BARINGS

HIGHLIGHTS OF FUND

Baring International Umbrella Fund

Updated on February 2014

NOTICE RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE

Why do we need to collect your personal details?

As a client of **Baring Asset Management (Asia) Limited** (the "**Company**"), from time to time it is necessary for you to supply your personal data to us when opening or continuing portfolio accounts or in the establishment or continuation of investment management services by the Company.

Failure to supply data may result in the Company being unable to open, continue or establish portfolio accounts or continue investment management services by the Company.

Your personal data may also be collected in the ordinary course of the continuation of the client relationship between the Company and yourself, for example, when you inject or withdraw funds from your portfolio.

For what purposes can your data be used by the Company?

Your personal data may be used by the Company for the following:

- the daily operation of the services provided to you;
- assisting other financial institutions to conduct credit checks after the Company's having obtained your permission;
- designing financial services or related products for your use;
- determining the amount of your portfolio managed by the Company;
- collection of amounts outstanding from you (e.g. management fees payable to the Company);
- meeting the requirements to make disclosures under the requirements of any law and/or regulation and/or codes binding on/applicable to the Company or any of its branches;
- any purposes relating to the above;
- marketing financial services or related products. If you do not wish to receive information on other products or services, please tick this box.

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Will the Company provide the information to other parties?

Data held by the Company relating to you will be kept confidential but the Company may provide information to:

- any agent contractor or third party service provider who offers administrative, telecommunications, computer, payment or securities clearing or other services to the Company in connection with the operation of its business;
- any other person under a duty of confidentiality to the company including a group company of the Company which has undertaken to keep such information confidential;
- any financial institution with which you have or propose to have dealings in accordance with your instructions;
- any actual or proposed assignee of the Company or transferee of the Company rights in respect of you.

What rights do you have?

In accordance with the terms of the Ordinance you have the right to:

- check whether the Company holds data about you and gain access to such data;
- require the Company to correct any data relating to you which is inaccurate;
- ascertain the Company's policies and practices in relation to data and be informed of the kind of personal data held by the Company.

In accordance with the Ordinance, the Company has the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and kinds of data held should be addressed as follows:

The Compliance Officer
Baring Asset Management (Asia) Limited
19th Floor, Edinburgh Tower
15 Queen's Road Central
Hong Kong
Telephone: 2841 1411
Facsimile: 2845 9050

The price of Units may fall as well as rise. This summary contains information drawn from the full Prospectus (the "Prospectus") of Baring International Umbrella Fund (the "Unit Trust") and constitutes a country supplement to such Prospectus. We recommend that you read the full Prospectus prior to applying for Units in the Unit Trust.

The Directors of Baring International Fund Managers (Ireland) Limited (the "Managers"), are responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Unit Trust is a unit trust scheme constituted under the laws of Ireland by a Trust Deed dated 22nd November, 1990 (as amended and restated by the Trust Deed dated 1 February 2012). It is authorised by the Central Bank of Ireland (the "Central Bank") as an undertaking for collective investment in transferable securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (the "Regulations"). Authorisation by the Central Bank is not an endorsement or guarantee of the Unit Trust nor is the Central Bank responsible for the contents of this document. The authorisation of the Unit Trust by the Central Bank shall not constitute a warranty as to the performance of the Funds and the Central Bank shall not be liable for the performance or default of the Funds.

The Unit Trust has been authorised by the Securities and Futures Commission (the "SFC") in Hong Kong. The SFC's authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Distribution of these Highlights is not authorised in any jurisdiction unless accompanied by a copy of the then latest published annual report of the Unit Trust and, if published after such annual report, a copy of the latest semi-annual report. Such reports and these Highlights together form the prospectus for the issue of Units. Before investing you must have received and read the Product Key Facts Statement ("KFS").

Important: Investment in units ("Units") in Baring International Umbrella Fund (the "Unit Trust") involves risks and may not be suitable for all investors. Investment into the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in one Fund is not a complete investment programme. As part of an investor's long-term investment planning they should consider diversifying their portfolio by investing in a range of investments and asset classes. Potential investors' attention is drawn to the section headed "Risk Factors". If you are in any doubt as to whether or not investment in the Unit Trust is suitable for you or about the contents of this offering document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Unitholders should note that some or all of the management fees and other fees and expenses of a Fund may be charged to capital where there is insufficient income available. Thus, on redemption of holdings, Unitholders may not receive back the full amount invested. The policy of charging fees and expenses to capital will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth.

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Any information given, or representations made, by any dealer, salesman or other person not contained in this document or the KFS should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this document nor the offer, issue or sale of Units shall, under any circumstances, constitute a representation that the information given in this document is correct as of any time subsequent to the date of this document.

An investment in one Fund is not a complete investment programme. As part of your long term investment planning you should consider diversifying your portfolio by investing in a range of investments and asset classes.

Potential subscribers of Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units. Potential subscribers' attention is drawn to the risk factors described under the heading "Risk Factors" within this document.

Certain Units of each of the Funds are listed on the Official List and to trading on the main securities market of the Irish Stock Exchange Limited. The Managers do not anticipate that an active secondary market will develop in the Units.

The Managers are entitled to charge a Realisation Charge of up to 1% of the Net Asset Value of the Units redeemed. However, it is not the intention of the Managers to charge a realisation fee under normal circumstances.

Regarding the "Profile of a Typical Investor" section in respect of each of the Funds under the "Investment Objectives and Policies" section in the Highlights, investors should note that such information is provided for reference only and in accordance with the requirements of the Central Bank. Before making any investment decisions, investors should consider their own specific circumstances, including, without limitations, their own risk tolerance level, financial circumstances, and investment objectives. If in doubt, investors should consult their stockbrokers, bank managers, solicitors, accountants, representative banks or other financial advisers.

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DEFINITIONS

"Accounting Date"	30 April of each year by reference to which annual accounts for the Unit Trust are prepared or such other date as the Managers may from time to time decide.
"Accounting Period"	a period ending on an Accounting Date and commencing on the day following expiry of the last Accounting Period.
"Act"	Unit Trusts Act, 1990 or any amendment thereto for the time being in force.
"Administrator"	Northern Trust International Fund Administration Services (Ireland) Limited or any other person or persons for the time being duly appointed by the Managers as administrator of the Unit Trust in succession thereto with the prior approval of the Central Bank.
"Administrator Agreement"	the Amended and Restated Administration Services Agreement made between the Managers, the Trustee and the Administrator dated 1 July, 2011.
"Application Form"	any application form to be completed by investors as prescribed by the Managers from time to time.
"AUD", "AU$", "Australian Dollar"	refers to the currency of Australia.
"Base Currency"	the currency of account of a Fund as specified in the Highlights.
"Business Day"	in relation to a Fund any day other than Saturday or Sunday on which banks in both Dublin and London are open for business.
"Central Bank"	the Central Bank of Ireland.
"Class"	a particular division of Units in a Fund.
"Dealing Day"	every Business Day and/or such other day or days as the Managers may, with the approval of the Trustee, determine, provided that there shall be at least two Dealing Days in each month.
"Dealing Price"	The price at which Units are subscribed for or redeemed being the Net Asset Value per Unit calculated in accordance with the principles set out in the section "Calculation of Net Asset Value" within this Highlights.
"Directors"	the directors of the Unit Trust or any duly authorised committee or delegate thereof.
"Euro", "€", "EUR"	refers to the currency of certain member states of the European Union.
"European Economic Area (EEA)"	the EU Member States (Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom) together with Iceland, Liechtenstein and Norway and such other states which may join the EEA from time to time.

"FCA"	the Financial Conduct Authority of the United Kingdom.
"Fund" or "Funds"	a sub-fund of the Unit Trust representing the designation by the Managers of a particular class of units as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Managers from time to time with the approval of the Central Bank.
"Highlights"	this document as may be amended, supplemented or modified from time to time.
"HKD or Hong Kong Dollar"	refers to the currency of Hong Kong.
"Investment Management Agreement"	the amended and restated investment management agreement dated 27 August 2012 between the Managers and Baring Asset Management Limited.
"Investment Manager"	Baring Asset Management Limited or any other person or persons for the time being duly appointed as investment manager of the Unit Trust in succession thereto in accordance with the requirements of the Central Bank.
"Ireland"	the Republic of Ireland.
"Irish Stock Exchange"	The Irish Stock Exchange Limited.
"Managers"	Baring International Fund Managers (Ireland) Limited or any other person or persons for the time being duly appointed as manager of the Unit Trust in succession thereto in accordance with the requirements of the Central Bank.
"Minimum Investment"	such amount in respect of initial and/or subsequent subscriptions as may be specified in the Highlights or as the Managers may determine and notify to investors.
"Minimum Holding"	the minimum number or value of Units which must be held by Unitholders as specified in the Highlights.
"Money Market Instruments"	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time. Examples of such Money Market Instruments include certificates, deposits and listed short-term fixed and floating rate securities (including government and corporate notes and bonds).
"month"	calendar month.
"Net Asset Value"	the net asset value of a Fund or a relevant Class, as the case may be, determined in accordance with the principles set out in the section "Calculation of Net Asset Value" within this Highlights.

"OECD"	the Organisation for Economic Co-operation and Development. The thirty-four following countries are members of the OECD as of the date of this Highlights: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.
"PRC"	the People's Republic of China.
"Preliminary Charge"	a percentage of the Dealing Price as specified in the Highlights or such higher amount as may be approved by an Extraordinary Resolution.
"QFII Regulations"	refers to the measures issued by the relevant authorities in the People's Republic of China with respect to the qualified foreign institutional investors.
"Realisation Charge"	a percentage of the Dealing Price per Unit as specified in the Highlights or such higher amount as may be approved by an Extraordinary Resolution.
"Regulations"	European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011).
"Semi-Annual Accounting Date"	31 October in each year.
"Settlement Date"	four Business Days following the relevant Dealing Day.
"Sterling", "pence", "GBP", "£"	refers to the currency of the United Kingdom.
"Top Up Form"	any application form for additional units in an existing Fund, to be completed by investors as prescribed by the Managers from time to time.
"Trust Deed"	the amended and restated Trust Deed dated 1 February 2012 (as may be supplemented from time to time) made between Baring International Fund Managers (Ireland) Limited as Managers and Northern Trust Fiduciary Services (Ireland) Limited as Trustee.
"Trustee"	Northern Trust Fiduciary Services (Ireland) Limited or any other person or persons for the time being duly appointed as trustee of the Unit Trust in succession thereto in accordance with the requirements of the Central Bank.
"UCITS"	an undertaking for collective investment in transferable securities: – the sole object of which is the collective investment in either or both; (i) transferable securities; or (ii) other liquid financial assets; of capital raised from the public and which operates on the principle of risk-spreading,

	– the shares or units of which are, at the request of holders, repurchased or realised, directly or indirectly, out of that undertaking's assets. Action taken by a UCITS to ensure that the stock exchange value of its Shares does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or realisation.
"UCITS Directive"	EC Council Directive 85/611/EEC of 20 December, 1985 as amended.
"UCITS Notices"	the notices and guidelines issued by the Central Bank in relation to a UCITS from time to time.
"Unit"	an undivided share in the assets of a Fund.
"Unitholder"	means a natural or legal person, including entered on the register of a Fund as the holder of a Unit and includes persons so entered as joint holders of a Unit, such holder or holders being entitled to an undivided co-ownership interest as tenants in common with the other holders in the assets of a Fund.
"United States"	the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
"United States Person"	any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organised in or under the laws of the United States, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the United States Securities Act of 1933.
"Unitholders"	a person who is registered as a holder of Units in the Register of Unitholders for the time being kept by or on behalf of the Unit Trust.
"Unit Trust"	Baring International Umbrella Fund.
"US Dollar", "cent", "USD", "US$"	refers to the currency of the United States of America.
"Valuation Day"	the Dealing Day, unless specified otherwise in the relevant Supplement for a Fund.
"Valuation Point"	12 noon (Dublin time) on every Dealing Day in respect of Baring ASEAN Frontiers Fund, Baring Asia Growth Fund, Baring Australia Fund, Baring Europa Fund, Baring Hong Kong China Fund and Baring International Bond Fund. The Managers, with the approval of the Trustee, may change the Valuation Point of a Fund upon giving reasonable advance notice to Unitholders provided that in any event, dealing will always be on a forward pricing basis.

INTRODUCTION

Baring International Umbrella Fund (the “Unit Trust”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited and is designed to give both individual and institutional investors the benefit of experienced professional portfolio management. The sole object of the Unit Trust is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading. The Unit Trust was established pursuant to a Trust Deed dated 22 November 1990 made between Baring International Fund Managers (Ireland) Limited as Managers (the “Managers”) and Northern Trust Fiduciary Services (Ireland) Limited as Trustee (the “Trustee”), as amended and restated by the Trust Deed dated 1 February 2012 (as may be supplemented from time to time).

The Unit Trust is an umbrella trust in that different Funds may be issued from time to time by the Managers in accordance with the requirements of the Central Bank. A separate trust fund (a “Fund”) is maintained for each portfolio of assets and is invested in accordance with the investment objectives applicable to such Fund. Each Fund may create more than one Class of Unit and these separate Classes of Unit may have different characteristics which may include but are not limited to fee structure, currency of denomination, dividend policy or hedging strategy. Each Unit in the Unit Trust constitutes a beneficial interest in the Unit Trust and represents one undivided share in the property of the relevant Fund.

