.K.) Limited ("BUK"), a private limited company incorporated in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BUK is an investment manager and adviser for a broad range of institutional investors. Since December 1, 2001, BUK has been regulated by the Financial Conduct Authority ("FCA") in the United Kingdom as an investment adviser and is authorized as a Markets in Financial Instruments Directive firm ("MiFID") in several European Union jurisdictions under the MiFID passport regime. BUK has been an Exempt Reporting Adviser with the SEC since March 29, 2012 and an Exempt Commodity Pool Operator with the CFTC/NFA since January 2013.

Baring Asset Management Limited ("BAML"), a private limited company incorporated in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BAML acts as an investment adviser. BAML has been authorized and regulated as an investment manager/adviser by the FCA since December 1, 2001 and is authorized as a MiFID firm in several European Union jurisdictions under the MiFID passport regime. It is registered with the Securities and Exchange Board of India as a Category II Foreign Portfolio Investor that expires in August 2020 and the China Securities Regulatory Commission as a Qualified Foreign Institutional Investor. BAML has been an Exempt Reporting Adviser with the SEC since October 5, 2018.

Barings Global Advisers Limited ("BGA"), a private limited company incorporated in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BGA acts as an investment manager and adviser for a broad range of institutional investors. Since October 21, 2011, BGA has been regulated by the FCA in the United Kingdom as an investment adviser and is authorized as a Full Scope Alternative Investment Fund Manager in several European Union jurisdictions under the Alternative Investment Fund Managers Directive ("AIFMD") passport regime.

Baring International Investment Limited ("BIIL"), a private limited liability company incorporated in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BIIL acts as an investment adviser. BIIL has been authorized and regulated as an investment manager/adviser by the FCA in the United Kingdom since December 1, 2001 and is authorized as a MiFID firm in several European Union jurisdictions under the MiFID passport regime. BIIL has been registered as an investment adviser with the SEC since April 15, 1980 and has been an Exempt Commodity Pool Operator, since December 12, 2012. BIIL has relied on the International Adviser Exemption with the Quebec Financial Markets Authority and the Manitoba Securities Commission since January 26, 2010.

Baring Fund Managers Limited ("BFM"), a private limited company incorporated in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BFM has been authorized as a manager of collective investment schemes with the FCA in the United Kingdom since December 1, 2001 and is authorized as an Alternative Investment Fund Manager in several European Union jurisdictions under the AIFMD passport regime.

Baring International Fund Managers (Ireland) Limited ("BIFMI"), a private limited company incorporated in Ireland, is an indirect, wholly-owned subsidiary of Barings. BIFMI is a manager

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of Irish collective investment schemes and funds. It has been authorized as an Alternative Investment Fund Manager in several European Union jurisdictions under the AIFMD passport regime and, since April 28, 2006, as a UCITS management company with the Central Bank of Ireland. BIFM has been an Exempt Reporting Adviser with the SEC since January 24, 2019.

Baring Asset Management Switzerland Sàrl ("BAMS"), a private company incorporated in Switzerland, is an indirect, wholly-owned subsidiary of Barings. BAMS performs fund marketing activities in Switzerland on behalf of Barings and its subsidiaries. Since July 7, 2015, it has been authorized by the Switzerland Financial Market Supervisory Authority to offer and/or distribute collective capital investments.

Barings Real Estate Advisers Europe Finance LLP ("Barings RE Europe"), a limited liability partnership organized in England and Wales, is an indirect, wholly-owned subsidiary of Barings. Barings RE Europe provides investment advice and asset management services and distributes securities for Barings' real estate global clientele. Barings RE Europe has been authorized with a Banks, Building Societies and Investment Firms (BIPRU) limited license and regulated by the FCA in the United Kingdom since August 23, 2004.

BREAE AIFM LLP ("BREAE"), a limited liability partnership organized in England and Wales, is an indirect, wholly-owned subsidiary of Barings. BREAE acts as an Alternative Investment Fund Manager for European Union domiciled real estate funds under the AIFMD passport regime. BREAE has been authorized as an Alternative Investment Fund Manager with the FCA in the United Kingdom since March 1, 2016.

Barings Australia Pty Ltd ("BAU"), a private company incorporated in Australia, is an indirect, wholly-owned subsidiary of Barings. BAU manages assets of Australian institutional investors in Australia. Since January 27, 2010, BAU has been regulated as an investment adviser in Australia under its Australian Financial Services License issued by the Australian Securities and Investments Commission. BAU has been an Exempt Reporting Adviser with the SEC since October 30, 2014.

Baring Asset Management (Asia) Limited ("BAMA"), a private company incorporated in Hong Kong, is an indirect, wholly-owned subsidiary of Barings. BAMA acts as an investment adviser. BAMA is licensed with the Hong Kong Securities and Futures Commission: a Type 1 License (dealing in securities) since August 29, 2003, a Type 2 License (dealing in futures contracts) since September 7, 2015, a Type 4 License (advising on securities) since August 28, 2003, a Type 5 License (advising on futures contracts) since August 28, 2003 and a Type 9 License (asset management) since August 28, 2003. BAMA has been registered with the South Korean Financial Services Commission since June 19, 2009 to engage in discretionary investment management business.

Baring Asset Management (Korea) Limited ("BAMK"), a private company incorporated in South Korea, is an indirect, wholly-owned subsidiary of Barings. BAMK acts as an investment adviser. Since February 26, 1988, it has been authorized by the South Korean Financial Services Commission and the Financial Supervisory Service to engage in collective investment business, privately placed collective investment business for professional investors, discretionary

investment business, and advisory business, and is registered with the Ministry of Strategy and Finance to engage in foreign exchange business.

Barings Japan Limited (“Barings Japan”), a private company incorporated in Japan, is an indirect, wholly-owned subsidiary of Barings. Barings Japan acts as an investment adviser. Barings Japan is registered as a Financial Business Operator for Type II Financial Instrument Business, Investment Advisory and Agency Business, and Investment Management Business with the Japanese Financial Services Agency.

Baring SICE (Taiwan) Limited (“Baring SICE”), a company limited by shares in Taiwan, is an indirect, wholly-owned subsidiary of Barings. Baring SICE has been authorized as a securities investment consulting business by the Taiwan Financial Supervisory Commission since March 27, 1990 and by the Taipei City Government since March 15, 1990.

Barings Finance LLC (“BF”), a Delaware limited liability company, is a wholly-owned subsidiary of Barings. BF makes loans to middle market companies primarily in the United States.

Barings Real Estate Advisers Inc. (“Barings Inc”), a Delaware corporation, is a wholly-owned subsidiary of Barings. Barings Inc brokers commercial mortgage loans. Barings Inc has held a corporation real estate license from the California Department of Real Estate since October 24, 2007 and a California Finance Broker’s License from the California Department of Business Oversight since October 24, 2007.

Barings has entered into separate administrative services agreements with BAU, BHK, BUK, BGA and BF whereby Barings provides certain administrative services including, but not limited to, financial accounting, compliance and technology services, advice and recommendations with respect to certain aspects of each entity’s business and affairs (except matters relating to compliance with Australian, Hong Kong, English or Japanese laws and regulations). In addition, Barings has also entered into separate sub-advisory agreements with BAU, BUK, BGA, BAML, BHK and Barings RE Europe whereby Barings acts as adviser, co-manager or sub-adviser to funds and accounts managed by these entities or whereby these entities act as adviser, co-manager or sub-adviser to funds and accounts managed by Barings.

Barings, Barings Securities, BUK, BGA, BAU, BAML, BAMA, BAMK, Barings Japan, Baring SICE and BAMS have entered into global distribution agreements whereby the entities are authorized to introduce or refer prospective clients to each other. In addition, Barings Securities and BAU are authorized to sell certain investment products of the other entities. Pursuant to these agreements, Barings generally pays its affiliates for introductions or referrals made to it and generally receives compensation from its affiliates for the introductions or referrals it makes to its affiliates.

Barings provides The MassMutual Trust Company, FSB, a federally chartered stock savings bank that is wholly-owned by MassMutual, with investment advisory services pursuant to an investment advisory agreement.

Barings' ultimate parent company, MassMutual, is a mutual life insurance company. Barings has entered into administrative services agreements with MassMutual, pursuant to which MassMutual is obligated to provide Barings with agreed-upon administrative and support services. MassMutual is the sponsor of MML Series Investment Fund II and MassMutual Premier Funds, registered open-end management investment companies, and certain portfolios for which Barings serves as investment sub-adviser.

