

5 July 2023

Dear Policyholder

CREATION OF NEW FUND FOR LIQUID ASSETS – BARINGS EASTERN EUROPE FUND

We are writing to you as your RL360 Preference policy holds units in the Barings Eastern Europe Fund (the A Inc USD share class) (the “Base Fund”) whose portfolio contains Russian-related assets and whose net asset value was impacted as a consequence of Russia’s invasion of Ukraine.

We last wrote to you in May 2022, advising that as the Base Fund was suspended to all trading it was necessary to temporarily remove visibility of the Base Fund from your policy, in order to allow your policy to continue to function normally.

We have now received a notification from the board of directors (the “Directors”) of Baring International Fund Managers (Ireland) Limited (the “Manager”) who, in consultation with Baring Asset Management Limited (the “Investment Manager”) (together “Barings”), has advised of upcoming changes to the Base Fund, in light of ongoing exceptional and adverse market conditions relating to the current situation in Russia and Ukraine, and the corresponding trading suspension of the Base Fund which has remained in place since March 2022.

These changes impact you, your access to the Base Fund and what will be visible in your policy after Barings has completed the upcoming changes.

Background

The Base Fund has a number of impacted assets (the “Impacted Assets”) which are Russian, Belarusian and Ukrainian holdings that have been directly and/or indirectly impacted by the Russian invasion of Ukraine by way of imposed sanctions/have become illiquid/untradeable or are difficult to value accurately at this time. As a consequence, the value of the Impacted Assets in the Base Fund were written down to zero by Barings in March 2022 in order to apply a fair valuation for the best interests of investors.

Transfer of Liquid Assets to a New Fund

The Directors have decided in consultation with the Investment Manager that it is in the best interest of unitholders of the Base Fund to transfer the non-Impacted Assets (the “Liquid Assets”) to a new fund (the “New Fund”) with effect from 21 July 2023 (the “Effective Date”) (together the “Transaction”).

The Base Fund will remain a sub-fund of the Barings Global Umbrella Fund structure (the “Base Umbrella”), whilst the New Fund will be a sub-fund established under the Barings International Umbrella Fund (the “New Umbrella”), an umbrella fund constituted as a unit trust established pursuant to the Unit Trusts Act, 1990, and authorised by the Central Bank as a UCITS under the Regulations.

The benefit of the Transaction to the Base Fund unitholders is that the New Fund will continue to be managed with the same investment objective and policy as the Base Fund, which enables Base Fund unitholders to benefit from the ongoing performance of the Liquid Assets whilst retaining (through the Base Fund) an interest in the Impacted Assets should their value return in the future. The Impacted Assets will remain in the Base Fund as a sub-fund of the Base Umbrella.

The New Fund established under the New Umbrella will be called Barings Eastern Europe Fund A Inc USD and will retain the existing ISIN code IE0000805634 that is currently used on the Base Fund. From the Effective Date, the Base Fund will be re-named as Barings Eastern Europe (SP) A Inc USD and will have a new ISIN code IE000OKSBXA0 assigned to it.

Please read the enclosed **Appendix** for a comparison of the features of the Base Fund and the New Fund from the Effective Date. While there are some differences between the Base Fund and the New Fund, it is not expected that there will be any material difference in the rights of the Base Fund unitholders before and after the Transaction takes effect.

On the Effective Date, the Base Fund unitholders will be issued the equivalent number of new units ("New Units") in the New Fund, calculated using an Exchange Ratio, which will be calculated as follows:

The net asset value per unit for the relevant class of the Base Fund (determined at 12pm (Irish time) on the Effective Date (the "Valuation Point")), excluding the Impacted Assets, divided by the initial offer price of the relevant unit class / share class in the New Fund (determined at the Valuation Point).

It is intended that the initial offer price per unit of the New Fund will be set to match the net asset value ("NAV") per unit of the Base Fund as at the Valuation Point, (excluding the value of the Impacted Assets, which is currently valued at zero) with the result that the Exchange Ratio is expected to be 1:1.