CLASSES OF UNITS

Units are currently available in the following Funds and Classes and have the following features.

Fund and Class	Base Currency	Management Fee	Initial Subscription Minimum/Minimum Holding*	Subsequent Minimum Investment*
Baring ASEAN Frontiers Fund				
Class A AUD Hedged Acc	USD	1.25%	AU$6,000	AU$500
Class A EUR Acc		1.25%	€3,500	€500
Class A EUR Inc		1.25%	€3,500	€500
Class A GBP Inc		1.25%	£2,500	£500
Class A USD Acc		1.25%	US$5,000	US$500
Class A USD Inc		1.25%	US$5,000	US$500
Class I EUR Acc		0.75%	€10,000,000	€500
Class I GBP Acc		0.75%	£10,000,000	£500
Class I USD Acc		0.75%	US$10,000,000	US$500
Baring Asia Growth Fund				
Class A EUR Acc	USD	1.25%	€3,500	€500
Class A EUR Inc		1.25%	€3,500	€500
Class A GBP Inc		1.25%	£2,500	£500
Class A USD Acc		1.25%	US$5,000	US$500
Class A USD Inc		1.25%	US$5,000	US$500
Class I EUR Acc		0.75%	€10,000,000	€500
Class I GBP Acc		0.75%	£10,000,000	£500
Class I USD Acc		0.75%	US$10,000,000	US$500
Baring Australia Fund				
Class A AUD Inc	USD	1.25%	AU$6,000	AU$500
Class A EUR Acc		1.25%	€3,500	€500
Class A EUR Inc		1.25%	€3,500	€500

Fund and Class	Base Currency	Management Fee	Initial Subscription Minimum/Minimum Holding*	Subsequent Minimum Investment*
Class A GBP Inc		1.25%	£2,500	£500
Class A USD Inc		1.25%	US$5,000	US$500
Class I AUD Acc		0.75%	AU$10,000,000	AU$500
Class I EUR Acc		0.75%	€10,000,000	€500
Class I GBP Acc		0.75%	£10,000,000	£500
Class I USD Acc		0.75%	US$10,000,000	US$500
Baring Europa Fund				
Class A EUR Acc	USD	1.25%	€3,500	€500
Class A EUR Inc		1.25%	€3,500	€500
Class A USD Inc		1.25%	US$5,000	US$500
Class C EUR Inc		1.25%	€3,500	€500
Class C USD Inc		1.25%	US$5,000	US$500
Class I EUR Acc		0.75%	€10,000,000	€500
Class I GBP Inc		0.75%	£10,000,000	£500
Class I USD Acc		0.75%	US$10,000,000	US$500
Baring Hong Kong China Fund				
Class A EUR Acc	USD	1.25%	€3,500	€500
Class A EUR Inc		1.25%	€3,500	€500
Class A GBP Inc		1.25%	£2,500	£500
Class A HKD Inc		1.25%	US$5,000**	US$500**
Class A USD Acc		1.25%	US$5,000	US$500
Class A USD Inc		1.25%	US$5,000	US$500
Class C EUR Inc		1.25%	€3,500	€500
Class C USD Inc		1.25%	US$5,000	US$500
Class I EUR Acc		0.75%	€10,000,000	€500
Class I GBP Acc		0.75%	£10,000,000	£500
Class I USD Acc		0.75%	US$10,000,000	US$500
Baring International Bond Fund				
Class A EUR Inc	USD	0.75%	€3,500	€500
Class A GBP Inc		0.75%	£2,500	£500
Class A USD Inc		0.75%	US$5,000	US$500
Class I EUR Acc		0.50%	€10,000,000	€500
Class I GBP Acc		0.50%	£10,000,000	£500
Class I GBP Inc		0.50%	£10,000,000	£500
Class I USD Acc		0.50%	US$10,000,000	US$500

* Or such lower amount as the Managers may determine at their discretion.

** HKD equivalent of the US$ amounts specified.

Each Fund will be treated as bearing its own liabilities and enter into its own obligations and the assets of a Fund are not available to cover the commitments of another Fund within the Unit Trust. Separate accounts and records will be maintained for each Fund.

Units of other Classes may be introduced by the Managers from time to time which shall be notified to and cleared in advance with the Central Bank. On the introduction of any new Class of Units, the Managers will prepare and issue documentation setting out the relevant details relating to each such class of Units.

Each Fund will be valued by reference to the Net Asset Value per Unit determined as at the Valuation Point on each Dealing Day and Units may normally be purchased, realised or converted by application to the Investment Manager or the Hong Kong Representative on a Dealing Day.

The Managers may decline any application for Units in whole or in part and will not accept subscription for Units of an amount (inclusive of the Preliminary Charge) which is less than the Minimum Investment. The Minimum Holding and Minimum Investment in respect of each Class may be waived at the discretion of the Managers. A Preliminary Charge of up to 6% (or such higher amount as may be approved by an Extraordinary Resolution) of the amount invested may be made and retained by the Managers but it is the intention of the Managers that such charge should not, until further notice, exceed 5%. No Preliminary Charge shall be levied in respect of subscription for Class C Units or for Class I Units.

Class C Units will be available to certain distributors who have in place a placing agency or distribution arrangement with the Managers or their delegates.

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed, copies of which are available as mentioned below.

AUD Hedged Unit Class

The Managers in offering Units in the Class A AUD Hedged Acc of the Baring ASEAN Frontiers Fund intend to attempt to mitigate the effect of fluctuations in the exchange rate of AUD relative to USD, the base currency of the Baring ASEAN Frontiers Fund. The Investment Manager may do so by using any of the derivative instruments and techniques set out under the heading "Investment Policy: General". Please refer to the section headed "Risks Factors" in this Highlights.

Information in this section is selective and should be read in conjunction with the full text of these Highlights.

INVESTMENT POLICY: GENERAL

With the exception of the Baring International Bond Fund, it will not be a primary investment objective of any of the Funds to acquire assets that will produce a significant level of income.

Investors' attention is particularly drawn to the fact that the portfolio for each Fund may, in addition to any investments referred to below, include deposits, instruments with floating interest rates and short-term paper including treasury bills, certificates of deposit and bankers' acceptances and other ancillary liquid assets. The Managers would not expect to retain substantial amounts of assets in this form except if they consider such investments to be in the best interests of Unitholders.

A Fund may, within the limits laid down by the Central Bank purchase and sell equity index and equity-related instruments including but not limited to Low Exercise Price Options (LEPO's), Optimised Portfolios as Listed Securities (OPALS), Performance Linked to Equity Securities (PERLES), share index notes, share index futures notes, participatory receipts and participatory certificates, each of which may assist in achieving the investment objective of the relevant Fund. Where utilised, LEPO's, OPALS and PERLES will be listed or traded on one or more of the stock exchanges or markets in which a Fund is permitted to invest, as set out in Appendix I. These instruments shall in each case comprise transferable securities of the issuer, notwithstanding that their value is linked to an underlying equity or equity index. In practice, the relevant Fund will purchase such instruments from an issuer and the instrument will track the underlying equity or equity index. It should be noted that the relevant Fund's exposure in relation to these instruments will be to the issuer of the instruments. However, it will also have an economic exposure to the underlying securities themselves. Any LEPO purchased or sold by the relevant Fund will be exercisable at any time over the duration of its life and may be settled on a cash basis. There is a leverage effect embedded in the use of equity-related securities. The risk profile of investment in equity-related securities is similar to investment in Financial Derivative Instruments. Please refer to the section headed "Risk Factors deriving from a Fund's investment in Financial Derivative Instruments" for details.

A Fund may use techniques and instruments other than those set out above in accordance with the requirements of the Central Bank and provided that a revised risk management process is submitted to and cleared in advance by the Central Bank.

A Fund may also invest to a limited extent in exchange traded funds (ETFs) in accordance with the regulatory requirements established by the Central Bank for open-ended collective investment schemes. No more than 10% of the net assets of any Fund may be invested in other collective investment schemes.

There is no requirement under the Trust Deed for any minimum proportion of any of the Funds' assets to be invested, whether directly or indirectly, in the area specified under the relevant investment objective and policies for each Fund or in a particular mix of investments. A degree of investment outside the relevant area may, in exceptional circumstances, be considered desirable.

A Fund may invest in China A or China B securities provided that such investment is in accordance with the requirements of the Central Bank and the relevant regulatory authorities in the People's Republic of China. Unless otherwise specifically disclosed in the investment objectives and policies of a Fund, it is not intended that it will invest, whether directly or indirectly, more than 10% of its net assets in China A and B shares. At least one month's prior notice will be given to investors and approval from the SFC will be sought if the relevant Fund intends to invest more than 10% of its net assets in China A and B shares and the Highlights will be updated accordingly. Currently, shares of Chinese companies listed on PRC Stock Exchanges include A-shares denominated and traded in Renminbi and B-shares denominated in Renminbi but traded in either US Dollars or Hong Kong Dollars. Currently, foreign investors are generally unable to invest in A-shares and the PRC domestic securities market other than through quotas approved under the QFII Regulations or as a strategic investor under applicable PRC regulations. Foreign investors may invest in China B shares directly. It is anticipated that a Funds' exposure to China A shares and China B shares will be obtained through indirect exposure through investment in other eligible collective investment schemes or participation notes and details of any such investment is set out in the investment objectives and policy section of each Fund. The Highlights will be updated to reflect additional trading details for any Funds intending to invest directly in the event of any future development in respect of PRC regulations. Details of the risks associated with investment in China A or China B securities is set out under the heading "Risk Factors – Investment in China".

The formation of the investment policy for each Fund and any changes to such policy in the light of political and/or economic conditions is the responsibility of the Managers who may, subject to the Trust Deed, change the investment policy for any Fund accordingly. The Trust Deed does not restrict investment policy or the investment of the Unit Trust's assets save as described below under "Investment Restrictions". The Managers will not, however, change the investment objective or policies for any Fund for at least three years following the admission of the Units of the class relating to such Fund to the Official List and trading on the Main Securities Market of The Irish Stock Exchange except in exceptional circumstances or in circumstances where the Managers are satisfied that the change is in the interest of Unitholders and in any circumstance only with the approval of an Extraordinary Resolution of Unitholders of the relevant Fund and the Central Bank.

In the event of a change in investment objective and/or a material change in investment policy, a reasonable notification period of at least a month will be provided by the Managers to enable Unitholders to redeem their Units prior to implementation of these changes.

Where the investment policy of a Fund requires a particular percentage to be invested in a specific type or range of investments, such requirement will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Units. In particular, in aiming to achieve a Fund's investment objective, investment may be made into other transferable securities than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. For example, during such periods, the Fund may invest in cash, deposits, treasury bills or short-term money market instruments as understood by reference to the UCITS Regulations.

Investment in Derivatives

The Managers or their delegate shall, in respect of and for the benefit of each Fund, have the power to employ Financial Derivative Instruments ("FDI") techniques and instruments for the purposes of investment and efficient portfolio management, in each case subject to the limits laid down by the Central Bank. These FDI, techniques and instruments may include, but are not limited to, warrants, exchange traded futures and options, forward currency contracts, swap agreements, contracts for differences, index-linked notes and share and commodity index futures contracts. Where a Fund intends to employ FDI techniques and instruments, it will be disclosed in the investment policies of the relevant Fund. In the event that a Fund changes its investment policy (any material change to investment policy shall only be made with the approval of Unitholders on the basis of a majority of votes cast by Unitholders at a general meeting of the Unitholders of the relevant Fund) in a manner which alters how it may invest in derivative techniques and instruments, the Managers will submit to and obtain clearance from the Central Bank of a revised risk management process. Investment in derivative techniques and instruments will only be made if provisions for such instruments have been made in the risk management process and cleared by the Central Bank.

The underlying exposure to financial derivative instruments in each case may relate to transferable securities, collective investment schemes (including ETFs), Money Market Instruments, stock or commodity indices, foreign exchange rates and currencies.

Efficient portfolio management is considered to be an investment management technique used (1) for the reduction of risk; (2) for the reduction of cost with no increase or a minimal increase in risk; and (3) use of instruments for the generation of additional capital or income with no increase, or a minimal increase in risk. For each Fund, any risk associated with efficient portfolio management techniques will remain consistent with the risk profile of the Fund.

Any direct operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct costs and fees will be paid to the relevant counterparty of the transaction. All revenues generated through the use of efficient portfolio management techniques, net of direct operational costs and fees, will be returned to the Fund. The counterparties to the relevant transaction will not be related to the Managers but may be related to the Trustee and under such circumstances, will be effected on normal commercial terms and registered on an arm's length basis.

The Investment Manager may decide not to use any of these instruments or strategies. In addition, the Investment Manager may decide to use instruments other than those listed above, in accordance with the requirements of the Central Bank. Outlined below is a description of the various instruments which may be used:

A Fund may sell futures on securities, indices, currencies or interest rates to provide an efficient, liquid and effective method for the management of risks by “locking in” gains and/or protecting against future declines in value. A Fund may also buy futures on securities, currencies or interest rates to take a position in securities. A Fund may also buy or sell stock index futures as a method to equalise significant cash positions in the Fund. The Managers will ensure that any underlying commodity index in which a Fund may invest will comply with the regulatory requirements established by the Central Bank.