Barings has entered into investment advisory agreements with MassMutual, and serves as investment adviser to the MassMutual general investment account, certain separate accounts, and to certain of MassMutual's life insurance company subsidiaries (including C.M. Life Insurance Company and MML Bay State Life Insurance Company) and affiliates. As a result, these affiliate accounts co-invest jointly and concurrently with Barings' other advisory clients and therefore share in the allocation of investment opportunities. Barings also acts as investment adviser or sub-adviser to certain investment funds in which MassMutual or an affiliate has invested and/or for which an affiliate of MassMutual serves as investment adviser.

Barings also provides private mortgage servicing for MassMutual and non-affiliated advisory clients. In addition, it provides private mortgage servicing in transactions where its affiliates, including MassMutual, and other advisory accounts co-invest with other non-advisory third-party investors.

MML Investors Services, LLC ("MMLIS"), an indirect wholly-owned subsidiary of MassMutual, is an SEC-registered investment adviser and broker-dealer and is a member of the Financial Industry Regulatory Authority. MMLIS may act as an introducing broker for the purpose of effecting securities transactions for brokerage customers.

Please see response under Item 5 above for a description of the registered open-end and closed-end investment companies, private investment funds and other investment or finance entities for which Barings serves as investment adviser, sub-adviser, co-manager, portfolio manager or collateral manager. Barings, its affiliates and employees often have investments in the investment funds that Barings advises. Employees of Barings and its affiliates serve as officers, directors and/or trustees of certain investment funds and other investment or finance entities that it advises. Barings or its affiliates can recommend that a client invest in Underlying Funds or other advisory accounts and investment products managed by Barings or its affiliates.

Certain of Barings' investment advisory clients are solicited to invest in one or more of the private investment funds described under Section IV of Item 5 above or established in the future by Barings or an affiliate, or in which Barings or an affiliate has invested. Certain of these private investment funds may be structured as limited partnerships or limited liability companies with respect to which Barings, or an affiliate, serves as general partner, managing member or manager. Additionally, Barings' affiliated broker-dealers may solicit clients to invest in funds that are not managed by Barings, but in which Barings or its affiliates have an economic interest and/or hold an ownership interest in the fund's manager.

BILL, in consultation with two unaffiliated service providers, provides Barings with various algorithmic trading advisory services pursuant to a discretionary investment management agreement, including, but not limited to, providing buy and sell recommendations, forecasting prices, research services,

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facilitating trade executions with third-party brokers, risk management services, procurement and maintenance of trading data, technical and clerical services, access to technology equipment, maintenance and support services, and other miscellaneous services. Barings pays BIL fees for provision of these services; however, such fees are borne by Barings and will not be borne, directly or indirectly, by Barings' third-party clients.

ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

In addition, Barings and its affiliates have an ownership or economic interest in certain private investment funds managed by Barings. In order to attract and retain investment professionals and meet the expectations of investors in private investment funds, Barings has determined that it is appropriate, in certain circumstances, to permit its investment professionals to have an ownership or economic interest in certain private investment funds it manages.

Potential Conflicts of Interest with Clients:

Investment Allocations: Allocation of aggregate trades, particularly trades that are only partially filled as a result of the limited availability of desired securities, create a potential conflict of interest, as Barings has an incentive to allocate securities and other investments to certain clients, such as private investment funds that provide Barings with performance-based compensation fees, or in which Barings, its affiliates and/or its investment professionals have an economic or ownership interest. In order to address this potential conflict of interest, all allocations of investment opportunities and allocations of aggregated trades for client accounts are required to be made in accordance with Barings' Global Investment Allocation Policy, which is summarized below in Item 12 – Brokerage Practices, Trade Aggregation.

Cross Trading: For some of its advisory clients, Barings can effect cross-trades whereby one advisory client buys securities or other investments from or sells securities or other investments to another advisory client. Barings can also effect cross-trades involving advisory accounts or funds in which it or its affiliates, including MassMutual, and their respective employees, have an ownership interest or for which Barings is entitled to earn a performance fee. When Barings effects cross-trades there is an inherent conflict of interest since Barings has an incentive to favor the advisory client or fund in which it or its affiliate has an ownership or economic interest and/or is entitled to a performance fee. In order to address this potential conflict of interest, cross trades involving advisory client accounts are required to comply with Barings' Global Principal Transactions, Cross Trades and Other Affiliated Transactions Policy, which ensures any affiliated transaction is consistent with all applicable regulatory requirements governing such transactions and with Barings' fiduciary obligations to the clients involved in any such transactions.

Short Sales: Barings has a potential conflict of interest when it sells short certain securities in a client account while holding the same securities long in other client accounts. Conversely, Barings can harm the performance of its clients who hold long positions in the same security or other similar securities (e.g. securities in the same sector as the security sold short) for the benefit

of its clients who are selling the security short if the short-selling transactions cause the market value of the security or similar securities to decline. In order to address this potential conflict of interest, all short sales executed in client accounts by Barings are required to comply with Barings' Global Short Sales Policy, which ensures that all short sales are executed in accordance with Barings' fiduciary duties to its clients as well as satisfying applicable regulatory requirements.

Principal Trades: Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on one hand, and its clients, on the other hand. Generally, if an adviser, or an affiliate, purchases from or sells a security to a client, the adviser must disclose the terms of the transaction and obtain the consent of the client prior to engaging in the transaction. In certain instances, Barings, and its affiliates, engage in principal transactions in connection with its management of client funds. Principal transactions create a conflict of interest when Barings or one of its affiliates has an economic interest on one side of the transaction. In the event that a principal transaction occurs, Barings complies with Section 206 of the Advisers Act by disclosing the terms of the transaction to clients and requires that client consent is received before executing the transaction.

Operating Entities: Barings engages various operating entities to serve as the operating partner, equipment manager or platform manager ("operating entities") for investments in which client funds invest. Barings and its affiliates, its principals and client funds, can have an ownership interest in the various Operating Entities that Barings engages. Ownership interest in such Operating Entities creates a conflict of interest as Barings could favor such Operating Entities in which it, its affiliates or its client funds have an ownership interest. Such potential conflicts of interest are mitigated because Barings' economic interest in the success of an investment is generally higher than its economic interest in the success of the applicable Operating Entity. Further, Barings structures Operating Entities in a way to provide incentive fees to individuals at Operating Entities who maximize investment returns to further align interests. Incentive fees provided to individuals at Operating Entities generally are paid out of the returns of the applicable portfolio company.

Potential Conflicts of Interest with Private Investment Fund Investors:

Potential conflicts of interest can exist between an investment professional and other private investment fund investors as a result of the investment professional's ownership or economic interest in the private investment fund. The following policies are designed to address these potential conflicts of interest.

Personal Securities Transactions and Trading in Private Investment Fund Securities: All investment professionals are required to comply with Barings' Global Code of Ethics Policy, which is summarized below in Item 11 – Code of Ethics, and Barings' Global Employee Co-Investment Policy, which ensures that any co-investment by a Barings employee is consistent with Barings' Global Code of Ethics Policy.

Work-outs: Investment professionals involved in attempts made on behalf of Barings to "work-out" a troubled investment held in a private investment fund through an out-of-court restructuring or a formal bankruptcy court proceeding, must:

- Be disinterested (i.e., the investment professional must have no ownership or economic interest in the private investment fund holding the troubled investment); or
- Disclose ownership or economic interest to management of the respective investment group prior to engaging in the work-out. Management of the respective investment group will determine whether a potential conflict of interest exists between the investment professional and the private investment fund's other investors. If the investment professional's interest conflicts with those of the private investment fund's investors, management of the respective investment group will appoint another investment professional to lead the work-out effort.

Code of Ethics:

The following is a summary of Barings' Global Code of Ethics Policy ("Code of Ethics" or "Code"), which has been adopted by Barings in compliance with Section 204A of the Advisers Act, Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940, as amended. A copy of the Code of Ethics is available to any client or prospective client without charge, upon request.

Personal Trading:

The Code applies to all Barings employees and any other individual, including but not limited to officers, contractors and associates of Barings ("Access Persons") that the Chief Compliance Officer deems appropriate.