The issue of New Units in the New Fund will not be subject to any charges. Base Fund unitholders will continue to hold the same number of existing units in the Base Fund. All associated costs of the Transaction will be borne by the Manager.

On implementation of the Transaction, the Base Fund shall cease operations on the first Business Day following the Effective Date and Time. Following this date, the Manager will fully wind up all the affairs of the Base Fund, once trading of the Impacted Assets allow. Subject to the proviso below, any surplus of assets remaining after the discharge of outstanding liabilities in relation to the Base Fund, which includes the Impacted Assets, (the "Surplus") will be distributed in cash pro rata to the Base Fund unitholders on the register of the unitholders of the Base Fund on the Effective Date and Time.

If, however, the Surplus is such that the cost of distribution of such Surplus would be excessive in proportion to the value of the Surplus, then the Base Fund shall arrange for the Surplus to be transferred to the New Fund within thirty (30) days of the calculation of the Surplus (but no further New Units shall be issued to former unitholders in the Base Fund as a result of the transfer of the Surplus).

Your allocation of New Units for the Liquid Assets

Shortly after the week commencing 24 July 2023 (the "Dealing Date"), the New Fund will become visible on your policy, to which you will have full access.

You will receive an equivalent allocation of units in the New Fund on a 1:1 basis equal to your unit holding in the Base Fund as at the Effective Date, at a NAV price calculated at the Valuation Point. After the Effective Date, the New Fund will be an actively trading fund for subscription, redemption, switching into and switching out of.

Your unit allocation in the Base Fund will remain suspended and zero priced, therefore will not be visible on your policy.

Upon such time a realised value (if any) is received from the Base Fund in respect of the Impacted Assets, this will be allocated to the Base Fund accordingly. We will update you regarding the manner of any allocation applicable to you at the time of any such event occurring.

Charges

From the date of suspension of the Base Fund to the Effective Date, management fees are only chargeable on the portion of Liquid Assets.

Upon the Transaction taking effect, management fees of the Base Fund will be waived. The Manager will bear all the ongoing operation costs and expenses of the Base Fund upon the Transaction taking effect, until it can dispose of the Impacted Assets and terminate the Base Fund.

Redemption and/or switch instructions submitted for the Base Fund

Please note that you will not be able to redeem or switch from the Base Fund after the Cut-off Time. Redemption of units, switching and investment in the New Fund will be available from the Dealing Date.

Summary

1. A New Fund will be launched to which the liquid assets of the Base Fund will be transferred
2. From the Effective Date the Base Fund will only exist to hold the suspended Impacted Assets
3. The Base Fund will continue to be suspended to all trading activity and will not be visible in your policy
4. On the Effective Date, the New Fund will launch. It will be actively trading and visible in your policy and will be available for switches, redemption/surrender and further investment.

The Base Fund before the Effective Date	The Base Fund after the Effective Date	The New Fund after the Effective Date
Barings Eastern Europe A Inc USD IE0000805634	Barings Eastern Europe (SP) A Inc USD IE0000KSBXA0	Barings Eastern Europe A Inc USD IE0000805634
<ul style="list-style-type: none">- Holds liquid and illiquid assets of the Base Fund's portfolio- Suspended to all trading- Portfolio valued at zero until further notice- Fund not visible on your policy	<ul style="list-style-type: none">- Holds only illiquid Russian, Belarusian and Ukrainian related assets of existing Base Fund's portfolio- Valued at zero until further notice- Suspended to all trading- Fund not visible on your policy- Allocation of same number of units you held in the Base Fund prior to the suspension	<ul style="list-style-type: none">- Holds all liquid assets of existing Base Fund's portfolio.- Portfolio value based on tradeable assets- Actively trading- Visible on your policy- Allocation of same number of units you held in the Base Fund prior to the suspension

These changes will happen automatically within your policy and you do not need to take any action. We recommend that you seek the advice of your usual independent financial adviser before making any investment decisions.

Your options

You are free to conduct switches for any actively trading fund(s) in your policy to any other fund(s) available to your policy, free of charge, at any time and this includes requesting a redirection of regular premium, should you wish to.