A Fund may utilise options (including equity index options, options on futures and options on swaps) to increase its current return by writing covered call options and put options on securities it owns or in which it may invest. A Fund receives a premium from writing a call or put option, which increases the return if the option expires unexercised or is closed out at a net profit. If the Fund writes a call option, it gives up the opportunity to profit from any increase in the price of a security above the exercise price of the option; when it writes a put option, the Fund takes the risk that it will be required to purchase a security from the option holder at a price above the current market price of the security. A Fund may terminate an option that it has written prior to its expiration by entering into a closing purchase transaction in which it purchases an option having the same terms as the option written. A Fund may also write put-options on currencies to protect against exchange risks.

A Fund may purchase put options (including equity index options, options on futures and options on swaps) to provide an efficient, liquid and effective mechanism for “locking in” gains and/or protecting against future declines in value on securities that it owns. This allows the Fund to benefit from future gains in the value of a security without the risk of the fall in value of the security. A Fund may also purchase call options (including equity index options and options on futures) to provide an efficient, liquid and effective mechanism for taking position in securities. This allows the Fund to benefit from future gains in the value of a security without the need to purchase and hold the security.

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks or to actively overlay currency views (i.e. to establish positions in a currency different from the base currency which are expected to generate a positive return in base currency terms) onto the Funds currency exposure resulting from investing in foreign markets. Such contracts may, at the discretion of the Investment Manager be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Fund and the currencies in which the Fund’s investments are denominated or to pursue an active currency overlay strategy.

A Fund may also utilise non-deliverable forwards in order to provide protection against exchange risks or to actively overlay currency views onto the Funds’ currency exposure relating from investing in foreign markets. A non-deliverable forward is a bilateral financial futures contract on an exchange rate between a strong currency and an emerging currency. At maturity, there will be no delivery of the emerging currency; instead there is a cash settlement of the contract’s financial result in the strong currency.

A Fund may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Class shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. It is not the intention to over-hedge or under-hedge positions, but this may occur due to factors outside the control of the Fund. Over-hedged positions will not exceed more than 105% of the Net Asset Value of the Class. Hedged positions will be kept under review by the Investment Manager to ensure that over-hedged positions of any hedged Class do not exceed 105% of the Net Asset Value of such a Class and that such positions in excess of 100% will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit or eliminate the benefit to Unitholders of the hedged Classes if there is a decline in the value of the relevant Unit Class exchange rate against the US Dollar and/or the currency/currencies in which the assets of the Fund are denominated, but the Managers offer no guarantees that the strategy will be successful in completely eliminating the effects of adverse changes in exchange rates. Unitholders in the hedged Classes will also bear the costs of currency hedging operations and the gains/losses associated with any hedging strategy will be attributed only to the specific hedged Class.

A Fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to currencies, interest rates and securities. A Fund may use these techniques to protect against changes in interest rates and currency exchange rates. A Fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.

In respect of currencies, a Fund may utilise currency swap contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow a Fund to manage its exposures to currencies in which it holds investment. For these instruments the Fund’s return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, a Fund may utilise interest rate swap contracts where the Fund may exchange floating interest rate cash flows for fixed interest rate cash flows or fixed interest rate cash flows for floating interest rate cash flows. These contracts allow a Fund to manage its interest rate exposures. For these instruments the Fund’s return is based on the movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices a Fund may utilise total return swap contracts where the Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of an equity or fixed income instrument or a securities index or fixed cash flow based on total return of an equity or fixed income instrument or a securities index for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indexes. For these instruments the Fund’s return is based on the movement of interest rates relative to the return on the relevant security or index. Details in respect of the counterparties to such swap contracts are set out below. The counterparties to such swap contracts will not have any discretion over the portfolio of any Fund or over the underlying exposures and approval from the counterparty will not be required for any portfolio transaction of a Fund.

Counterparty Procedures

The Investment Manager’s Counterparty Credit Committee (“CCC”) approves the counterparties used for dealing, establishes counterparty credit limits for them and monitors them on an on-going basis.

In order to establish a relationship with a counterparty, credit ratings for the proposed counterparty are obtained from industry leading rating suppliers. At present, the Investment Manager principally uses S&P, Fitch, Moody's or Dun & Bradstreet. This is reviewed by the CCC as part of the authorisation process which also insists mutually agreed terms and conditions be put in place. The key criteria reviewed by the CCC are the structure, management, financial strength, internal controls and general reputation of the counterparty in question, as well as the legal, regulatory and political environment in the relevant markets. These counterparties are then constantly monitored using information from share price movements and other market information. Counterparty exposure is recorded daily and monitored and reported to the CCC.

Any broker counterparty must be authorised and regulated by the FCA or other appropriate national regulator. Each broker counterparty will also be subject to the following:

- Best Execution – the broker counterparty is monitored and ranked through an established third party analytical system to optimise trading strategies
- Operational efficiency – Investment Managers' dealers rank brokers according to quality of their service.

For each trade, best execution overrides any other consideration and the Investment Manager is not permitted to direct trades.

Please refer to the table of risk factors under the heading "Risk Factors" in the Highlights for the counterparty risks that apply to the Funds.

A Fund may also seek exposure to some or all of the assets referred to in the investment policy section of each Fund by obtaining exposure to financial indices which will comply with the requirements of UCITS Notices, such as through futures or swaps on financial indices. Such indices may include, but are not limited to, the FTSE China A50 (rebalanced on a quarterly basis), FTSE Bursa Malaysia KLCI (rebalanced on a semi-annual basis), MSCI Taiwan Index (rebalanced on a quarterly basis), S&P 500 Index (rebalanced on a quarterly basis). Indices which are rebalanced on a daily basis will not be utilised. The costs associated with gaining exposure to a financial index can be impacted by the frequency with which the relevant index is rebalanced. Details of any financial indices held by a Fund will be provided to Unitholders by the Investment Manager upon request and will be set out in the semi-annual and annual accounts of the Unit Trust. Where the weighting of a particular constituent in the relevant index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation, taking into account the interests of Unitholders and the relevant Fund.

A Fund may purchase warrants to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security.

Subject to the conditions and limits set out in the UCITS Notices, a Fund may use repurchase agreements, reverse repurchase agreements and/or stocklending agreements for efficient portfolio management, i.e. to generate additional income for the Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an agreement under which title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. As of the date of this Highlights, it is not proposed to use repurchase agreements, reverse repurchase agreements or engage in stocklending on behalf of any Fund. In the event that a Fund does propose to utilise such techniques and instruments, Unitholders will be notified and the Highlights will be revised in accordance with the requirements of the Central Bank and the SFC. At least one month's prior notice will be given to Unitholders and prior approval from the SFC will be sought if a Fund proposes to utilise such techniques and instruments in the future.

Each Fund will employ a risk management process which enables it to accurately measure, monitor and manage the various risk associated with derivatives. Investors may obtain on request from the Hong Kong Representative information relating to the quantitative limits applying in the risk management of the Fund, the risk management methods which are used in relation to the Fund and any recent developments in the risk and yields of the main categories of investments held in the Fund.

Collateral Management

In accordance with the requirements of the Central Bank the Investment Manager will employ a collateral management policy for and on behalf of the Unit Trust and each Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes. Any collateral received by the Trustee for and on behalf of a Fund on a title transfer basis shall be held by the Trustee. For other types of collateral arrangements, the collateral may be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider.

The collateral management policy employed by the Investment Manager in respect of the Funds arising from OTC financial derivative transactions provides that cash and highly liquid assets which meet with the regulatory criteria (as disclosed in the risk management process) in respect of valuation, issue credit quality, correlation and collateral diversification will be permitted collateral for each proposed financial derivative transaction. The collateral policy operated by the Investment Manager will set appropriate levels of collateral required by the Investment Manager in respect of derivative transactions. The Investment Manager will also employ a clear haircut policy (i.e. a policy in which a pre-determined percentage will be subtracted from the market value of an asset that is being used as collateral) for each class of assets received as collateral taking account of the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy.

Any cash collateral received for and on behalf of the Fund may be invested in any of the following:

(i) deposits with relevant institutions (as defined in the UCITS Notices);

(ii) high quality government bonds;

(iii) reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;

(iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral and may not be placed on deposit with the counterparty.

In circumstances where a Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risk attached to the collateral. The liquidity stress testing policy shall be disclosed in the risk management process employed by the Investment Manager.

INVESTMENT OBJECTIVES AND POLICIES

The investment objectives and policies applicable to each Fund are set out below.

Baring ASEAN Frontiers Fund

The investment objective of the Fund is to achieve long-term capital growth in the value of assets by investing in companies in Asia which the Managers believe will benefit from the economic growth and development of the region.

The 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 of companies incorporated in, or exercising the predominant part of their economic activity in, countries which are members of the Association of South-East Asian Nations (ASEAN) or quoted or traded on the stock exchanges in those countries. The members of ASEAN include Singapore Thailand, the Philippines, Malaysia, Indonesia and Vietnam. A description of equity-related securities is described under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities.

The Fund may also invest in companies incorporated, or exercising the predominant part of their economic activity elsewhere in the Asia ex Japan region, or in South Asia, which the Managers believe have the potential to benefit from the economic growth and development of the region, or which are quoted or traded on the stock exchanges in those countries. This is likely to include (but not be limited to) Greater China, in the form of Hong Kong, China and Taiwan, as well as India, Pakistan and other countries in Asia.

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

With regard to investment in China, no more than 10% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A Shares and B Shares. It is anticipated that this exposure will be obtained indirectly through investment in other eligible collective investment schemes or participation notes.

The Fund may invest in various FDIs as detailed under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 10% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI South East Asia Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

Baring Asia Growth Fund

The investment objective of the Fund is to achieve long-term capital growth in the value of assets by investing in Asia and the Pacific region (excluding Japan).

The 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 of companies incorporated in, or exercising the predominant part of their economic activity in, Asia including Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand, or quoted or traded on the stock exchanges in those countries. A description of equity-related securities is described under the section headed “Investment Policy: General”. For this purpose, total assets exclude cash and ancillary liquidities.

The Managers may also invest in other Asian markets when and if they consider it appropriate including investment in the Pacific and Pacific Rim region (excluding Japan). The portfolio for each country in which investment is made will be balanced according to the Managers’ assessment of investment prospects in those countries. There is no limit to the proportion of the Fund which may be invested in any one country.

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

With regard to investment in China, no more than 10% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A Shares and B Shares. It is anticipated that this exposure will be obtained indirectly through investment in other eligible collective investment schemes or participation notes.

The Fund may invest in various Financial Derivative Instruments (“FDIs”) as detailed under the section headed “Investment Policy: General” for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund’s leverage is expected to vary between 0% and 10% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund’s Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative “Value at Risk” methodology (“VaR”) which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI AC Asia ex Japan Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

Baring Australia Fund

The investment objective of the Fund is to achieve long-term capital growth in the value of assets by investing in Australia.

The 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 of companies incorporated in, or exercising the predominant part of their economic activity in Australia, or quoted or traded on the stock exchanges in Australia. A description of equity- related securities is described under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities.

The Managers may also invest in other Australasian markets when and if they consider it appropriate including investment in New Zealand. Within Australia, the portfolio will be balanced according to the Managers' assessment of investment prospects.

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

The Fund may invest in various FDIs as detailed under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 10% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI Australia 10/40 Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

Baring Europa Fund

The investment objective of the Fund is to achieve long-term capital growth in the value of assets by investing in companies in Europe (including the United Kingdom).

The 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 of companies incorporated in, or exercising the predominant part of their economic activity in any European country (including the United Kingdom), or quoted or traded on the stock exchanges in those countries. Within Europe, the portfolio will be balanced according to the Managers' assessment of investment prospects for individual countries. There is no limit to the proportion of the Fund which may be invested in any one country. A description of equity-related securities is described under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities.

The Fund will invest on a continual basis at least 75% of its assets into qualifying securities (which include equity securities issued by companies where the head office is in the EU or an EEA Country (other than Liechtenstein) and subject to corporate income tax under normal conditions) in order for French investors to take advantage of the French PEA Savings Plan "PEA" (Plan d'Epargne en Actions equity savings plans).

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

The Fund may invest in various FDIs as detailed under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 10% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI Europe Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

Baring Hong Kong China Fund

The investment objective of the Fund is to achieve long-term capital growth in the value of assets by investing in Hong Kong, China and Taiwan.

The 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 of companies incorporated in, or exercising the predominant part of their economic activity in Hong Kong or China, or quoted or traded on the stock exchanges in those countries. A description of equity-related securities is described under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities.

The Managers may also invest in companies incorporated in, or exercising the predominant part of the economic activity in Taiwan or quoted or traded on the Taiwan stock exchange. The portfolio will be balanced according to the Managers' assessment of investment prospects but may, depending upon the underlying investment conditions, emphasise investment in companies operating in those sectors of the Hong Kong or China economies that, in the Managers' opinion, provide the determinants for Hong Kong's or China's economic growth such as those involved in international trade, property and construction activity, engineering, electronics or the service sectors.

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

With regard to investment in China, no more than 10% of the Net Asset Value of the Fund at any one time may be invested directly or indirectly in China A Shares and B Shares. It is anticipated that this exposure will be obtained indirectly through investment in other eligible collective investment schemes or participation notes.

The Fund may invest in various FDIs as detailed under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 10% of its Net Asset Value.

- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI China Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

Baring International Bond Fund

The investment objective of the Fund is to achieve an attractive level of income together with long-term growth in the value of assets by investing in a diversified portfolio of fixed interest securities.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in an internationally diversified portfolio of both corporate and government fixed interest securities. The portfolio may also, from time to time, include securities with floating interest rates. For this purpose, total assets exclude cash and ancillary liquidities.