While Access Persons can trade in securities that are purchased, held and sold by or on behalf of Barings' advisory clients, such personal transactions are subject to a number of limitations. Generally, Access Persons must receive approval before trading in a security absent an exemption in the Code and are generally subject to a ban on trading in a security on the same day as the purchase or sale of that security by any client account (except for securities exempt as described below). Access Persons cannot sell a reportable security or its equivalent (i.e. a derivative) within 30 calendar days of the last purchase, or buy a reportable security or its equivalent within the last 30 calendar days. In addition, Access Persons must obtain prior approval before participating in certain private placements or initial public offerings. Access Persons are also prohibited from engaging in short sales of securities issued by any entities advised or sub-advised by Barings and are prohibited from joining investment clubs. Under Barings' Outside Business Activities Policy, Access Persons must also generally obtain approval and disclose any possible conflicts of interest prior to serving on the board of directors of any business entity or from entering into any other outside business activity.

Access Persons are also subject to additional restrictions. For example, Access Persons generally cannot personally trade in a security within 5 calendar days before or after the purchase or sale of such security by any client account, except for securities exempted from the Code, as defined below.

Access Persons are obligated to make periodic reports to Barings, including an initial holdings report to be provided within 10 calendar days of becoming an Access Person and annually thereafter a holdings report containing information that must be current as of a date no more than 45 calendar days prior to submission. Furthermore, all Access Persons are required to submit detailed quarterly reports covering personal transactions in substantially all securities. Information regarding brokerage accounts held by an Access Person is disclosed in these reports. In general, Barings requires Access Persons to maintain their accounts from amongst a list of approved brokers, subject to certain limited exceptions. Furthermore, Barings requires all Access Persons to have their brokers promptly submit duplicate confirmations, either via electronic feed or paper, of all personal securities transactions to Barings' Compliance Department. If an Access Person's broker or service provider is unwilling or unable to send confirmations and statements directly, it is the responsibility of the Access Person to ensure that Barings' Compliance Department receives copies of all such documentation.

Certain types of securities and transactions are exempted, in whole or in part, from the coverage of the Code of Ethics. For example, preclearance and most reporting requirements would not apply to transactions in direct obligations of the United States government, bankers' acceptances, bankers' certificates of deposit, commercial paper, shares of registered open-end investment companies including exchange-traded funds (although reporting is required for mutual funds advised or sub-advised by Barings or an affiliate unless held through a Barings benefit plan), and securities transactions for an account over which an Access Person has no direct or indirect control. In addition, preclearance requirements would not apply to certain gifts of securities, automatic investment plans, involuntary transactions, pro rata distributions, and other limited defined securities or transactions. Although preclearance for these trades is required, the Code of Ethics permits, subject to certain conditions, de minimis purchases or sales (as specified in the Code) of securities issued by companies with a market capitalization exceeding \$3 billion USD or its equivalent in another currency (the "Large Cap / De Minimis Exception").

Participation or Interest in Client Transactions:

Transactions with Affiliates: From time to time, Barings or its affiliates, including MassMutual and its affiliates acts as principal, buys securities or other investments for itself from or sells securities or other investments it owns to its advisory clients. Likewise, Barings can either directly or on behalf of MassMutual, purchase and/or hold securities or other investments that are subsequently sold or transferred to advisory clients. Barings has a conflict of interest in connection with a transaction where it or an affiliate is acting as principal since it has an incentive to favor itself or its affiliates over its advisory clients in connection with the transaction. To address the conflicts of interest, Barings has adopted a Global Principal Transactions, Cross Trades and Other Affiliated Transactions Policy, which ensures any such transaction is consistent with Barings' fiduciary obligation to act in the best interests of its clients, including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.

Cross Trades: Barings can effect cross-trades on behalf of its advisory clients whereby one advisory client buys securities or other investments from or sells securities or other investments to another advisory client. Barings can also effect cross-trades involving advisory accounts or funds in which it or its affiliates, including MassMutual, and their respective employees, have an

ownership interest or for which Barings is entitled to earn a performance fee. As a result, Barings has a conflict of interest in connection with the cross-trade since it has an incentive to favor the advisory client or fund in which it or its affiliate has an ownership interest and/or is entitled to a performance fee. To address the conflicts of interest, Barings has adopted a Global Principal Transactions, Cross Trades and Other Affiliated Transactions Policy, which ensures any such cross-trade is consistent with Barings' fiduciary obligations to act in the best interests of each of its advisory clients, including its ability to obtain best execution for each advisory client in connection with the cross-trade transaction, and is in compliance with applicable legal and regulatory requirements. Barings will not receive a commission or any other remuneration (other than its advisory fee) for effecting cross-trades between advisory clients.

Loan Origination Transactions: Other than transactions related to the Global Private Finance Group, while Barings or its affiliates generally do not act as an underwriter or member of a syndicate in connection with a securities offering, Barings or its affiliates (or an unaffiliated entity in which Barings or its affiliates have an ownership interest) can act as an underwriter, originator, agent, or member of a syndicate in connection with the origination of senior secured loans or other lending arrangements with borrowers, where such loans are purchased by Barings advisory clients during or after the original syndication. Barings advisory clients purchase such loans directly from Barings or its affiliates (or an unaffiliated entity in which Barings or its affiliates have an ownership interest) or from other members of the lending syndicate. In connection with such loan originations, Barings or its affiliates, either directly or indirectly, receive underwriting, origination, or agent fees. As a result, Barings has a conflict of interest in connection with such loan origination transactions since it has an incentive to base its investment recommendation to its advisory clients on the amount of compensation, underwriting, origination or agent fees it would receive rather than on its advisory clients' best interests. To address the conflict of interest, Barings has adopted a Global Principal Transactions, Cross Trades and Other Affiliated Transactions Policy, which ensures any such transaction is consistent with Barings' fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.


Investments by Advisory Clients: Barings has the ability to invest client assets in securities or other investments that are also held by (i) Barings or its affiliates, including MassMutual, (ii) other Barings advisory accounts, (iii) funds or accounts in which Barings or its affiliates or their respective employees have an ownership or economic interest or (iv) employees of Barings or its affiliates. Barings also has the ability, on behalf of its advisory clients, to invest in the same or different securities or instruments of issuers in which (a) Barings or its affiliates, including MassMutual, (b) other Barings advisory accounts, (c) funds or accounts in which Barings, its affiliates, or their respective employees have an ownership or economic interest or (d) employees of Barings or its affiliates, have an ownership interest as a holder of the debt, equity or other instruments of the issuer. Barings has a conflict of interest in connection with any such transaction since investments by its advisory clients can directly or indirectly benefit Barings and/or its affiliates and employees by potentially increasing the value of the securities or instruments it holds in the issuer. Any investment by Barings on behalf of its advisory clients will be consistent with its fiduciary obligations to act in the best interests of its advisory clients, and otherwise be consistent with such clients' investment objectives and restrictions.

Barings or its affiliates can recommend that clients invest in registered or unregistered investment companies, including private investment funds such as hedge funds, private equity funds or structured funds (i) advised by Barings or an affiliate, (ii) in which Barings, an affiliate or their respective employees has an ownership or economic interest or (iii) with respect to which Barings or an affiliate has an interest in the entity entitled to receive the fees paid by such funds. Barings has a conflict of interest in connection with any such recommendation since it has an incentive to base its recommendation to invest in such investment companies or private funds on the fees that Barings or its affiliates would earn as a result of the investment by its advisory clients in the investment companies or private funds. Any recommendation to invest in a Barings advised fund or other investment company will be consistent with Barings' fiduciary obligations to act in the best interests of its advisory clients, consistent with such clients' investment objectives and restrictions. In certain limited circumstances, Barings offers to clients that invest in private investment funds that it advises an equity interest in entities that receive advisory fees and carried profits interest from such funds.

Employee Co-Investment: Barings permits certain of its portfolio managers and other eligible employees to invest in certain private investment funds advised by Barings or its affiliates and/or share in the performance fees received by Barings from such funds. If the portfolio manager or other eligible employee was responsible for both the portfolio management of the private fund and other Barings advisory accounts, such person would have a conflict of interest in connection with investment decisions since the person has an incentive to direct the best investment ideas or to allocate trades, in favor of the fund in which he or she is invested or otherwise entitled to share in the performance fees received from such fund. To address the conflicts of interest, Barings has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among other things, that Barings treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Barings from favoring any particular advisory account as a result of the ownership or economic interests of Barings, its affiliates or employees, in such advisory account. Any investment by a Barings employee in one of its private funds is also governed by Barings' Global Employee Co-Investment Policy, which ensures that any co-investment by a Barings employee is consistent with Barings' Code of Ethics, as summarized above.