To do this, visit the fund centre for your product at www.rl360.com/fundcentres to help you decide on a new fund, or funds. After that, choose one of the following options:

Switch online	Send us your changes
If you are a registered user of our Online Service Centre and have signed up for online switching, log into your account at www.rl360.com and submit your switch online quickly and efficiently.	Download a copy of our Fund Switch Instruction Form , which you will find on the relevant product's "Downloads" page. Complete it and fax, post or email a scanned version back to us using the details on the form.

Getting in touch

If you have any general queries regarding your policy please get in touch. Call our Customer Service Team on +44 (0)1624 681682 or send an email to csc@rl360.com and one of our team will be happy to help.

Kind regards



Chris Corkish
Investment Marketing Manager

APPENDIX – Comparison between the Base Fund and the New Fund from the Effective Date

	Base Fund	New Fund
Name	Barings Eastern Europe (SP) A Inc USD	Barings Eastern Europe A Inc USD
Umbrella the fund is established under	A sub-fund of Barings Global Umbrella Fund	A sub-fund of Barings International Umbrella Fund
ISIN code	IE0000KSBXAO	IE0000805634
Launch Date	30 September 1996	21 July 2023 (The New Fund will be launched on the Effective Date and upon the receipt of the Liquid Assets from the Base Fund)
Domicile	Ireland	Same
Regulatory Status	UCITS (undertaking for collective investment in transferable securities authorised pursuant to the Regulations)	Same
Accounting Year End	30 April	Same
Manager of fund	Baring International Fund Managers (Ireland) Limited	Same
Investment Manager	Baring Asset Management Limited	Same
Base Currency	US Dollars	Same
Business Day	Any day other than Saturday or Sunday on which banks in both Ireland and the United Kingdom are open for business.	Same
Dealing Day	<p>(i) each Business Day (unless the determination of the Net Asset Value of the Base Fund has been suspended for the reasons specified in the fund prospectus and provided that if the day is a Business Day other than one which is as defined in the relevant Supplement, the Manager will provide advance notice of this fact to all unitholders in the Base Fund or</p> <p>(ii) any other day which the Manager may have determined, with the prior written approval of the Depositary, subject to advance notice to all unitholders in the Base Fund and provided there is at least one Dealing Day per fortnight.</p> <p><i>AS NOTED ABOVE DEALING IS CURRENTLY SUSPENDED IN THE BASE FUND.</i></p>	Same
Investment Objective and Policies	<p>The investment objective of the Base Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe.</p> <p>The Base Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities, such as convertible bonds and warrants, of companies incorporated in, or exercising the predominant part of their economic activity in Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan (“Commonwealth of Independent States”) and in other emerging European countries such as Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Georgia, Greece,</p>	<p>The investment objective of the New Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe.</p> <p>The New Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities, such as convertible bonds and warrants (which may only be acquired passively through corporate actions and are not expected to exceed 5% of the New Fund’s Net Asset Value), of companies incorporated in, or exercising the predominant part of their economic activity in Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine</p>

Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey, or quoted or traded on the stock exchanges in those countries. There is no limit to the extent of direct investment in Russia. Investment may also be made in securities listed or traded on recognised exchanges or markets in other countries where the issuer is located in or has a significant exposure to emerging European countries and in government and corporate debt securities.

A description of equity-related securities can be found in the prospectus under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities.

For the remainder of the Base Fund's total assets, the Base Fund may invest outside of emerging markets including developed and frontier markets as well as in fixed income instruments and cash.

Debt securities acquired for the Base Fund will generally be rated not lower than B- by Standard & Poor's ("S&P") or another internationally recognised rating agency or will be, in the opinion of the Manager, of similar credit status. The Manager may invest in lower grade securities but it is their policy that the value of all such securities does not comprise more than 10% of the Net Asset Value of the Base Fund. In addition, the Manager will not invest more than 5% of the assets of the Base Fund in debt securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Manager, of similar credit status.