Fixed interest securities will predominately be rated "A-" or better by Standard & Poor's ("S&P") or another internationally recognised rating agency or which are, in the opinion of the Managers, of similar credit status, and floating rate securities should be rated "AA-" or better by S&P or another internationally recognised credit rating agency or which are, in the opinion of the Managers, of similar credit status provided that all securities in the portfolio will be rated at least investment grade. Where a security is unrated by S&P, the rating will be that determined by the Investment Manager to be of comparable quality. No restriction on credit quality will apply to sovereign borrowers issuing in their own currency. However, the Fund is not expected to invest more than 10% of its net assets in securities issued and/or guaranteed by a single sovereign (including its government, a public or local government of that country) which is rated below investment grade by an internationally recognised rating agency. In the event of split rating, the highest credit rating accredited to the relevant sovereign issuer will be deemed the reference credit rating.

Subject to the percentage of the Fund's assets which may be invested in unlisted securities (see "Investment Restrictions" below), the Managers will only invest in securities that are traded on exchanges and markets which are regulated, operate regularly, are recognised and which are open to the public.

The Fund may also invest in collective investment schemes (including ETFs) in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund.

Although the Net Asset Value of the Fund is expressed in US dollars, the relative attraction of investments denominated in other currencies is a major consideration of the Managers.

The Fund may invest in various FDIs as detailed under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management in accordance with the requirements of the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives. Although the Fund can use derivatives they will not be used extensively for investment purposes.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 70% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 100% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the Citigroup World Government Bond Index. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a two year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

Profile of a Typical Investor

The Fund is considered to be suitable for investors seeking an attractive level of income together with capital growth over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

INVESTMENT RESTRICTIONS

Investment may only be made as permitted by the Trust Deed and the Regulations and is subject to any restrictions and limits set out in the Trust Deed and the Regulations. The relevant provisions of the Regulations in respect of the investment restrictions applying to the Unit Trust and each Fund, in addition to other restrictions imposed by the Managers, are set out below. The Managers may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Unitholders, in order to comply with the laws and regulations of the countries where Units of each Fund are placed. Any such further restrictions shall be in accordance with the Regulations and in accordance with the requirements of the Central Bank.

1 Permitted Investments

Investments of a UCITS are confined to:

1.1 Transferable Securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

1.2 Recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money Market Instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.

1.4 Shares of UCITS.

1.5 Shares of non-UCITS as set out in the Central Bank's Guidance Note 2/03.

1.6 Deposits with credit institutions as prescribed in the UCITS Notices.

1.7 FDIs as prescribed in the UCITS Notices.

2 Investment Restrictions

2.1 A UCITS may invest no more than 10% of net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1.

2.2 A UCITS may invest no more than 10% of net assets in recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that:

- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.

2.3 A UCITS may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% does not exceed 40%.

2.4 The limit of 10% (as described in paragraph 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. (To avail of this provision, the prior approval of the Central Bank is required).

2.5 The limit of 10% (as described in paragraph 2.3) is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6 The Transferable Securities and Money Market Instruments referred to in paragraphs 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.

2.7 A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- credit institutions authorised in the EEA; or
- credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or
- credit institutions authorised within Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.

2.8 The risk exposure of a UCITS to a counterparty to an over-the-counter ("OTC") derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised within Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in Transferable Securities or Money Market Instruments;
- deposits; and/or
- risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

2.12 A UCITS may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members.

The individual issuers must be listed in the Highlights and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), The European Investment Bank, The European Bank for Reconstruction and Development, The International Finance Corporation, The International Monetary Fund, The Euratom, The Asian Development Bank, The European Central Bank, The Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3 Investment in Collective Investment Schemes ("CIS")

3.1 A UCITS may not invest more than 20% of net assets in any one CIS. However, the Managers have determined that in aggregate, no more than 10% of the net assets of a Fund may be invested in CIS.

3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of net assets. However, the Managers have determined that in aggregate, no more than 10% of the net assets of a Fund may be invested in CIS.

3.3 The CIS are prohibited from investing more than 10% of net assets in other CIS.

3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

3.5 Where a commission (including a rebated commission) is received by the UCITS manager or investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

4 Index Tracking UCITS

4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank.

4.2 The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5 General Provisions

5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A UCITS may acquire no more than:

(i) 10% of the non-voting shares of any single issuing body;

(ii) 10% of the debt securities of any single issuing body;

(iii) 25% of the units of any single CIS;

(iv) 10% of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

5.3 Paragraph 5.1 and 5.2 shall not be applicable to:

(i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;

(ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;

(iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;

(iv) Shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 Neither an investment company, nor a management company or a trustee acting on behalf of a Unit Trust or a management company of a common contractual fund, may carry out uncovered sales of:

- Transferable Securities;
- Money Market Instruments;
- Units of CIS; or
- FDI.

5.8 A UCITS may hold ancillary liquid assets.

6 Financial Derivative Instruments

6.1 The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value. A transaction in FDI which gives rise to a future commitment on behalf of a UCITS must be covered as follows: (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a UCITS; (ii) in the case of FDI which automatically, or at the discretion of the UCITS, are cash settled, a UCITS must hold, at all times, liquid assets which are sufficient to cover the exposure.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices).

6.3 UCITS may invest in FDIs dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

Stocklending

The Managers may request the Trustee to enter into stocklending transactions in respect of a Fund when it reasonably appears to the Managers to be economically appropriate with a view to creating additional income with no or an acceptable degree of risk.

Should the Managers engage in securities lending, all incremental income accruing from securities will be shared between the relevant Fund and the lender/custodian. The lender/custodian will seek to appoint counterparties who have a minimum credit rating of at least A2 by Standard & Poor's Rating Agency and P2 by Moody's Rating Agency or deemed to be of a similar credit status.

As security for any stock lending activities, the lender/custodian will obtain collateral comprising cash, government and/or other public securities, the value of which will at all times be at least 100% of the market value of the securities lent. The maximum amount available for stock lending activities is 100% of a Fund's net asset value.

The income from the stocklending is allocated 25% to the lender/custodian and 75% to the individual Fund.

Borrowing

The Trustee of a Fund may, in accordance with the Trust Deed and the relevant laws and regulations, and with the instructions of the Managers, borrow money on a temporary basis for the use of a Fund on terms that the borrowing is repayable out of the property of a Fund. The assets of that Fund may be charged as security for any such borrowings.

Borrowings must not exceed 10% of the net assets of a Fund at the time of borrowing.

The Fund may acquire foreign currency by means of back to back loan agreements. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions above, provided that the offsetting deposit (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

Overview of Risk Management Policies and Procedures in relation to Financial Derivative Instruments

The following sections provide a summary of the risk management policy and procedures concerning the Funds' investment in FDIs. Further information in relation to such policies and procedures is available from the Hong Kong Representative.

Overview

The Managers have delegated the investment management of each Fund to the Investment Manager who will also carry out the permanent risk management function on behalf of the Funds. As the Board of Directors of the Managers remain responsible for these delegated responsibilities, the Managers take all reasonable measures to ensure that these delegate duties are carried out in compliance with applicable rules and guidelines and are appropriately monitored and measured. The Investment Manager monitors, measures and manages the investment in and use of FDIs by the Funds having regard to the Manager's internal risk management policies and procedures.

Controls and Systems Used to Manage FDI Risk

The Investment Manager is responsible for investing and managing the assets of the Funds, and the investment manager of the Funds work with the risk manager of the investment process team ("Risk Manager") to take into consideration the risk of the assets as well as the overall risk characteristics of the Funds. Each Fund's portfolio is also monitored on a daily basis by the Risk Manager who is responsible for establishing portfolio guidelines and limits, and for enforcing compliance with them.

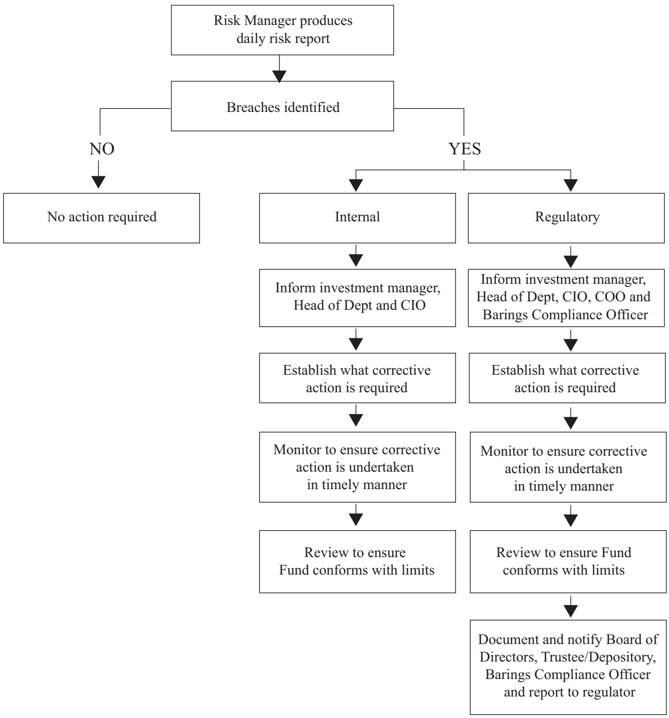
The Risk Manager is responsible for the assessment of risk and the development and maintenance of the methods and procedures necessary to manage derivatives risk, with the input and agreement of the Derivatives Policy Committee in relation to derivatives.

The following methodologies will be used for risk measurement and monitoring of exposures (internal and where applicable regulatory limits have been set for these methodologies and exposures):

- Value at Risk;
- Leverage;
- Tracking Error;
- Active positions;
- Price/earnings relative; and
- OTC Counterparty exposure;

The Operational Compliance Unit (within Investment Operations) uses the Investment Manager's automated guideline management system, Sentinel, to evaluate proposed transactions on a pre-trade basis and produces a daily post-trade compliance report on portfolio positions. Sentinel compares proposed trades to investment restrictions/limits that impact trade implementation and rejects trades that do not comply. Rejected trades must be cleared through the Operational Compliance Unit prior to execution. The system also generates a daily exceptions report relative to market movement identifying positions which have exceeded regulatory limits and/or investment restriction limits. All exceptions are reviewed by the Investment Manager and Operational Compliance Unit to achieve an appropriate and timely resolution. Where necessary exceptions on complex rules are escalated to the Fund's Trustees to ensure appropriate application of regulatory and fund data.

Daily Risk Report



There are five key systems which provide risk monitoring and compliance and reporting:

- For Value at Risk and stress test reporting RiskMetrics is used.
- For the calculation of tracking error and active positions in equity based funds the risk model data and the analysis software is provided by Northfield Information Services, and is delivered within Northfield Information Services' own software and by FactSet.
- For the calculation of the price to earnings of a Fund relative to the benchmark Style Research is used.
- For fixed income funds the calculation of tracking error and percentage contribution to tracking error the proprietary model developed by MSCI Barra is used.
- For multi asset funds the Value at Risk of the funds is assessed using analysis from RiskMetrics.

Designated teams within the Investment Manager are responsible for monitoring various policies and procedures as detailed in the table below:

Policy/Procedure	**Responsibility for monitoring**
Approval of derivatives usage, investment limits, policies and monitoring etc	Derivatives Policy Committee
Cash Policy – to support margin requirements	Operations to monitor agreed limits
Open interest/positions	Operations, through clearing brokers
Expiry limits	Operations, through clearing brokers
Action on open positions in times of excessive volatility	Chief Investment Officer/Derivatives Policy Committee
Derivative exposure limits	Derivatives Policy Committee
Overall operational risk matters	Risk Committee
Review and approval of brokers/ counterparties	Counterparty Credit Committee
Legal & Regulatory Risks	Legal & Compliance function and Boards of Directors
Market Risk	Chief Operating Officer and Risk Manager
Ensuring trustees and regulators are notified of matters which they need to be aware of	Barings Compliance Officer

RISK FACTORS

This section contains explanations of the key risks that apply to the Funds at the date of the Highlights.

Not all risks apply to all Funds and the following table sets out the risks that, in the opinion of the Managers, could have a significant impact to the overall risk of the portfolio. Investors should be aware that in a changing environment the Funds may be exposed to risks that were not envisaged at the date of the Highlights.