Management of Multiple Accounts: As noted above, Barings' portfolio managers are often responsible for the day-to-day management of multiple accounts, including, among others, separate accounts for institutional clients, closed-end and open-end registered investment companies, and/or private investment funds (such as hedge funds, private equity funds and structured funds), as well as for proprietary accounts of Barings and its affiliates, including MassMutual and its affiliates. The potential for material conflicts of interest exist whenever a portfolio manager has responsibility for the day-to-day management of multiple advisory accounts. These conflicts are heightened to the extent a portfolio manager is responsible for managing a proprietary account for Barings or its affiliates or where the portfolio manager, Barings and/or an affiliate has an investment in one or more of such accounts or an interest in the performance of one or more of such accounts (e.g., through the receipt of a performance fee).

Investment Allocation: Such potential conflicts include those relating to allocation of investment opportunities. For example, it is possible that an investment opportunity is suitable for more than one account managed by Barings, but is not available in sufficient quantities for all accounts to



participate fully. Similarly, there can be limited opportunity to sell an investment held by multiple accounts. A conflict arises where the portfolio manager has an incentive to treat an account preferentially because the account pays Barings or its affiliates a performance-based fee or the portfolio manager, Barings or an affiliate has an ownership or other economic interest in the account. As noted above, Barings also acts as an investment manager for certain of its affiliates including MassMutual. These affiliate accounts sometimes co-invest jointly and concurrently with Barings' other advisory clients and therefore share in the allocation of such investment opportunities. To address the conflicts of interest associated with the allocation of trading and investment opportunities, Barings has adopted a Global Investment Allocation Policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts, including affiliated accounts, which are summarized below under Item 12 – Brokerage Practices, Investment Allocation Policy. In addition, as noted above, to address the conflicts, Barings has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among other things, that Barings treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Barings from favoring any particular advisory account as a result of the ownership or economic interests of Barings, its affiliates or employees, in such advisory accounts. Any investment by a Barings employee in one of its private funds is also governed by Barings' Employee Co-Investment Policy, which ensures that any co-investment by a Barings employee is consistent with Barings' Global Code of Ethics, as summarized above.

Personal Securities Transactions; Short Sales: Potential material conflicts of interest also arise related to the knowledge and timing of an account's trades, investment opportunities and broker or dealer selection. Barings and its portfolio managers have information about the size, timing and possible market impact of the trades of each account they manage. It is possible that portfolio managers could use this information for their personal advantage and/or to the advantage or disadvantage of various accounts which they manage. For example, a portfolio manager could cause a favored account to "front run" an account's trade or sell short a security for an account immediately prior to another account's sale of that security. To address these conflicts, Barings has adopted policies and procedures, including a Global Short Sales Policy, which ensures that the use of short sales by Barings is consistent with Barings' fiduciary obligations to its clients; a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy, which requires, among other things, that Barings treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Barings from favoring any particular account as a result of the ownership or economic interest of Barings, its affiliates or employees; and a Global Code of Ethics, as summarized above.

Trade Errors: Potential material conflicts of interest also arise if a trade error occurs in a client account. A trade error is deemed to occur if there is a deviation by Barings from the applicable standard of care in connection with the placement, execution or settlement of a trade for an advisory account that results in (1) Barings purchasing assets not permitted or authorized by a client's investment advisory agreement or otherwise failing to follow a client's specific investment directives; (2) Barings purchasing or selling the wrong security or the wrong amount of securities on behalf of a client's account; or (3) Barings purchasing or selling assets for, or allocating assets to, the wrong client account. When correcting these errors, conflicts of interest between Barings and its advisory accounts arise as decisions are made on whether to cancel, reverse or reallocate the erroneous trades. In order to address the conflicts, Barings has adopted a Global Client

Account Errors Policy governing the resolution of trading errors, and will follow the Global Client Account Errors Policy in order to ensure that trade errors are handled promptly and appropriately and that any action taken to remedy an error places the interest of a client ahead of Barings' interest.

Best Execution; Directed or Restricted Brokerage: With respect to securities and other transactions (including, but not limited to, derivatives transactions) for most of the accounts it manages, Barings determines which broker, dealer or other counterparty to use to execute each order, consistent with its fiduciary duty to seek best execution of the transaction. Barings manages certain accounts, however, for clients who limit its discretion with respect to the selection of counterparties or direct it to execute such client's transactions through a particular counterparty. In these cases, trades for such an account in a particular security or other transaction can be placed separately from, rather than aggregated with, those in the same security or transaction for other accounts. Placing separate transaction orders for a security or transaction can temporarily affect the market price of the security or transaction or otherwise affect the execution of the transaction to the possible detriment of one or more of the other account(s) involved. Barings has adopted a Global Best Execution Policy and a Global Directed or Restricted Brokerage Policy which are summarized below under Item 12 – Brokerage Practices, Counterparty Selection/Recommendations and Directed/Restricted Brokerage.

As discussed above, Barings employees have the ability to trade in securities that are purchased, held and sold by or on behalf of Barings' advisory clients, subject to a number of limitations. See above for a discussion of restrictions on employee personal securities transactions contained in Barings' Global Code of Ethics.

Barings and its portfolio managers or employees have other actual or potential conflicts of interest in managing an advisory account, and the list above is not a complete description of every conflict of interest that could be deemed to exist.

Insider Trading/Firewalls:

Barings has adopted an Insider Trading and Firewall Policy to ensure that processes and procedures are reasonably designed to detect and prevent insider trading and to establish effective information barriers ("firewalls") between certain groups of Barings' investment professionals in order to prevent the unauthorized access to or flow of inside information between and among such groups. Barings has established such firewalls between Barings' public and private investment groups and between Barings and its affiliates and from individuals outside Barings.

Those companies about which Barings (or in certain situations, an affiliate of Barings), has inside information will be placed on the applicable restricted list, which may be an investment group's restricted list and/or a restricted list applicable to all Barings investment groups. Barings' ability to trade securities on the restricted list is extremely limited. This results in Barings being unable to buy and sell securities or other financial products for a client's advisory account while the issuer of such security or investment remains on the restricted list, notwithstanding the fact that Barings may have otherwise determined that such purchase or sale would be in a client's best interest.

Co-Investments:

Barings, in its capacity of as manager or sponsor of a fund, can create limited liability companies or limited partnerships ("SPEs") for regulatory purposes, to hold certain assets or to hold title to real property assets. These SPEs are ultimately owned by the fund. Fund investors generally are not allowed to directly invest in these SPEs. From time to time for certain investment strategies, Barings allows clients to invest in a co-investment vehicle alongside client accounts. Co-investment opportunities are not available or offered to all clients.

ITEM 12 – Brokerage Practices

Counterparty Selection/Recommendations:

Barings seeks to place securities transactions or other transactions (including, without limitation, derivative transactions) for advisory clients with counterparties in such a manner that the advisory client's total costs or proceeds in each transaction are the most favorable under the circumstances ("best execution").

Individuals who are responsible for selecting counterparties to execute specific transactions on behalf of Barings' clients are expected to use their best judgment in selecting the counterparty best suited to provide best execution. The determinative factor in this analysis and selection is not the lowest possible execution cost but whether a transaction represents the best qualitative execution for the client's advisory account.

Barings will consider the full range and quality of a counterparty's services, and can consider, among others, the following factors (each of which can carry more or less weight in the context of a particular transaction): competitiveness of price (includes spread, commission rates, or margin requirements); availability of accurate information regarding the market of the security or other instrument in question; character of the market for the security or other instrument (e.g., price, volatility, relative liquidity); difficulty of the trade and the security's or other transaction's trading characteristics; size of the order; product/trading style and strategy; competitiveness of the counterparty bid/ask levels or commission rates (as applicable); confidentiality provided by the counterparty; promptness of execution; past execution history; clearance and settlement capabilities; quality of the counterparty's confirmations and account statements; financial strength of the counterparty; overall credit exposure to the counterparty; reputation and integrity; access to markets; block trading and arbitrage capabilities; sophistication of trading facilities; specialized expertise; support of secondary trading for new issues; access to new issues and initial public offerings; fairness in resolving disputes; ability and willingness to commit capital; ability and willingness of counterparty to participate for its own account; overall responsiveness to Barings; and fairness of governing contract terms, including collateral arrangements (as applicable).