The policy of the Manager is to maintain diversification in terms of the countries to which investment exposure is maintained but, save as indicated above; there is no limit to the proportion of the assets which may be invested in any one country.

Investment by foreign investors in many developing countries is currently restricted. Indirect foreign investment, may, however, be permitted or facilitated in certain of those countries through investment funds which have been specifically authorised for the purpose. Subject to the restrictions set out in Appendix I of the prospectus, it is the policy of the Manager to invest in such funds from time to time, and similar investment funds offering exposure to any particular emerging European markets where such funds are considered attractive investments in their own right.

The Base Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and

and Uzbekistan ("Commonwealth of Independent States") and in other emerging European countries such as Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Georgia, Greece, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey, or quoted or traded on the stock exchanges in those countries. There is no limit to the extent of direct investment in Russia and any such securities which are listed or traded in Russia must be listed or traded on the Moscow Exchange. Investment may also be made in securities listed or traded on recognised exchanges or markets in other countries where the issuer is located in or has a significant exposure to emerging European countries and in fixed and floating debt instruments issued by government and corporate issuers, such as bonds.

A description of equity-related securities can be found under the section headed "Investment Policy: General" of the Prospectus.

For the remainder of the New Fund's total assets, the New Fund may invest outside of emerging markets including developed and frontier markets as well as in fixed and floating income instruments issued by governments and corporate issuers, such as bonds, and cash.

Debt securities acquired for the New Fund will generally be rated not lower than B- by Standard & Poor's ("S&P") or another internationally recognised rating agency or will be, in the opinion of the Investment Manager, of similar credit status. The Investment Manager may invest in lower grade securities but it is their policy that the value of all such securities does not comprise more than 10% of the Net Asset Value of the New Fund. In addition, the Investment Manager will not invest more than 5% of the assets of the New Fund in debt securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Investment Manager, of similar credit status.

The policy of the Investment Manager is to maintain diversification in terms of the countries to which investment exposure is maintained but, save as indicated above; there is no limit to the proportion of the assets which may be invested in any one country and there is no

	<p>continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.</p> <p>The Base Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging.</p> <p>Strategy</p> <p>The Investment Manager believes that equity markets contain unrecognised growth potential and seeks to identify this through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).</p> <p>GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis with a disciplined investment process. Based on the region, country or sector bias of a Base Fund, analysis of potential growth companies' includes their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years</p> <p>The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused management and strong balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the investment manager to offer funds which should exhibit lower volatility over time.</p>	<p>specific focus on any sector or industry.</p> <p>Investment by foreign investors in many developing countries is currently restricted. Indirect foreign investment, may, however, be permitted or facilitated in certain of those countries through investment funds which have been specifically authorised for the purpose. Subject to the restrictions set out in Appendix I of the prospectus, it is the policy of the Investment Manager to invest in such funds from time to time, and similar investment funds offering exposure to any particular emerging European markets where such funds are considered attractive investments in their own right.</p> <p>The New Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA. The New Fund is categorised as an Article 6 fund under the Sustainable Finance Disclosure Regulation.</p> <p>The New Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging.</p> <p>Strategy</p> <p>The Investment Manager believes that equity markets contain unrecognised growth potential and seeks to identify this through the analysis of a company's business model whilst incorporating wider ESG trends often referred to as fundamental analysis. ESG trends may evolve over time and may include environmental footprint, societal impact of products/services and effectiveness of supervisory/management boards. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price ("GARP").</p> <p>GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis with a disciplined investment process. Based on the region, country or sector bias of the New Fund, analysis of potential growth companies' includes their future financial performance as well as their business model and management style, while</p>
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Annual Management Charge (AMC) of the fund	1.50%	1.50%
Administration, Depositary and Operating Fee of the fund	0.45%	0.45%
Ongoing Charges Figure (OCF) of the fund	1.95%	1.95%
Risk/reward profile*	6	6

*The risk/reward profile used is 1 - 7 synthetic risk reward scale as published in the Funds' Key Investor Information Document published by Barings International Fund Managers (Ireland) Limited.