	Baring ASEAN Frontiers Fund	Baring Asia Growth Fund	Baring Australia Fund	Baring Europa Fund	Baring Hong Kong China Fund	Baring International Bond Fund
GENERAL RISKS						
General	✓	✓	✓	✓	✓	✓
Charges deducted from capital	✓	✓	✓	✓	✓	✓
Counterparty Risk	✓	✓	✓	✓	✓	✓
Credit Risk – General	✓	✓	✓	✓	✓	✓
Currency Risk	✓	✓	✓	✓	✓	✓
Fund Closure Risk	✓	✓	✓	✓	✓	✓
Inflation Risk	✓	✓	✓	✓	✓	✓
Investment in Europe – European Sovereign Debt Crisis	✓	✓	✓	✓	✓	✓
Liquidity Risk	✓	✓	✓	✓	✓	✓
Market Disruption Risk	✓	✓	✓	✓	✓	✓
No Investment Guarantee	✓	✓	✓	✓	✓	✓
Suspension of Trading	✓	✓	✓	✓	✓	✓
Taxation	✓	✓	✓	✓	✓	✓
FUND SPECIFIC RISKS						
Hedged Classes	✓	✓	✓	✓	✓	✓
Investment in Smaller Companies	✓	✓	✓	✓	✓	
Investment in Specific Countries, Regions and Sectors	✓	✓	✓	✓	✓	
Segregated Liability Risk	✓	✓	✓	✓	✓	✓
Investment in China	✓	✓			✓	
EQUITY RISKS						
Investment in Equities	✓	✓	✓	✓	✓	
EMERGING MARKETS						
Emerging Market Investments	✓	✓			✓	✓
FIXED INCOME SECURITIES						
Investment in Fixed Income Securities						✓

	Baring ASEAN Frontiers Fund	Baring Asia Growth Fund	Baring Australia Fund	Baring Europa Fund	Baring Hong Kong China Fund	Baring International Bond Fund
Credit Risk- Fixed Income						✓
Interest Rate Risk						✓
Downgrading of Investment Grade Securities						✓
Zero Coupon Risk						✓
Sovereign Debt Risk						✓
DERIVATIVE TECHNIQUES AND INSTRUMENTS						
Investment in Derivatives	✓	✓	✓	✓	✓	✓
Forward Foreign Exchange Transactions	✓	✓	✓	✓	✓	✓
Futures Contracts	✓	✓	✓	✓	✓	✓
Hedging Techniques	✓	✓	✓	✓	✓	✓
Leverage Risk	✓	✓	✓	✓	✓	✓
Over the Counter (OTC) Transactions	✓	✓	✓	✓	✓	✓
Absence of Regulation	✓	✓	✓	✓	✓	✓
Counterparty Default	✓	✓	✓	✓	✓	✓
Options	✓	✓	✓	✓	✓	✓
Swaps	✓	✓	✓	✓	✓	✓
Taxation	✓	✓	✓	✓	✓	✓
Legal Risks	✓	✓	✓	✓	✓	✓
Operational Risk linked to Management of Collateral	✓	✓	✓	✓	✓	✓

GENERAL RISKS

General

An investment in a Fund should be regarded as long-term in nature and only suitable for investors who understand the risks involved. An investment in one Fund is not a complete investment programme. As part of your long-term financial planning you should consider diversifying your portfolio by investing in a range of investments and asset Classes.

The value of investments and any income from them can go down as well as up and an investor may not get back the amount invested. An investor who realises (sells) Units after a short period may, in addition, not realise the amount originally invested in view of any Preliminary Charge made on the issue of Units.

There is no assurance that the investment objective of any of the Funds will be achieved. Also, past performance is not a guide to future performance.

Charges deducted from capital

Each Fund normally pays its management fee and other fees and expenses out of income (in accordance with Irish accounting guidelines). However, where insufficient income is available, the Managers may pay some or all of its management fee and other fees and expenses out of capital and out of both realised and unrealised capital gains less realised and unrealised capital losses. Where the management fee and other fees and expenses are deducted from a Fund's capital rather than income generated by the relevant Fund this may constrain growth and could erode capital, as the capital of the relevant Fund available for investment in the future and for capital growth may be reduced.

Counterparty Risk

Counterparty risk, otherwise known as default risk, is the risk that an organisation does not pay out on a bond or other trade or transaction when it is supposed to. If a counterparty fails to honour its obligations in a timely manner and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights.

Credit Risk – General

Funds may be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. When a Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

Currency Risk

The Fund may be susceptible to currency risk, either through Units/Shares in the Fund itself issued in a currency other than the Base Currency, or through investing in securities denominated in currencies other than the Base Currency.

The assets of the Funds may be invested in securities in various countries and income from them will be received in a variety of currencies. Changes in exchange rates between currencies may cause the value of the investments and/or income received to diminish or increase. A Class of Units of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. Unless the Class is specifically described as a hedged Class, no steps are taken to mitigate the effects of exchange rate fluctuations between the currency of denomination of the Units and the Base Currency.

Fund Closure Risk

In the event of the early termination of a Fund, the Managers would have to distribute to the Unitholders their pro rata interest in the assets of the Fund. It is possible that at the time of such sale or distribution, certain investments held by the Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Unitholders. Moreover, any organisational expenses with regard to the Fund that had not yet become fully amortised would be debited against the Fund's capital at that time.

The circumstances under which a Fund may be terminated are set out under the heading "Termination of the Fund".

Inflation Risk

A Fund's assets or income from a Fund's investments may be worth less in real terms in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio will decline unless it grows by more than the rate of inflation.

Investment in Europe – European Sovereign Debt Crisis

Some of the Funds may invest substantially in Europe. The current Eurozone crisis continues to raise uncertainty with some or no clarity on an enduring solution. Potential scenarios could include, among others, the downgrading of the credit rating of a European country, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant EU Member States from the Eurozone, or any combination of the above or other economic or political events. These may lead to the partial or full break-up of the Eurozone, with the result that the Euro may no longer be a valid trading currency. These events may increase volatility, liquidity and currency risks associated with investments in Europe and may adversely impact the performance and value of the Fund.

If certain countries cease to use Euro as their local currency, the transition by an EU Member State away from the Euro or the dissolution of the Euro may require the redenomination of some, or all, Euro-denominated sovereign debt, corporate debt and securities (including equity securities). This may have an adverse impact on the liquidity of the Fund's Euro-denominated assets and on the performance of the Fund which hold such assets. A Eurozone break-up or exit from the Euro might also lead to additional performance, legal and operational risks to the Fund and may cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an exiting EU Member State.

While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, there are concerns that these measures may not have the desired effect and the future stability and growth of Europe remains uncertain. If a crisis occurs, economic recovery may take some time and future growth will be affected. The performance and value of the Funds may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that may adversely affect the performance and value of the Funds. It is also possible that a large number of investors could decide to redeem their investments in the Fund at the same time. Investors also need to bear in mind that the events in Europe may spread to other parts of the world, affecting the global financial system and other local economies, and ultimately adversely affecting the performance and value of the Fund.

Liquidity Risk

Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the size of a transaction would represent a relatively large proportion of the average trading volume in that security or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Market Disruption Risk

The Funds may be exposed to the risk of incurring large losses in the event of disrupted markets. Disruptions can include the suspension or limit on trading of a financial exchange and disruptions in one market sector can have an adverse effect on other market sectors. If this happens, the risk of loss to a Fund can be increased because many positions may become illiquid, making them difficult to sell. Finance available to a Fund may also be reduced which can make it more difficult for a Fund to trade.

No Investment Guarantee

Investment in a Fund is not of the same nature as a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in a Fund is subject to fluctuations in value and you may get back less than you invest.

Suspension of Trading

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Investment Manager or an underlying fund manager to liquidate positions and thereby expose the Fund to losses.

Taxation

Any change in the taxation legislation or the interpretation thereof in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Fund, and consequently the value of the Fund's investments in the affected jurisdiction, the Fund's ability to achieve its investment objective and/or to alter the post tax returns to shareholders.

A Fund may be subject to withholding or other taxes on income and/or gains arising from its investments. Certain investments may themselves be subject to similar taxes on the underlying investments that they hold. Any investment in either developed or emerging markets, may be subject to new taxes or the rate of tax applicable to any income arising or capital gains may increase or decrease as a result of any prospective or retrospective change in applicable laws, rules or regulations or the interpretation thereof. It is possible that a Fund may or may not be able to benefit from relief under a double tax agreement between Ireland and the country where an investment is resident for tax purposes.

Certain countries may have a tax regime that is less well defined, may be subject to unpredictable change and may permit retroactive taxation thus the Funds could become subject to a local tax liability that had not reasonably been anticipated. Such uncertainty could necessitate significant provisions being made by any relevant Fund in the net asset values per Unit calculations for foreign taxes while it could also result in a Fund incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made.

Consequently, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, a Fund pays taxes relating to previous years, any related costs will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to a Fund at the point the decision to accrue the liability in the Fund's accounts is made.

As a result of the situations referred to above, any provisions made by the Funds in respect of the potential taxation of and returns from investments held at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors in a Fund may be advantaged or disadvantaged when they subscribe or redeem their Units in the Fund.

For further information please see also the Taxation section, in particular, the sub-section headed "Foreign Account Tax Compliance Act ("FATCA")".

FUND SPECIFIC RISKS

Hedged Classes

Hedged Unit Classes attempt to mitigate the effect of fluctuations in the exchange rate of the currency of the relevant hedged Unit Class relative to the Base Currency of the Fund. The Managers may try but are not obliged to mitigate this risk by using financial instruments such as those described under the heading "Investment Policy: General", provided that such instruments shall not result in hedged positions exceeding 105% of the Net Asset Value attributable to the relevant Class of Units of the Fund.

Currency hedging also has potential downsides. Hedging techniques have transaction costs which are borne by the Hedged Unit Class. In addition it is unlikely that the Managers will be able to achieve a perfect currency hedge, so there is no guarantee that a currency hedge will be entirely effective. Investors should also be aware that this strategy may substantially limit Unitholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency in which assets of the Fund are denominated.

Liability of the Fund

Unitholders of the relevant Hedged Class of Units of the Fund may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. However, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole.

Investment in Smaller Companies

Smaller companies tend to be subject to greater risks than larger companies. These include economic risks, such as lack of product depth, limited geographical diversification and increased sensitivity to the business cycle. They also include organisational risk, such as concentration of management and shareholders and key-person dependence. Where smaller companies are listed on 'junior' sections of the stock exchange, they may be subject to a lighter regulatory environment. Furthermore, the shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

Investment in Specific Countries, Regions and Sectors

Country, region or sector specific funds have a narrower focus than those which invest broadly across markets. These funds typically offer less diversification and are therefore considered to be more risky.

Segregated Liability Risk

The Unit Trust is an umbrella trust with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to discharge that liability. In addition, any contract entered into by the Managers will, by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to the assets of any of the Funds, other than the Fund in respect of which the contract was entered into. These provisions are binding on creditors and a liquidator in the event of insolvency. However, this will not prevent the application of any rule of law which would require the application of the assets of any Fund on the grounds of fraud or misrepresentation. In addition, these provisions have not been tested in other jurisdictions, and these remain a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owing to another Fund in a jurisdiction which would not recognise the principle of segregation of liability.

Investment in China

Investing in the Chinese securities markets is subject to both emerging market risks as well as country specific risks. Political changes, restrictions on currency exchange, exchange monitoring, taxes, limitations on foreign capital investments and capital repatriation can also affect investment performance.

Whilst the number of available share issues continues to increase, availability remains limited as compared with the choice available in other developed financial markets. This can impact on the level of liquidity in the shares markets which in turn can lead to price volatility.

The legal and regulatory framework for capital markets and joint stock companies in China is less developed when compared with those of developed countries. In addition, Chinese accounting standards may differ from international accounting standards.

Investment in Chinese securities may involve certain custodial risks. For example, the evidence of title of exchange traded securities in the People's Republic of China ("PRC") consists only of electronic book-entries in the depository and/or registry associated with the relevant exchange. These arrangements of the depositories and registries are new and not fully tested with regard to their efficiency, accuracy and security.

Investment in mainland China remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity. The PRC government's control of future movements in exchange rates and currency conversion may have an adverse impact on the operations and financial results of the companies in which these Funds invest.

With the potential uncertainty concerning the tax treatment of investments in Chinese securities, the possibility of tax rules being changed and the possibility of taxes or tax liabilities being applied retroactively, any provisions for taxation made by the relevant Funds at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending on the position of the Chinese tax authorities in the future and the level of tax provisions proving to be either excessive or inadequate either when they subscribed or redeemed their Units in the relevant Funds.

Under the prevailing PRC tax policy, there are certain tax incentives available to PRC companies with foreign investments. However, there is no assurance that tax incentives currently offered to foreign companies will not be abolished in the future. In addition, by investing in Chinese securities including A-Shares and B-Shares (indirectly through investment in other CIS or participation notes), these Funds may be subject to withholding and other taxes imposed in the PRC which cannot be eliminated by any applicable double taxation treaty. Therefore such uncertainty could necessitate significant provisions being made in the Net Asset Value per Unit calculations for foreign taxes.

EQUITY RISKS

Investment in Equities

The equity markets may fluctuate significantly with prices rising or falling sharply, and this will have a direct impact on the Fund's Net Asset Value. When the equity markets are extremely volatile the Fund's Net Asset Value may fluctuate substantially.

EMERGING MARKETS

Investment in Emerging Markets (and/or Frontier Markets)

Where a Fund invests in emerging (or frontier) markets, investors should be aware that this is likely to entail a higher risk level than developed markets. Issues can include less stability, lack of transparency and interference in political and bureaucratic processes and high levels of state intervention in society and the economy. Currency conversion and repatriation of investment income, capital and proceeds of sale by a Fund may be limited or require governmental consents. A Fund could be adversely affected by delays in, or refusal to grant, any such approval for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Stock exchanges and other such clearing infrastructure may lack liquidity and robust procedures and may be susceptible to interference.

Political, Social and Economic Instability

Some countries have a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on a Fund's investments in those countries. Developing countries can be subject to a higher than usual risk of political change, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries and thus a Fund's investments in those countries. Furthermore, it may be difficult for the Fund to obtain effective enforcement of its rights in certain developing countries.

Market Liquidity and Foreign Investment Infrastructure

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that the purchase and sale of holdings may take longer. Volatility of prices can be greater than in the developed world. This may result in considerable volatility in the value of the Fund and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which could have an adverse effect on the value of the Fund and therefore the Dealing Price.