Barings' investment and trading teams seek best execution of client transactions by, among other things, encouraging open communication between relevant trading and investment teams, placing all transactions through authorized traders on the relevant trading desks, providing the relevant portfolio managers with direct access to transaction information in order for them to monitor the client accounts and ensure that Barings has complied with its obligation to seek best execution, and soliciting multiple bids or offers, as appropriate.

Research:

Barings believes research is fundamental to investing. Barings acquires the following types of Brokerage or Research products and services for payment from Barings' own resources: (i) financial market and economic news and research; (ii) brokerage and research services; (iii) investment and portfolio-level analytic software; and (iv) research products or services for best execution statistics and comparisons. Barings may also sub-advise portfolios that are subject to certain regulatory requirements related to the receipt and use of research. Barings has adopted a Global Research and Corporate Access Policy to address applicable regulatory requirements related to this topic.

Brokerage for Client Referrals:

Barings will not enter into directed brokerage arrangements with brokers or dealers as compensation for client referrals or as compensation for the efforts of such broker or dealer in connection with the sale of interests in Barings private funds or other investment products. Barings can, however, use such brokers or dealers to effect transactions for such referred clients or private funds consistent with Barings' best execution obligations.

Directed/Restricted Brokerage:

In certain circumstances, Barings allows an advisory client to limit or restrict Barings' discretion to execute transactions for the client's account through a particular counterparty. In return for a client's directed transactions, the counterparty can, among other things, provide services directly to the client, pay certain expenses of the client. Barings will make an effort to obtain prices for a directed/restricted brokerage order comparable to those obtained for non-directed/non-restricted brokerage orders; however, directed/restricted brokerage transactions generally will be executed after non-directed/non-restricted brokerage transactions.

A client who limits Barings' discretion with respect to the selection of counterparties or directs Barings to execute its securities transactions or other transactions through a specific counterparty can forgo certain benefits and that can result in Barings being unable to achieve best execution of a client's transactions. Particularly, a client who directs Barings to use a specific counterparty typically pays higher commissions or other transaction costs on some transactions than might be otherwise attainable by Barings, or receives less favorable execution of some transactions than might be attainable by Barings, or both. In addition, the client foregoes any benefits or savings in execution costs that Barings could obtain for its clients through negotiating volume discounts on aggregated transactions (as directed/restricted brokerage trades will generally be executed, at Barings's discretion, after non-directed/non-restricted trades). Accordingly, non-aggregated directed brokerage/restricted brokerage transactions can be subject to price movements, particularly in volatile markets, that can result in a client receiving a price that is less favorable than the price obtained in the aggregated order. A client directing/restricting brokerage will generally not be able to participate in an allocation of securities of a new issue (including initial

public offerings) if those new issue securities are provided by another counterparty or a restricted counterparty, as applicable. Barings will not permit directed/restricted brokerage arrangements of one client to interfere with Barings's efforts to seek to obtain best execution on behalf of its other clients.

The client may direct Barings to use a particular counterparty from whom Barings receives or may receive referrals, and Barings can derive a benefit from this activity. A client's request that Barings execute trades for the client's account through a particular counterparty or not use a particular counterparty must be in writing. In addition, Barings will generally require a client directing/restricting brokerage to represent in writing to Barings that: (i) the client has the power and authority to enter into the directed/restricted brokerage arrangement; (ii) the directed/restricted brokerage arrangement will not violate any obligations by which the client or the account is bound by reason of contract, operation of law, the Financial Industry Regulatory Authority rule, or otherwise; (iii) the client understands that the directed/restricted brokerage arrangement affects Barings' ability to seek best execution; and (iv) the account can incur higher transaction costs than Barings could achieve if it, among other things, negotiated volume discounts on aggregated transactions.

Model Portfolios:

Barings does no trading with respect to its participation in model-only programs. However, the model portfolios are delivered to program sponsors according to a schedule agreed upon with the sponsor and in a manner intended to minimize the trading impact on Barings' other accounts. Because Barings does not control the sponsor's trading in its underlying client accounts, it is possible that such accounts are trading contemporaneously with Barings' discretionary separate accounts and that such underlying client accounts experience trade execution less favorable than Barings' separate account clients.

Access Fees Paid to, and Discounts Provided by, Electronic Communications Networks ("ECNs"), Swap Clearing Firms and Other Trading Systems:

Barings also places orders for the purchase or sale of securities or other instruments for certain accounts through electronic trading systems, including ECNs, swap clearing firms, swap execution facilities, and brokers or dealers that participate in such trading systems or platforms consistent with its duty to seek best execution. ECNs, swap clearing firms and swap execution facilities charge fees for their services, including access fees and transaction fees. Access fees are generally paid by Barings even though incurred in connection with executing transactions on behalf of clients, while transaction fees will generally be charged to clients and commissions and mark-ups/mark-downs would generally be included in the cost of the securities or other instruments purchased or sold. In some cases, ECNs, swap clearing firms and swap execution facilities offer volume discounts that will reduce the access fees typically paid by an investment adviser. In some cases, applicable laws and regulations require that derivatives and over-the-counter derivatives are cleared through a regulated derivatives clearing organization and/or traded through a regulated exchange.

Regulatory Reform:

There is existing and pending regulatory reform in many jurisdictions relating to derivatives that has had and may continue to have a significant impact on Barings' investment advisory business. Such regulatory reform has impacted and may continue to impact the manner in which, and the extent to which, Barings' clients use and trade derivatives, and could further limit or significantly increase the costs of trading in such derivatives. For instance, in July 2010, the DFA was signed into law in the United States. The DFA is expansive in its scope, and requires the adoption of numerous regulations and the making of numerous regulatory decisions by United States federal regulators including, but not limited to, the SEC and the CFTC and the Federal Reserve. Under the DFA, the SEC is responsible for regulating "security-based swaps" as defined by Section 3(a)(68) of the 1934 Act, and the CFTC is responsible for regulating "swaps" as defined by Section 1(a)(47) of the Commodity Exchange Act of 1934. Barings' clients may have been adversely affected by recently adopted changes to the CFTC or other regulations relating to swaps, swap dealers or futures commission merchants and may be adversely affected by future rule proposals. These rule changes include, but are not limited to, those concerning the identity and registration status of "swap dealers" ("SDs"), the status of clients as so-called "special entities" or "major swap participants" ("MSPs"), capital rules for regulated entities, mandatory clearing and trade execution of certain types of derivatives, and additional regulatory margin requirements for certain non-centrally cleared derivatives products.

Certain swaps have become subject to mandatory clearing upon issuance of a mandatory clearing determination by the CFTC and others are required to be cleared if a registered or exempt derivatives clearing organization makes a particular swap available to clear. Absent an exemption, all market participants are required to submit such swaps for clearing. Further, absent an exemption, mandatory execution on a swap execution facility ("SEF") or derivatives contract market ("DCM") is required where a swap (i) is subject to mandatory clearing and (ii) has been "made available to trade" ("MAT") by a SEF or DCM and reviewed by the CFTC. SEFs and DCMs are permitted to submit MAT determinations to the CFTC for approval if the swaps are listed by the SEF and there is adequate liquidity in the market. In the case of swaps not subject to mandatory clearing, the DFA mandates the imposition of regulatory margin requirements, as well as requirements for SDs and MSPs to segregate initial margin on request of the counterparty. The Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, Farm Credit Administration and the Federal Housing Finance Agency (collectively, the "Prudential Regulators") and the CFTC have respectively implemented rules with respect to uncleared margin requirements (the "CFTC Rules" and the "PR Rules," the CFTC Rules and the PR Rules together collectively, the "Rules"). The PR Rules apply to swap counterparties that are prudentially regulated by a Prudential Regulator ("PR CSE"). The CFTC Rules apply to those swap entities that are regulated by the CFTC and are not prudentially regulated ("CFTC CSE"). Depending on the categorization of a client under the PR Rules or the CFTC Rules, as applicable, and whether a counterparty is a CFTC CSE or a PR CSE, a client may or may not be required to post and/or receive variation and/or initial margin. Further, the extent to which the variation and initial margin rules apply will depend on whether a counterparty or a client is a "financial end user" with or without material swap exposure as defined under the Rules.

Similarly, in the case of “security-based swap dealers” (“SBSDs”), or “major securities-based swap participants” (“MSBSPs”) being subject to regulation by the SEC, the DFA again mandates in the cases of security-based swaps not subject to mandatory clearing the imposition of regulatory margin requirements on SBSDs and MSBSPs, as well as requirements for SBSDs and MSBSPs to segregate initial margin on request of the counterparty. The imposition of such regulatory margin could impact the cost of trading in such swaps, and thus impact the extent to which, and manner in which, Barings’ clients use derivatives. The implementation of these DFA regulatory requirements with respect to security-based swaps by the SEC in the future may impact the manner in which, and the extent to which, Barings’ clients use and trade security-based swaps, and could further limit or significantly increase the costs of trading in such security-based swaps.

In addition, in cases where derivatives are executed through a SEF, the investment adviser is required to submit its clients (on whose behalf the trade is submitted) to the jurisdiction of the SEF. Pursuant to guidance by the Division of Market Oversight of the CFTC, such consent need not be obtained through an affirmative writing of the client. Such guidance has created uncertainty in the market, particularly as more derivatives are being required to be traded through SEFs, and as a consequence some market participants may decide not to trade derivatives or, in the case of clients that are not United States persons, such clients may decide to trade swaps outside the United States.

In addition to the DFA, regulators around the globe have been implementing their own regulatory regimes with respect to derivatives that may or may not conflict with the DFA and may impact clients in different ways depending on where such client is organized and operated. For example, the European Union enacted EMIR (Regulation (EU) No 648/2012 of the European Parliament and of the Council of July 4). Similar to the DFA, EMIR imposes mandatory clearing, risk mitigation procedures, and margin requirements on Barings’ clients that are subject to EMIR or are trading with entities subject to EMIR, depending on such clients’ classification under EMIR. In cases where a client is subject to the requirements of the DFA and EMIR or other regulatory regimes, it may be possible to substitute compliance with regulations of one jurisdiction with compliance with the rules of the other jurisdiction. As is the case with the DFA, EMIR could limit or significantly increase the costs of trading in certain derivatives. As stated above, a number of other countries either have proposed, are proposing, or have implemented some regulations for derivatives, and it is impossible to predict the ultimate effect of such regulations.

Further, the European Union has also enacted the Markets in Financial Instruments Directive (“MiFID”) and its accompanying Markets in Financial Instruments Regulation (“MiFIR”, and together with MiFID, “MiFID II”), which went into effect on January 3, 2018. MiFID II has impacted both the derivatives and overall infrastructure of the European financial markets by imposing new requirements with respect to market transparency and market infrastructure. Among other changes, MiFID II introduced organized trading facilities (“OTFs”) for trading of non-equity instruments and imposed strict rules around inducements and payments for research. By virtue of the broad nature of MiFID II’s reach on a global basis, clients may be impacted by these new regulations both individually and by virtue of the global nature of Barings’ business model, which may include trade execution by one or more of Barings’ European subsidiaries.

Trade Aggregation:

Global Investment Allocation Policy

Many of the investment transactions by Barings on behalf of its clients are effected as aggregated transactions made for a number of accounts, including for Barings' own account or the account of its affiliates, including MassMutual and MassMutual's subsidiaries and affiliates, for other accounts or funds in which Barings, its affiliates, or their respective employees, have a beneficial or proprietary interest, or for accounts which Barings or its affiliates receive a performance-based advisory fee. To address the conflicts of interest associated with the allocation of trading and investment opportunities, Barings has adopted a Global Investment Allocation Policy setting forth general principles of allocation for investment transactions, and established a Trading Practices Committee to assist in the implementation of policies and procedures designed to result in the fair and equitable distribution of aggregated investment opportunities across all Barings investment advisory accounts ("Global Investment Allocation Procedures"). Barings' Compliance Department, in coordination with Barings' relevant investment teams, can grant exceptions to any provision of these Global Investment Allocation Procedures so long as such exceptions are consistent with the purpose of the Global Investment Allocation Policy and applicable law, and are documented and retained for the period required. These Global Investment Allocation Procedures are summarized below.

Barings is committed to transacting in securities, loans and other financial instruments in a manner that is consistent with the investment objectives of each of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis.

Barings determines whether aggregation of such transactions is desirable, appropriate and feasible and will allocate trades among participating accounts with the general purpose of maintaining consistent and/or appropriate concentrations across similar accounts and in an effort to obtain more favorable execution in terms of price, cost and efficiency in processing the transaction. When aggregating orders, all clients will be treated in a fair and equitable manner. Barings will not make allocation decisions based on relationships with certain clients, fees or compensation. Barings has adopted Global Investment Allocation Procedures designed to ensure that trade allocations are timely, that no set of trade allocations is accomplished to unfairly advantage one client over another and that over time clients are treated equitably, even though a specific trade can have the effect of benefiting one client as against another when viewed in isolation. Allocations are generally made at or about the time of execution and before the end of the trading day or as soon as practicable thereafter, given certain market practices with regard to differing asset types. In the case of derivative instruments, allocations must be made at or about the time of the execution, and must be made no later than before the end of the trading day. Depending on such factors as the size of an order and the type and availability of a security or other investment, orders can be executed throughout the day rather than being aggregated.

Certain asset classes, such as direct real estate assets (equity and debt) are allocated pursuant to a rotational process, which ranks and prioritizes each portfolio, giving preference to the portfolio with the most time elapsed since its last allocation or in the case of partial fills involving structured credit assets were an account that may decline the partial allocation will be filled, next time on a

rotational basis. As a result, one account may receive a price for a particular transaction that is different from the price received by another account for a similar transaction on the same day or one or more accounts may receive a particular transaction or asset based on where it ranks within a rotation. In general, trades are either allocated among portfolios on a pro rata basis (given the portfolio has indicated interest) when Barings determines such aggregation is appropriate and in the best interest of its clients or placed in client accounts in a rotational manner.

It is the policy of Barings to transact in a manner that is fair and equitable across all client accounts including those accounts that are for the benefit of affiliates of Barings. In general, this means that such opportunities will be allocated pro rata (with pro rata being based on: 1. original indication of interest or order size; 2. total fund size; 3. total percentage of account allocated to the relevant asset class or 4. percentage of current exposure to the credit by participating accounts in the case of restructuring or refinancing transactions) OR if a proposed pro rata allocation would result in an account receiving an allocation that is so small that the costs incurred do not justify an allocation (e.g. counterparty fees or non-tradeable lots), that it would be undesirable by the Portfolio Manager, given liquidity and trading considerations, or does not meet the minimum allocation requirement established by the counterparty, the Portfolio Manager may decide to adjust allocation instructions to provide certain accounts with more meaningful allocations and or may decide to decline an allocation for other accounts. This may cause accounts that did not participate in an order to be given allocation priority on subsequent allocations on a rotational basis as noted above.

In addition, Barings must comply with allocation procedures specified in any of the fund or organizational documents of its clients. No client will be allocated assets if such allocation does not meet the investment objective or current risk profile of such client.

As discussed above in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Barings has entered into agreements with certain clients offering the clients the opportunity to co-invest in certain investments. Barings applies its discretion when allocating such co-investment opportunities, taking into account facts and circumstances, which can include the nature of the transaction, speed of execution required, tax considerations, familiarity and history of investing in the relevant industry, ability to provide strategic insight, and other factors believed relevant. In any event, Barings will allocate such co-investment opportunity in a manner consistent with its fiduciary obligations.

Notwithstanding the foregoing, an aggregated order can be allocated on a basis different from that specified in Barings' Allocation Procedures described herein. Reasons for allocating on a different basis include, but are not limited to: a client's investment guidelines and restrictions, certain portfolio characteristics, available cash, liquidity requirements, industry or issuer concentrations, tax or legal reasons, and to avoid odd-lots or in cases when a pro rata allocation would result in a de minimus allocation to one or more clients. From time to time, aggregation is not possible because a security or other instrument is thinly traded. Barings seeks to treat all clients reasonably in light of all factors relevant to managing an account, and in some cases, it is possible that the application of the factors described above result in allocations in which certain accounts receive an allocation when others do not.

Section 17(d) Order

Barings, MassMutual, Barings Corporate Investors ("MCI"), Barings Participation Investors ("MPV"), Barings BDC, Inc. ("BBDC") and together with MPV and MCI, each a "Registered Fund" and collectively the "Registered Funds", and private investment companies and Barings, BDC, Inc. advised or sub-advised by Barings ("private investment funds") comply with an exemptive order (the "Section 17(d) Order") from the SEC from certain restrictions set forth in Section 17(d), and Rule 17d-1 thereunder, of the Investment Company Act of 1940, as amended (the "1940 Act"). Subject to certain conditions set forth therein, the Section 17(d) Order generally permits joint investments (or "co-investments") in certain private placement securities by affiliated persons of Barings, including existing and future private investment funds, the Registered Funds and future registered closed-end funds and business development companies.