In certain developing countries, portfolio investment by foreign investors such as the Funds may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to the Funds of attractive investment opportunities.

Corporate Disclosure, Accounting and Regulatory Standards

Companies in developing countries are generally not subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in the developed world. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies in most developing countries than in countries with more advanced securities markets. As a result, there may be less information available publicly to investors in developing country securities; such information as is available may be less reliable.

Availability and Reliability of Official Data

Less statistical data is available in relation to the securities markets of developing countries relative to the securities markets in, for example the United Kingdom; such data as is available may be less reliable.

Legal Risk

Many laws in developing countries are new and largely untested. As a result the Fund may be subject to a number of risks, including but not limited to inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of established avenues for legal redress and a lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain countries in which assets of the Fund are invested.

Taxation

Taxation of dividends, interest and capital gains received by foreign investors varies among developing countries and, in some cases, is comparatively high. In addition, certain developing countries are amongst those countries that have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund investing in such a country could in the future become subject to a local tax liability that could not have been reasonably anticipated. Such uncertainty could necessitate significant provisions for foreign taxes being made by a Fund in its Net Asset Values calculations. The making and potential impact of such provisions is considered further under the "General Risks – Taxation" section.

Settlement and Custody Risk

As these funds invest in markets where the trading, settlement and custodial systems are not fully developed, there is an increased risk of the assets of a Fund which are traded in such markets being lost through fraud, negligence, oversight or catastrophe such as a fire. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Funds may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce its right against third parties. As these Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of such Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Trustee will have no liability.

Risks include but are not limited to:

- a non-true delivery versus payment settlement, which could increase the credit risk with the counterparty. Delivery versus payment is a settlement system that stipulates that cash payment must be made prior to or simultaneously with the delivery of the security;
- a physical market (as opposed to electronic book keeping of records) and, as a consequence, the circulation of forged securities;
- poor information in regards to corporate actions;
- registration process that impacts the availability of the securities;
- lack of appropriate legal/fiscal infrastructure advices;
- lack of compensation/risk fund with a central depository.

FIXED INCOME SECURITIES

Investment in Fixed Income Securities

Investment in bonds or fixed income securities is subject to liquidity, interest rate and credit risks (i.e. the risk of default). The value of a bond will fall if an issuer defaults.

Fixed income securities are often rated by credit rating agencies. Credit ratings indicate the probability that an issuer will fail to make timely payment of capital and/ or interest that is due to be paid to investors under the terms of the security, i.e. the risk of default.

Certain credit rating agencies are designated by the U.S. Securities and Exchange Commission as Nationally Recognized Statistical Rating Organizations (NRSROs). Each NRSRO has an alpha or alphanumerical scale that expresses their ratings. An example of an NRSRO is Standard and Poor’s, their rating scale (expressed here in increasing order of default risk) is; AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C. The identifier D is also used, in order to signify that a security has already defaulted.

Securities rated between the AAA rating level and the BBB- rating level are commonly referred to as ‘investment grade’. These securities would be expected to have a very low risk of default.

Securities with ratings of BB+, and lower, are commonly referred to as ‘sub-investment grade’. These securities would be expected to have a higher risk of default, and a greater sensitivity to economic conditions, than ‘investment grade’ securities.

A Fund may in accordance with its investment policy only be permitted to invest in securities / investments of a certain credit rating. Credit ratings may however not always be an accurate or reliable measure of the strength of the securities / investments being invested in. Where such credit ratings prove inaccurate or unreliable, losses may be incurred by any Fund which has invested in such securities / investments.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world’s largest markets, such as the United States. Accordingly, a Fund’s investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Credit Risk – Fixed Income

A Fund may invest in fixed income securities which have low credit status which may represent a higher credit risk than funds which do not invest in such securities. Investment in securities issued by corporations may also represent a higher credit risk than investment in securities issued by governments.

There can be no assurance that the issuers of fixed income securities in which a Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in or payments due on such securities or instruments.

Interest Rate Risk

The fixed income instruments in which a Fund may invest are interest rate sensitive, which means that their value and, consequently, the Net Asset Value of a Fund will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income instruments.

Downgrading of Investment Grade Securities

Investment grade securities may be subject to risk of being downgraded to sub-investment grade securities. In the event of a downgrading in the credit rating of such securities or instruments or the issuers of securities or instruments in which the Fund may invest, the Fund's investment value in such securities or instruments may be adversely affected. The Managers may not be able to dispose of the securities or instruments that are being downgraded.

Zero Coupon Risk

Relative to interest paying securities of similar maturity, the market prices of securities structured as zero coupon are generally affected to a greater extent by interest rate changes. These securities tend to be more volatile than securities which pay interest periodically.

Sovereign Debt Risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("sovereign debt") issued or guaranteed by governments or their agencies ("government entities") of such countries involves a higher degree of risk.

A government entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the government entity's policy towards the International Monetary Fund and the political constraints to which a government entity may be subject. Government entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. Such commitments may be conditioned on a government entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the government entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In the event that a government entity defaults on its sovereign debt, holders of sovereign debt, including a Fund, may be requested to participate in the rescheduling of such debt. Such events may negatively impact the performance of a Fund.

DERIVATIVE TECHNIQUES AND INSTRUMENTS

Investment in Derivatives

Investments of a Fund may be composed of securities with varying degrees of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the Net Asset Value of the Fund concerned.

A Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or, if disclosed in relation to any Fund, financial derivative instruments may be used as part of the principal investment policies and strategies. Such strategies might be unsuccessful and incur losses for the Fund, due to market conditions. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves special risks, including: 1. dependence on the Investment Manager's ability to accurately predict movements in the price of the underlying security; 2. imperfect correlation between the movements in securities or currency on which a financial derivative instruments contract is based and movements in the securities or currencies in the relevant Fund; 3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Fund to liquidate a financial derivative instrument at an advantageous price; 4. due to the degree of leverage inherent in derivatives contracts, a relatively small price movement in a contract may result in an immediate and substantial loss to a Fund; and 5. Possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Fund's assets may be segregated to cover its obligations.

Forward Foreign Exchange Transactions

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis, and therefore have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Futures Contracts

A futures contract is a standardised contract between two parties to exchange a specified asset of standardized quantity and quality for a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date. The contracts are normally traded on a futures exchange. The amount of loss (as well as profit) is unlimited.

For example, where the underlying specified asset is a commodity, the futures contract may be illiquid because certain commodity exchanges limit fluctuations in certain future contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to affect trades at or within the limit.

A Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions and may bear the risk of counterparty default. A Fund may be invested in certain futures contracts which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

Hedging Techniques

The Fund may utilise a variety of financial instruments, such as options, interest rate swaps, futures and forward contracts etc. to seek to hedge against declines in the values of the Fund's positions as a result of changes in currency exchange rates, equity markets, market interest rates and other events. Hedging against a decline in the value of Fund's positions will not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but it does establish other positions designed to gain from those same developments, thus reducing the decline in the Fund's value. However, such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all or the Investment Manager may choose not to. Furthermore, there is no guarantee that a Fund's use of financial derivatives for hedging will be entirely effective and in adverse situations, where the use of financial derivatives becomes ineffective, a Fund may suffer significant loss.

Leverage Risk

When a Fund purchases a security, the risk to the Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps or options, that Fund's liability may be potentially unlimited until the position is closed.

Over the counter (OTC) transactions

An OTC transaction takes place when a financial instrument is traded directly between two parties rather than through a stock exchange. This typically occurs in markets which are still at an early stage of development and there is not a stock exchange, or for securities which have limited liquidity.

Absence of Regulation

In general, there is less regulation and supervision of OTC transactions than for transactions entered into on some stock exchanges. In addition, many of the protections afforded to participants on some stock exchanges might not be available in connection with OTC transactions.

Counterparty Default

A Fund may also have credit exposure to counterparties by virtue of positions in swap agreements, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the Fund. OTC transactions are executed in accordance with an agreed terms and conditions drawn up between the Fund and the counterparty. If the counterparty experiences credit issues and therefore defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures a Fund may implement to reduce counterparty risk, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Options

Transactions in options may also carry a high degree of risk. For purchased positions the risk to the option holder is limited to the purchase cost of establishing the position. Out of the Money (OTM) positions will see the value of the options position decrease, especially as the position nears expiry.

Swap Agreements

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to strategies, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Fund.

Taxation

Where a Fund invests in derivatives, the issues described in the "General Risks – Taxation" section may also apply to any change in the taxation legislation or interpretation thereof of the governing law of the derivative contract, the derivative counterparty, the market(s) comprising the underlying exposure(s) of the derivative or the markets where a Fund is registered or marketed.

Legal Risks

OTC derivatives are generally entered into pursuant to contracts based on the standards set by the International Swaps and Derivatives Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

Operational Risk linked to Management of Collateral

The use of OTC derivatives and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

The management of operational risk is established through policies set by the risk committee of the Investment Manager. These policies set standards for the high level assessment of risk and, monitoring and reporting of risk within the business and analysis of reported operational risk events.

MANAGERS, INVESTMENT MANAGER, TRUSTEE, ADMINISTRATOR AND HONG KONG REPRESENTATIVE

Managers

The Managers of the Unit Trust are Baring International Fund Managers (Ireland) Limited which was incorporated in Ireland as a private limited company on 16 July 1990. The issued share capital of the Managers is £100,000, all of which has been paid up in full. The company secretary of the Managers is Northern Trust International Fund Administration Services (Ireland) Limited.

The Managers have the right under the Trust Deed to retire at any time upon the appointment of a successor as provided in the Trust Deed. They may be removed by the Trustee in certain circumstances, including where the holders of not less than 50% of the Units for the time being in issue so request.

The Trust Deed contains provisions governing the responsibilities of the Managers and providing for their indemnification in certain circumstances, subject to exclusions in the case of its unjustifiable failure to perform its obligations or improper performance of them and subject to the provisions of the Regulations and any conditions imposed by the Central Bank thereunder.

The Managers are an indirect wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, a member of the MassMutual Financial Group. MassMutual Financial Group comprises member companies with over US$443.4 billion of assets under management as of 31 December 2011 and is a global, growth-oriented, diversified financial services organization providing life insurance, annuities, disability income insurance, long-term care insurance, retirement planning products, structured settlement annuities, trust services, money management, and other financial products and services.

The Managers will at all times have due regard to their respective duties owed to each fund managed by them (including each Fund within the Unit Trust) and if any conflict of interest should arise as between any of those funds the Managers will have regard to their obligations under the Trust Deed and their obligation to act in the best interests of their clients in seeking to ensure that the conflict is resolved fairly. There are no other potential conflicts of interest between the Unit Trust and its service providers.

Investment Manager

Under the terms of the Investment Management Agreement, the Managers have delegated the investment management of each Fund to the Investment Manager. The Investment Management Agreement provides that the appointment of the Investment Manager may be terminated by either party giving notice in writing to the other party and provides for the orderly transfer of the Investment Manager's responsibilities in such circumstances.

Subject to the Central Bank and the SFC's approval, the Investment Manager may sub-delegate such investment management to other entities including group companies (group companies currently refers to Baring Asset Management Limited and Baring Asset Management (Asia) Limited). Prior approval from the SFC will be sought in relation to (i) any sub-delegation to entities within the group companies listed above; (ii) any change to the list of sub-delegates above; or (iii) any appointment or removal of sub-delegates not being a group company. Except in the case of a sub-delegation to entities within the group companies listed above, one month's prior notice will be given to unitholders. No prior notice would be given to unitholders in respect of any sub-delegation to entities within the group companies listed above, however, details of such sub-delegation will be disclosed in the Fund's annual and semi-annual accounts and an up-to-date list of sub-delegates will be available free of charge upon request from the Hong Kong Representative. The fees and expenses of any sub-investment managers appointed by the Investment Manager will be discharged by the Investment Manager. Details of any sub-investment managers appointed to a Fund will be provided to unitholders upon request and details will also be provided in the periodic reports of the Unit Trust. The Investment Manager provides asset management services in developed and emerging equity and bond markets on behalf of institutional and retail clients globally. As at 31 December 2012, the firm managed US$52.68 billion. The Investment Manager is authorised and regulated by the FCA. The Investment Manager is also the promoter of the Unit Trust.

The Investment Manager may in the course of its business have conflicts of interest with the Unit Trust. The Investment Manager will, however, have regard to its obligations to act in the best interest of its clients when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly. In relation to co-investment opportunities which arise between the Funds and the Investment Manager's other clients, the Investment Manager will ensure that the Funds participate fairly in such investment opportunities and that these are fairly allocated.

Trustee, Administrator and Registrar

The Trustee and the Administrator are indirect wholly-owned subsidiaries of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2013, the Northern Trust Group's assets under custody and administration totalled in excess of US$5.2 trillion.

Trustee

The Trustee of the Unit Trust is Northern Trust Fiduciary Services (Ireland) Limited, a company incorporated in Ireland on 5 July 1990 as a private limited company. The main activity of the Trustee is to act as trustee/custodian of collective investment schemes.

The Trustee may retire upon the appointment of a new trustee approved by the Central Bank, acceptable to the Managers and approved by an Extraordinary Resolution of Unitholders.

The Trust Deed contains provisions governing the responsibilities of the Trustee and providing for its indemnification in certain circumstances, subject to exclusions in the case of its unjustifiable failure to perform its obligations or its improper performance of them and subject to the provisions of the Regulations and any conditions imposed by the Central Bank thereunder.