The conditions of the Section 17(d) Order are applicable only to those joint or aggregate transactions in private placement securities where Barings negotiates the terms of the transaction other than price ("Private Placements"). No co-investment in Private Placements can be made by a Registered Fund under the Section 17(d) Order if MassMutual, Barings or a private investment fund then currently holds a security issued by that entity.

Under the Section 17(d) Order, if Barings proposes to purchase for MassMutual or any other Barings client a Private Placement that it believes would be an appropriate investment for a Registered Fund and is consistent with the investment objectives and policies of such Registered Fund, such opportunity to purchase also must be offered to such Registered Fund on identical terms and conditions in the amounts Barings deems appropriate for such Registered Fund based on its then-current circumstances. Additionally, if the aggregate amount of a Private Placement opportunity that has been recommended for investment by the Registered Funds, MassMutual and any other Barings client exceeds the amount of the investment opportunity available, such opportunity will be allocated among the parties pro rata based on each participant's capital available for investment in such asset class, up to the amount proposed to be invested by each. A Registered Fund can co-invest in a Private Placement only if a majority of trustees or directors of the Registered Fund who are not "interested persons" of such Registered Fund, as defined in Section 2(a)(19) of the 1940 Act, determine that: (1) the terms of the transaction are reasonable and fair to the Registered Fund and its shareholders; (2) the transaction is consistent with the Registered Fund's investment objectives and policies; and (3) the co-investment by other affiliated parties would not disadvantage the Registered Fund and participation by the Registered Fund would not be on a basis different from or less advantageous than that of other participants.

The Section 17(d) Order also provides that if any party to the Section 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the opportunity to dispose of a proportionate amount of such Private Placement on identical terms and conditions.

Section 17(a) Order

In addition, Barings and its affiliates have obtained an exemptive order (the "Section 17(a) Order") from the SEC that permits Barings and its affiliates to execute certain securities transactions with certain broker-dealers affiliated with Jefferies Group LLC (the "Jefferies Trading Entities"), which

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may be deemed to control a joint venture that MassMutual, Barings' indirect parent, also may be deemed to control. Section 17(a) of the 1940 Act prohibits any affiliated person of a registered investment company or an affiliated person of such a person, acting as principal, from knowingly selling any security or other property to the investment company, or from knowingly purchasing any security or other property from the investment company. The Section 17(a) Order permits certain registered management investment companies managed by Barings and its affiliates subject to certain conditions, to engage in (1) certain primary and secondary market transactions in fixed-income securities executed on a principal basis with Jefferies Trading Entities and (2) certain transactions in which such investment companies and such Jefferies Trading Entities participate jointly or have a joint interest.

ITEM 13 – Review of Accounts

Advisory accounts managed by Barings are reviewed regularly and generally daily for many accounts, including institutional separate accounts, registered investment companies, real estate debt accounts and alternative investments. Account level reviews are generally performed by the account portfolio manager or team responsible for account management, who review portfolio holdings and monitor compliance with, to the extent applicable, any client-mandated investment guidelines, asset allocation, risk tolerance, current strategy and performance relative to the appropriate benchmark. Reviews are supplemented by other Barings support professionals that monitor valuation, credit quality, duration, spread and market activity and other factors, as applicable, as well as operational compliance and/or compliance professionals who monitor security or other investment holdings on an account basis to ensure compliance with account investment guidelines.

Real estate equity security portfolio performance is reviewed daily by members of the relevant real estate investment committee and the strategies are periodically reviewed by the committee in a formal meeting. In addition to account level review, securities and other investments held on behalf of client advisory accounts are subject to economic, fundamental, technical and/or quantitative analyses that Barings utilizes in its investment decision making.

For real estate equity investment client accounts, the portfolio manager works closely with regionally based asset managers to monitor performance of the direct real estate investments to ensure client strategies are executed and to identify portfolio problems. Along with weekly review of these investments, various scheduled processes are integral to the overall review process, including development of annual business plans and budgets for each property, preparation of quarterly client reports with input from regional asset managers (who conduct monthly income/expense variance analyses) and property and fund accountants (who prepare financial statements and performance results), and a periodic review of property valuations by a Barings' employed Member Appraisal Institute appraiser (a professional designation from the Appraisal Institute). Barings communicates investment performance and major events to direct real estate investors by holding regular meetings and sending reports. Quarterly reports are prepared that provide a thorough review of the portfolio including its objectives, performance (on an absolute basis and against plan), potential challenges, and investment returns. Annual strategy documents are prepared to communicate strategy both internally and externally.

Client reports can be tailored to meet the needs of the respective client, and vary in scope, format, approach and timing in accordance with each client's requirements. Most clients receive written reports.

For real estate equity security portfolios, clients receive quarterly investment reports that provide updates on market fundamentals and forecasts, investment strategy, and an outlook for the real estate securities markets. In addition, clients receive performance updates for their portfolios and relevant benchmarks. Clients also receive detailed portfolio composition reports that list holdings by their respective country or property sectors.

Monitoring Responsibilities: The management of each investment group within Barings is responsible for periodically monitoring the performance, portfolio composition and trading activity of all its client accounts.

Monitoring Responsibilities: The management of each investment group within Barings is responsible for periodically monitoring the performance, portfolio composition and trading activity of all its client accounts. It is also the responsibility of management to pay particular attention to client accounts where investment professionals who manage private investment funds in which Barings, its affiliates and/or an investment professional has an ownership or economic interest to ensure that there is no pattern suggesting that the investment professional (i) inappropriately favored such private investment fund(s) with respect to the time and resources expended in managing such fund(s) or the allocation of investment opportunities; or (ii) purchased or sold investments in other client accounts for the purpose of benefiting the positions held by the private investment fund.

ITEM 14 – Client Referrals and Other Compensation

Barings' affiliated broker-dealer, Barings Securities, can act as a placement agent for certain private investment funds where Barings is not a sponsor or adviser to the fund, but where Barings, an affiliate and/or a client is a lead investor and/or shares in the economics as a general partner, pays a reduced fee or receives other indirect economic benefits. Barings or its affiliates can solicit clients to invest in such funds and receive compensation from the adviser to the fund or its affiliates in connection with such placement agent services.

In certain circumstances, and in accordance with applicable law, Barings can (1) pay a fee to employees of Barings or its affiliates or other selected individuals, or entities who introduce business to Barings or (2) receive a fee for introducing clients and their business to related persons or third parties. The amount of fees paid to or received from third parties is negotiated between Barings and such persons.

ITEM 15 – Custody

In certain instances, Barings is deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). This may include, but is not limited to, instances in which: Barings or an affiliate is acting as the administrative or serving agent to a loan syndicate and where custody of such client assets may be commingled with assets of other third parties;

Barings or an affiliate is acting as the general partner, managing partner or other similar role for a pooled vehicle; or where Barings may deduct management fees directly from a client account. In certain cases, in order to comply with the Custody Rule, qualified custodians will send quarterly or more frequent account statements directly to Barings clients. Clients should carefully review such statements and compare them to any account statements they receive from Barings. If any discrepancies are found, clients should contact Barings and their custodian as soon as possible.

Barings' Agency Account:

The senior loans held in Barings' clients' portfolios that are originated or otherwise sourced by Barings are typically funded by a loan syndicate organized by Barings ("Loan Syndicate"). In most cases, Barings serves as the administrative agent to such Loan Syndicates. The participants in a Loan Syndicate (the "Loan Syndicate Participants") generally include Barings and its affiliates, Barings' clients, other bank and non-bank lenders, and various institutional and sophisticated investors (either directly, through self-directed investments or separate accounts, or through private investment vehicles in which they invest).

As the administrative agent to the Loan Syndicates, Barings performs the duties and responsibilities typically assigned to an administrative agent for and on behalf of each Loan Syndicate. Like the credit agreements for most syndicated loans, each Loan Syndicate's credit agreement requires Barings to follow negotiated guidelines or formulas regarding the movement of cash to and from the lenders and the borrower, as applicable, for the Loan Syndicate (e.g., the collection of loan proceeds from lenders and their disbursement to the borrower, as well as the use and distribution of payments received from the borrower). Accordingly, Barings, in its capacity as the administrative agent, applies the terms of each credit agreement and has no authority to determine how the cash is used, allocated or disbursed.