Administrator and Registrar

Under the terms of the Administrator Agreement, the Managers have appointed the Administrator as the administrator of the Unit Trust. The Managers have delegated their duties as registrar to the Administrator pursuant to the Administrator Agreement. The Administrator Agreement provides that the appointment of the Administrator may be terminated by any party giving not less than 24 months' notice in writing to the others. The Administrator, a company incorporated in Ireland on 15 June 1990 specialises in the administration of investment funds.

Hong Kong Representative

Baring Asset Management (Asia) Limited has been appointed by the Managers as the Hong Kong Representative pursuant to an agreement dated 1 October 2003 to represent the Managers in Hong Kong generally in relation to the affairs of the Unit Trust. As part of its function as the Hong Kong representative, it will receive applications for Units from prospective investors in Hong Kong and its localities and deal with realisation requests and other enquiries from Unitholders. The fees of the Hong Kong Representative in relation to the Unit Trust will be borne by the Managers.

CHARGES AND EXPENSES

The following fees and expenses are applicable to each Fund. Save as otherwise stated below or in the Trust Deed, any increase in fees up to the maximum rate specified shall be subject to at least one month's prior notice.

Fund Charges and Expenses

Managers

The Managers are entitled under the Trust Deed to charge a management fee at the rates per annum specified below (or such higher percentage per annum as may be approved by an Extraordinary Resolution of Unitholders of the relevant Class) of the Net Asset Value of each Fund, provided however, the management fee in respect of each Class may be increased up to the maximum rate specified below, upon prior notification to Unitholders and as disclosed in this offering document. The actual current management fee is set out in the table below. The fee is payable monthly in arrears and will be calculated by reference to the Net Asset Value of each Fund attributable to the relevant Class as at each valuation day as at which the Net Asset Value of the relevant Fund and the relevant Class is calculated.

Fund and Class	Current Management Fee	Maximum Permitted Management Fee
Baring ASEAN Frontiers Fund		
Class A AUD Hedged Acc	1.25%	1.25%
Class A EUR Acc	1.25%	1.25%
Class A EUR Inc	1.25%	1.25%
Class A GBP Inc	1.25%	1.25%
Class A USD Acc	1.25%	1.25%
Class A USD Inc	1.25%	1.25%
Class I EUR Acc	0.75%	1.25%
Class I GBP Acc	0.75%	1.25%
Class I USD Acc	0.75%	1.25%
Baring Asia Growth Fund		
Class A EUR Acc	1.25%	1.25%
Class A EUR Inc	1.25%	1.25%
Class A GBP Inc	1.25%	1.25%
Class A USD Acc	1.25%	1.25%
Class A USD Inc	1.25%	1.25%
Class I EUR Acc	0.75%	1.25%
Class I GBP Acc	0.75%	1.25%
Class I USD Acc	0.75%	1.25%
Baring Australia Fund		
Class A AUD Inc	1.25%	1.25%
Class A EUR Acc	1.25%	1.25%
Class A EUR Inc	1.25%	1.25%
Class A GBP Inc	1.25%	1.25%
Class A USD Inc	1.25%	1.25%
Class I AUD Acc	0.75%	1.25%
Class I EUR Acc	0.75%	1.25%
Class I GBP Acc	0.75%	1.25%
Class I USD Acc	0.75%	1.25%
Baring Europa Fund		
Class A EUR Acc	1.25%	1.25%
Class A EUR Inc	1.25%	1.25%
Class A USD Inc	1.25%	1.25%
Class C EUR Inc	1.25%	1.25%
Class C USD Inc	1.25%	1.25%
Class I EUR Acc	0.75%	1.25%
Class I GBP Inc	0.75%	1.25%
Class I USD Acc	0.75%	1.25%
Baring Hong Kong China Fund		
Class A EUR Acc	1.25%	1.25%
Class A EUR Inc	1.25%	1.25%
Class A GBP Inc	1.25%	1.25%
Class A HKD Inc	1.25%	1.25%

Fund and Class	Current Management Fee	Maximum Permitted Management Fee
Class A USD Acc	1.25%	1.25%
Class A USD Inc	1.25%	1.25%
Class C EUR Inc	1.25%	1.25%
Class C USD Inc	1.25%	1.25%
Class I EUR Acc	0.75%	1.25%
Class I GBP Acc	0.75%	1.25%
Class I USD Acc	0.75%	1.25%
Baring International Bond Fund		
Class A EUR Inc	0.75%	0.75%
Class A GBP Inc	0.75%	0.75%
Class A USD Inc	0.75%	0.75%
Class I EUR Acc	0.50%	0.75%
Class I GBP Acc	0.50%	0.75%
Class I GBP Inc	0.50%	0.75%
Class I USD Acc	0.50%	0.75%

In relation to investment by a Fund in a collective investment scheme managed (i) directly or by delegation by the Managers or (ii) by another company with which the Managers is linked by common management and control or by a direct or indirect holding of more than 10% of the capital or voting rights of such company (collectively referred to as “Related Funds”), the following conditions will apply:

(a) no subscription, conversion or redemption fees on account of the Fund’s investment in the Related Fund may be charged;

(b) no management fee may be charged at the level of the Related Fund; and

(c) where a commission (including a related commission) is received by the Managers or Investment Manager by virtue of their investment in the Related Fund, the commission must be repaid into the property of the relevant Fund.

Investment Manager

The Managers will discharge the fees and expenses of the Investment Manager out of its management fee.

Trustee

The Trustee is entitled under the Trust Deed to receive out of the assets of the Unit Trust an annual fee of up to 0.025% of the Net Asset Value of each Fund.

The Trustee fee will be accrued daily and paid monthly in arrears. In addition the Trustee will also charge account maintenance fees as well as a transaction fee per security transaction and safekeeping fees, which shall be at normal commercial rates. Any sub-custodian fees will be charged at normal commercial rates. The Trustee is entitled to be reimbursed all fees and charges of custodians and sub-custodians appointed by it and all other out-of-pocket expenses incurred by it.

Administrator and Registrar

The Managers are entitled under the Trust Deed to receive an administration fee (in addition to the management fee) for the account of the Managers out of the assets of the Unit Trust at the rate of 0.45% per annum of the Net Asset Value of each Fund calculated by reference to the daily calculation of Net Asset Values and paid monthly in arrears. The administration fee will be subject to a minimum of £30,000 per annum for all Funds except the Baring Australia Fund and Baring Europa Fund for which the minimum will be £20,000 per annum for each Fund. The Managers will pay the fees of the Administrator and Registrar out of this administration fee.

The Administrator and Registrar are entitled to be reimbursed certain of their out-of-pocket expenses out of the assets of the Unit Trust.

General Expenses

The Trustee will pay out of the assets of the Unit Trust the above fees and expenses, stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, listing fees and legal expenses of the Managers and the cost of establishing, maintaining and registering the Unit Trust and the Units with any governmental or regulatory authority or with any regulated market deemed appropriate by the Managers from time to time. The costs of printing and distributing reports, accounts and any offering document, publishing prices and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to Unit Trusts, whether or not having the force of law) will also be paid out of the assets of the Unit Trust.

Expenses will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Trustee to be attributable to any one Fund, the expense will normally be allocated by the Trustee to all Funds pro rata to the Net Asset Value of the relevant Funds.

Commissions/Brokerage

The Managers and any duly appointed delegate of the Managers are entitled under the Trust Deed to charge commissions and/or brokerage on transactions effected by them as agents for the Unit Trust. It is not, however, the intention of the Managers that any such charge should be made except in the case of transactions for the Baring International Bond Fund where commissions are currently charged at the rate of 0.125% of the consideration for each transaction.

Where the Managers or any duly appointed delegate of the Managers successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Fund, the rebated commission shall be paid to the Fund. The Fund will generally pay brokerage at customary institutional brokerage rates. Transactions of the Fund may be entered into through associates of the Managers.

The Managers and their associates will not receive cash or other rebates from brokers or dealers in respect of transactions for a Fund but may from time to time, enter into soft commission arrangements subject to the Regulations for the provision to the Managers or its associates of goods and services which are of demonstrable benefit to Unitholders and arrangements under which they will receive services that relate to execution or research which can be reasonably expected to assist in the provision of investment services to the Fund. Any such arrangements will be disclosed in the Unit Trust's periodic report and accounts. Execution of transactions for the Fund will be consistent with best execution standards and the Fund will generally pay brokerage at customary institutional brokerage rates.

Charges deducted from Capital

Each Fund normally pays its management fee and other fees and expenses out of income (in accordance with Irish accounting guidelines). However, where insufficient income is available, investors should note that the Managers may provide for a Fund to pay some or all of its management fee and other fees and expenses out of capital and out of both realised and unrealised capital gains less realised and unrealised capital losses.

Unitholder Fees

Preliminary Charge

The Managers may add to the Dealing Price a Preliminary Charge (not exceeding 6% (or such higher amount as may be approved by an Extraordinary Resolution) of such price), which will be retained by the Managers and out of which the Managers may pay commission to authorised agents. It is the intention of the Managers that the Preliminary Charge should not, however, until further notice, exceed 5% of such price. No Preliminary Charge shall be levied in respect of subscription for Class C or Class I Units.

The Managers are also entitled to add to the Dealing Price, for their own account, a charge sufficient to cover amounts paid by them on account of stamp duties and taxation in respect of the issue of Units and may also add a charge (not exceeding 1% of the Net Asset Value per Unit) for the account of the relevant Fund in respect of fiscal and purchase charges. It is not, however, the intention of the Managers to make any such additions in normal circumstances.

Distributor Fee

Class C Units shall also pay a distributor fee of 1% per annum of the Net Asset Value of the Fund attributable to the Classes. Such fee when applied will be payable to the distributor who has been appointed as a distributor pursuant to a placing agency agreement between the Managers or their delegate and the relevant distributor. The distributor fee shall be accrued daily and is payable quarterly in arrears.

Realisation Charge

The Managers are entitled under the Trust Deed, in calculating the Dealing Price, to deduct from the Net Asset Value per Unit for the account of the appropriate Fund a charge (not exceeding 1% of such Net Asset Value) to meet duties and charges incurred in realising assets to provide monies to meet the redemption request but it is not the intention of the Managers to make any deduction in respect of such duties and charges in normal circumstances, other than in respect of the Class C Units for which a charge of 1% of the Net Asset Value attributable to the Class C Unit may be applied at the discretion of the Managers or its delegate.

Conversion Charge

The Preliminary Charge and any other charges normally made on the issue of Units will not normally be made on a conversion but the Managers are entitled to make any such charges at their discretion.

PORTFOLIO TRANSACTIONS AND MANAGERS' UNIT DEALINGS

The Managers and delegates of the Managers which are associated companies of the Managers may deal in securities and other investments for the Unit Trust through or with any associated company of the Managers.

In addition, any cash of the Unit Trust may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010, with the Trustee or any associated company of the Trustee or invested in certificates of deposit or banking instruments issued by the Trustee or any associated company of the Trustee. Banking and similar transactions may also be undertaken with or through the Trustee or any other associated company of the Trustee.

The Managers are entitled to deal as principals in Units of the Unit Trust and requests to subscribe for or redeem Units may be executed as sales or, as the case may be, purchases by the Managers provided that the prices quoted by the Managers are not less favourable to the investor or redeeming Unitholder than would otherwise be the case.

There will be no obligation on the part of the Managers, the Trustee or any such subsidiary to account to the Unitholders for any benefits so arising and any such benefits may be retained by the relevant party provided that:–

(i) where securities are sold to or vested in the Trustee for the account of the Unit Trust, the amount charged to the Trustee is no greater than that which would be applicable to such sale or vesting on the same day by any person other than the Managers, the Trustee or any such subsidiary; and

(ii) where securities held for the account of the Unit Trust are bought from the Trustee the amount received by the Trustee for the account of the Unit Trust is not less than that which would have been applicable to such purchase on the same day by a person other than the Managers, the Trustee or any such subsidiary; and

(iii) the Trustee is satisfied that in its opinion the terms of such transactions do not immediately result in any prejudice to Unitholders.

There is no prohibition on dealings in the assets of a Fund by the Managers, the Investment Managers, the Administrator, the Trustee or entities related to the Managers, the Investment Managers, the Administrator or the Trustee or to their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arms length. Such transactions must be consistent with the best interests of the Unitholders.

Transactions effected in accordance with paragraphs (i), (ii) or (iii) below are acceptable where:

(i) a person approved by the Trustee as independent and competent certifies the price at which the transaction is effected is fair; or

(ii) the execution of the transaction is on best terms on an organised investment exchanges under its rules; or

(iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Trustee is satisfied conform with the principle set out in the first paragraph above.

DISTRIBUTION POLICY

The Trust Deed provides for the Trustee to distribute in respect of each accounting period not less than 85% of surplus net income represented by the dividends and interest received for each Fund to the holders of Units of the relevant class, after charging expenses and various other items, as set out under "Charges and Expenses", as are attributable to the income of that Fund. In addition, the Managers may distribute to the holders of Units of the relevant Fund or Class such part of any capital gains less realised and unrealised capital losses attributable to the relevant Fund as, in their opinion, is appropriate to maintain a satisfactory level of distribution. Investors should note that payment of distributions out of unrealised capital gains amounts to distribution out of capital under Hong Kong regulatory disclosure requirements and that payment of distributions under such circumstances amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of unrealised capital gains as dividends (which means effectively paying dividend out of capital) may result in an immediate reduction of that Fund's Net Asset Value per Unit. In such circumstances, distributions made during the lifetime of the relevant Fund must be understood as a type of capital reimbursement.