A single bank account (the "Agency Account"), established by Barings and maintained by a U.S. bank that meets the definition of a "qualified custodian" under the custody rule of the Advisers Act (the "Custody Rule"), facilitates the movement of cash to and from the lenders and the borrowers, as applicable, for the Loan Syndicates. The Agency Account was opened by and in the name of Barings as agent for the Loan Syndicate Participants (i.e., the funds related to the Loan Syndicates are not held in separate accounts or sub-accounts for each Loan Syndicate Participant under the Loan Syndicate Participant's name, but are commingled in the Agency Account). The qualified custodian of the Agency Account does not send Agency Account statements to the Loan Syndicate Participants.

Because of its role with respect to the Agency Account, it is likely that Barings would be deemed to have custody of the assets in the Agency Account. To the extent that Barings is deemed to have custody of assets in the Agency Account, Barings is relying on the relief from Rules 206(4)-2(a)(1)(ii) and 206(4)-2(a)(3) under the Advisers Act granted in the Madison Capital No-Action Letter (December 20, 2018).


ITEM 16 – Investment Discretion

Barings' investment management agreements and/or private fund agreements generally provide Barings with discretionary authority to determine which securities and other transactions, in what amounts and on what terms, to buy, sell or transact on behalf of a client's account, which brokers or dealers (if any) to use in executing client trades, and the brokerage commissions and other transaction costs (if any) to be paid in connection with the transaction. Investment decisions for a client are made with a view to achieving the client's investment objectives. Clients generally establish specific investment guidelines for their accounts, which limit Barings' investment discretion for those accounts by requiring Barings to abide by certain investment limitations and restrictions in such guidelines. Clients can change or amend their investment guidelines. In determining when to purchase or sell securities or to enter into other investment transactions for an advisory account, Barings considers many factors, including those summarized above in Item 12 – Brokerage Practices, Trade Aggregation. In making these determinations for clients in light of each account's investment objectives, a particular security or other transaction can be bought or sold or a particular transaction can be executed only on behalf of certain clients of Barings, even though it could have been bought, sold or transacted for other clients of Barings. Likewise, a particular security can be bought or held by one or more client portfolios when one or more other client portfolios are selling the security, or selling the security short. Under certain circumstances, short selling a security can adversely affect the price of that security.

Transactions on United States stock exchanges, commodities markets, futures markets and other agency transactions involve the payment by a client of brokerage commissions. Such commissions vary among different brokers or dealers. A particular broker or dealer can charge different commissions according to such factors as the difficulty and size of the transaction. In the case of securities or derivatives traded in the over-the-counter markets, the price paid by a client can include an undisclosed dealer commission or mark-up. In underwritten offerings, the price paid by a client includes a disclosed, fixed commission or discount retained by the underwriter, broker or dealer which, in certain circumstances and to the extent not prohibited by applicable law, can be an affiliated broker or dealer of Barings. To the extent there is a client mandated or other prohibition against the use of an affiliated broker or dealer, such trades will not be aggregated in accordance with the Global Investment Allocation Policy described above in Item 12 – Brokerage Practices, Trade Aggregation.

ITEM 17 – Voting Client Securities

Barings understands that the voting of proxies is an integral part of its investment management responsibility and believes, as a general principle, that proxies should be acted upon (voted or abstained) solely in the best interest of its clients (i.e. in a manner believed by Barings to best pursue a client's investment objectives). To implement this general principle, Barings engages a proxy service provider ("Service Provider") that is responsible for processing and maintaining records of proxy votes. In addition, the Service Provider will retain the services of an independent third-party research provider ("Research Provider") to provide research and recommendations (including environmental, social and governance topics) on proxies. It is Barings' Global Proxy Voting Policy to generally vote proxies in accordance with the recommendations of the Research Provider or with the Research Provider's proxy voting guidelines ("Guidelines") in absence of a recommendation. In circumstances where the Research Provider has not provided recommendations the proxy will be analyzed on a case-by-case basis.



Barings recognizes that there are times when it is in the best interest of clients to vote proxies against the Research Provider's recommendations or Guidelines. In such events Barings will vote in accordance with an authorized investment person or designee ("Proxy Analyst") recommendation so long as (i) no other Proxy Analyst disagrees with such recommendation; and (ii) no known material conflict of interest ("Material Conflict") is identified. Barings can vote, in whole or in part, against the Research Provider's recommendations or Guidelines, as it deems appropriate. The procedures set forth in the Global Proxy Voting Policy are designed to ensure that votes against the Research Provider's recommendations or Guidelines are made in the best interests of clients and are not the result of any Material Conflict. For purposes of the Global Proxy Voting Policy, a Material Conflict is defined as any position, relationship or interest, financial or otherwise, of Barings or a Barings associate that could reasonably be expected to affect the independence or judgment concerning proxy voting.

If a Material Conflict is identified by a Proxy Analyst or the proxy administrator, the proxy will be submitted to the relevant Governance Committee to determine how the proxy is to be voted in order to achieve that client's best interests.

No associate, officer, director or board of managers/directors of Barings or its affiliates (other than those assigned such responsibilities under the Proxy Voting Policy) can influence how Barings votes client proxies, unless such person has been requested to provide assistance by a Proxy Analyst or relevant Governance Committee and has disclosed any known Material Conflict.

Investment management agreements generally delegate the authority to Barings to vote proxies to Barings in accordance with Barings' Proxy Voting Policy. In the event an investment management agreement is silent on proxy voting, Barings should obtain written instructions from the client as to their voting preference. However, when the client does not provide written instructions as to their voting preferences, Barings will assume proxy voting responsibilities. In the event that a client makes a written request regarding voting, Barings will vote as instructed.

Clients can obtain a copy of Barings' Global Proxy Voting Policy and information about how Barings voted proxies related to their securities, free of charge, by contacting the Chief Compliance Officer, Barings LLC, 300 S. Tryon Street, Suite 2500, Charlotte, NC 28202, or calling toll-free, 1-877-766-0014.

ITEM 18 – Financial Information

This item is not applicable.

Appendix A

Below are the standard fee schedules for institutional separate account clients according to strategy. These fees are subject to change and negotiation. As a result, a client may pay more or less than the amounts reflected in the standard fee schedules. Please refer to “Item 5 – Fees and Compensation” for more information.

FIXED INCOME

A. INVESTMENT GRADE

Active Short Duration (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.19%
Next \$150 million	0.14%
Thereafter	0.11%

Core Fixed Income (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.19%
Next \$150 million	0.14%
Thereafter	0.11%

Core-Plus Fixed Income (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.25%
Next \$150 million	0.20%
Thereafter	0.17%

Investment Grade Corporate (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.23%
Next \$150 million	0.18%
Thereafter	0.15%

Inflation Protected Bond (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.14%
Next \$150 million	0.125%
Thereafter	0.11%

B. High Yield

High Yield Bonds (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.475%
Next \$150 million	0.425%
Thereafter	0.375%

Senior Secured Loans (minimum account size: \$100 million)*:

<u>Dollar Amount Managed</u>	<u>Annual Rate</u>
First \$100 million	0.50%
Next \$150 million	0.45%
Thereafter	0.40%

* Additional administrative fees can be charged depending on reporting requirements.

REAL ESTATE

Public real estate equity security clients are generally charged between 25 to 65 basis points on the percentage of assets under management and can be charged a performance fee in accordance with Rule 205-3 of the Advisers Act.

Public real estate debt security (principally CMBS and real estate investment trust ("REIT") debt) clients are generally charged between 10 to 30 basis points on the percentage of assets under management.

Equity investment clients are generally charged one or more of the following types of fees: (i) asset management fees based on a percentage of the aggregate purchase price or market value of the investments acquired ranging from 35 to 150 basis points or a percentage of investments' net income ranging from 2.5% to 7.0%, or a combination thereof; (ii) incentive fees based on certain performance measures; (iii) property acquisition fees equal to a percentage of the acquisition cost of an asset, ranging from 0 to 75 basis points of the gross purchase price; and/or (iv) disposition fees equal to a percentage of the net sales proceeds of a property, ranging from 0 to 25 basis points.

Debt and alternative investments clients are generally charged between 10 to 125 basis points on outstanding loan balances or 140 basis points on net equity invested for ongoing management fees, depending on the strategy.