The Funds may amend the above policy subject to obtaining the SFC's prior approval and by giving not less than one month's prior notice to affected Hong Kong investors.

The composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months[#] can be obtained either through the Hong Kong Representative's website at www.barings.com[^] or from the Hong Kong Representative on request.

The 12-month period is intended to be a rolling 12-month period starting from the date on which payment of dividends is being made by a Fund out of capital after 8 November 2012.

^ This website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.

The Managers may, at their discretion, declare additional dividend payment dates in respect of any distributing Fund or Class. It is intended that income distributions, if any, in relation to the Funds will be paid as set out in the table below.

Fund and Class	Income Distributions
Baring ASEAN Frontiers Fund	
Class A EUR Inc	Paid annually no later than 31 July in each year
Class A GBP Inc	Paid annually no later than 31 July in each year
Class A USD Inc	Paid annually no later than 31 July in each year
Baring Asia Growth Fund	
Class A EUR Inc	Paid annually no later than 31 July in each year
Class A GBP Inc	Paid annually no later than 31 July in each year
Class A USD Inc	Paid annually no later than 31 July in each year
Baring Australia Fund	
Class A AUD Inc	Paid annually no later than 31 July in each year
Class A EUR Inc	Paid annually no later than 31 July in each year
Class A GBP Inc	Paid annually no later than 31 July in each year
Class A USD Inc	Paid annually no later than 31 July in each year
Baring Europa Fund	
Class A EUR Inc	Paid annually no later than 31 July in each year
Class A USD Inc	Paid annually no later than 31 July in each year
Class C EUR Inc	Paid annually no later than 31 July in each year
Class C USD Inc	Paid annually no later than 31 July in each year
Class I GBP Inc	Paid annually no later than 31 July in each year
Baring Hong Kong China Fund	
Class A EUR Inc	Paid annually no later than 31 July in each year
Class A GBP Inc	Paid annually no later than 31 July in each year
Class A HKD Inc	Paid annually no later than 31 July in each year
Class A USD Inc	Paid annually no later than 31 July in each year
Class C EUR Inc	Paid annually no later than 31 July in each year
Class C USD Inc	Paid annually no later than 31 July in each year
Baring International Bond Fund	
Class A EUR Inc	Paid twice-yearly no later than 31 January and 31 July each year
Class A GBP Inc	Paid twice-yearly no later than 31 January and 31 July each year
Class A USD Inc	Paid twice-yearly no later than 31 January and 31 July each year
Class I GBP Inc	Paid twice-yearly no later than 31 January and 31 July each year

Other Unit Classes are accumulating and will therefore not pay any distributions.

Any distributions remaining unclaimed after a period of six years will lapse and such distributions shall be transferred to the relevant Fund.

Subject to the Managers' Policy as mentioned under "Reinvestment of Income Distributions" (below) payment of distributions will be made by electronic transfer in the relevant currency of the relevant Unit Class and sent, at the risk of persons entitled thereto, to the account set out in the Application Form. If investors wish to make any change in the payment instructions, such change must be by written notice to the Managers signed by the sole Unitholder or all joint Unitholders. Any charges incurred in making payment by electronic transfer may be payable by the Unitholder. Payment may, however, be made in any other major currency if requested by the Unitholder, or Unitholders in the case of any joint holding, in writing to the Managers, but such payment will be arranged at the expense and risk of the Unitholders.

Equalisation arrangements will be effected by the Managers with a view to ensuring that the level of distributions payable on any Class of Units is not affected by the issue, conversion or redemption of Units of that Class during the relevant accounting period.

REINVESTMENT OF INCOME DISTRIBUTIONS

The Managers will automatically re-invest any distribution entitlements in further Units of the relevant Class of the relevant Fund:–

(i) unless distributions are in excess of US$100 (or equivalent), £50, €100 in value (depending on the relevant denomination of the Units) and instructions in writing to the contrary are received from the Unitholder at least 21 days prior to the relevant distribution date;

(ii) if distributions are less than US$100 (or equivalent), £50 or €100 in value (depending on the relevant denomination of the Units);

(iii) in all cases where the Unitholder's anti-money laundering documentation is incomplete or has not been completed to the satisfaction of the Administrator.

Further Units will be issued on the date of distribution or, if that is not a Dealing Day, on the next following Dealing Day at a price calculated in the same way as for other issues of Units but without incurring any Preliminary Charge. There is, however, no minimum number of such further Units which may be so subscribed and fractions of Units will be issued if necessary. Unitholders may also when applying for Units or subsequently, request the Managers in writing to pay them all distributions to which they are entitled; every such request by a Unitholder will remain effective until countermanded in writing or, if earlier, the person making the request ceases to be a Unitholder.

SUBSCRIPTION, REDEMPTION AND CONVERSION OF UNITS

Subscriptions

Under the Trust Deed the Managers are given the exclusive right to effect for the account of the Unit Trust the issue of Units of any Class and to create, with the consent of the Trustee and the Central Bank, new Classes of Unit and have absolute discretion to accept or reject in whole or in part any application for Units. The initial issue price for each Class of Unit is determined by the Managers. All Units of each Class will rank pari passu. Issues of Units are normally made with effect from a Dealing Day against applications received up to 5 p.m. Hong Kong time or 12 noon Dublin time on that Dealing Day.

The price at which Units will be issued to any person whose application is received prior to 5 p.m. Hong Kong time or 12 noon Dublin time on a Dealing Day, after the initial issue, is calculated by reference to the Net Asset Value per Unit determined as at the Valuation Point on that Dealing Day.

The Managers shall have an absolute discretion to declare any Fund or Class closed to further subscriptions. Existing Unitholders of the relevant Fund or Class will be provided with prior notification of such closure and the Managers shall also notify distributors and/or placing agents. The Managers may invoke this discretion to close the Fund to further subscriptions where they are satisfied that it will be in the best interests of the Unitholders of a Fund, given the market conditions prevailing at the time. The Managers will have the discretion to re-open the relevant Fund or Class for subscription on any Dealing Day and existing Unitholders will be given advance notification of such re-opening.

Units may not be issued or sold by the Managers during any period when the right of Unitholders to require the realisation of their Units is suspended in the manner described under "Temporary Suspension of Dealings" below. Applicants for Units will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Net Asset Value per Unit of each Fund will be calculated by the Administrator. The calculation of the Net Asset Value per Unit may be suspended when the right of Unitholders to require the realisation of Units is suspended as detailed in “Temporary Suspension of Dealings” below. Where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Calculation of Net Asset Value

The Net Asset Value per Unit is calculated by dividing the value of the assets of the Fund, less its liabilities, by the total number of Units in issue as at that Dealing Day. The Dealing Price is the resulting sum adjusted to two decimal places.

The method of establishing the Net Asset Value of any Fund is set out in the Trust Deed and summarised below.

The Net Asset Value of each Fund shall be calculated in the base currency of the Fund by valuing the assets of the Fund in accordance with the valuation rules set out in the Trust Deed and summarised below and deducting the liabilities of the Fund. However, in respect of certain Funds where different Classes are available, the Net Asset Value of the Fund is calculated as set out below and is allocated between each Class in accordance with their respective values. The portion of the Net Asset Value allocated to each Class is divided by the number of Units of the relevant Class then in issue and the resultant amount is the Net Asset Value of the relevant Class.

In summary, quoted investments are valued at their last traded price (or, if no last traded price is available, at mid-market prices) and unquoted investments are valued on the probable realisable value estimated with care and in good faith by the Managers or a competent person, firm or corporation (including the Investment Manager) selected by the Managers and approved by the Trustee. Cash deposits and similar investments shall normally be valued at face value (together with accrued interest); certificates of deposit shall be valued by reference to the best bid price for certificates of deposit of like maturity, amount and credit risk on the relevant Dealing Day; and treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments of like maturity, amount and credit risk on the relevant Dealing Day. Collective investment schemes are valued, where appropriate, on the basis of the last published net asset value per share, or the last published bid price per share excluding any preliminary charges. Interest and other income and liabilities are, where practicable, accrued from day-to-day. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotation, namely, the price at which a new forward contract of the same size and maturity could be undertaken or, if unavailable, at the settlement price as provided by the counterparty. Derivatives traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Managers or a competent person, firm or corporation (including the Investment Manager) selected by the Managers and approved by the Trustee. OTC derivative contracts will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Trustee and who is independent of the counterparty (the “Counterparty Valuation”); or (ii) using an alternative valuation provided by the Managers or a competent person appointed by the Managers and approved for the purpose by the Trustee (the “Alternative Valuation”). Where such Alternative Valuation method is used the Managers will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.

If the Managers deem it necessary, a specific investment may be valued using an alternative method of valuation approved by the Trustee.

Where the value of an investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Managers with care and good faith or by a competent person appointed by the Managers and approved for the purpose by the Trustee. The Trust Deed also provides that notwithstanding the above, the Managers may with the consent of the Trustee adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/ or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof. A description of fair value pricing and the circumstances where it may be applied is set out below.

Fair Value Pricing

Fair value pricing (FVP) may be defined as the application of the Managers' best estimate of the amount a Fund might receive on a sale, or expect to pay on a purchase, of one or more securities or even an entire portfolio of securities, at the time of the Fund's Valuation Point, with the intention of producing a fairer dealing price, thereby protecting ongoing, incoming and outgoing investors.

In the opinion of the Managers, where market conditions may be such that the last applicable real time quoted price or the Valuation Point does not capture the best reflection of the buying and selling price of a stock, FVP may be applied. Due to the time differences between the closing of the relevant securities exchanges and the time of the Fund's valuation point, a Fund may fair value its investments more frequently than it does other securities and on some Funds this may occur on a daily basis. The Managers have determined that movements in relevant indices or other appropriate market indicators, after the close of the securities exchanges, may demonstrate that market quotations are unreliable and may trigger fair value pricing for certain securities. Therefore the fair values assigned to a Fund's investments may not be the quoted or published prices of the investments on their primary markets or exchanges. By fair valuing a security which is suspended for trading, for example, because of financial irregularities, or whose price may have been affected by significant events or by news after the last market pricing of the security, the Funds attempt to establish a price that they might reasonably expect to receive upon the current sale of that security. It may also be necessary to use FVP in the event of a market remaining closed unexpectedly due to a force majeure event.

Dilution Adjustment

In determining the Net Asset Value of the Unit Trust and each Fund, the Managers may with the approval of the Trustee (i) value the assets at lowest market dealing bid prices where on any Dealing Day, the value of all realisation requests received exceeds the value of all applications for Units or (ii) at highest market dealing offer prices where on any Dealing Day the value of all applications for Units received for that Dealing Day exceeds the value of all realisation requests received on that Dealing Day, provided that in each case, the valuation policy by the Managers shall be applied consistently through the various categories of assets and will be applied consistently (with effect from the date of this Highlights) through the lifetime of the Unit Trust or each Fund, for as long as the Unit Trust or each Fund is operated on a going concern basis. The Managers' intention is only to exercise this discretion to preserve the value of the holdings of continuing Unitholders in the event of substantial or recurring net realisations or subscriptions. The calculation of such price may take into account any provision for market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the adjustment or disposal of investments and to preserve the value of the underlying assets of the relevant Fund.

Application Procedure

The table below shows the Initial Offer Period of recently available Classes:–

Fund and Class	**Initial Offer Period Begins**	**Initial Offer Period Ends**
Baring ASEAN Frontiers Fund		
Class A AUD Hedged Acc	9.00am on 14 January 2014	5.00pm on 14 April 2014
Class A EUR Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Baring Asia Growth Fund		
Class A EUR Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class A USD Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class I EUR Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I GBP Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Baring Australia Fund		
Class A EUR Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class I AUD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I EUR Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Baring Europa Fund		
Class A EUR Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class I EUR Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I GBP Inc	9.00am on 3 December 2012	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Baring Hong Kong China Fund		
Class A EUR Acc	9.00am on 2 February 2012	5.00pm on 14 April 2014
Class I EUR Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I GBP Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014

Fund and Class	Initial Offer Period Begins	Initial Offer Period Ends
Baring International Bond Fund		
Class I EUR Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I GBP Acc	9.00am on 5 August 2008	5.00pm on 14 April 2014
Class I USD Acc	9.00am on 5 August 2012	5.00pm on 14 April 2014

* Class C Units will be available to certain distributors who have in place a placing agency or distribution arrangement with the Managers or their delegates.

Units for unlaunched Classes are on offer at the latest available Net Asset Value per Unit equivalent to the relevant class of Class A, Class C, or Class I (adjusted for currency conversion at the prevailing rate). The initial offer period may be shortened or extended by the Managers and the Central Bank/the SFC will be notified on an annual basis of any extensions.

Initial subscriptions must be made on the Application Form and submitted in writing to the Hong Kong Representative for onward transmission to the Managers. The signed original Application Form together with supporting documentation in relation to anti-money laundering requirements must be received before the application will be accepted. Subsequent subscriptions may be made on the Top Up Form and submitted by facsimile to the Hong Kong Representative for onward transmission to the Managers. In addition, investors can, with the agreement of the Managers or Hong Kong Representative, subscribe via electronic messaging services such as EMX or SWIFT. Requests received by the Hong Kong Representative after 5 p.m. Hong Kong time for onward submission to the Managers or by the Managers after 12 noon Dublin time on a Dealing Day will be treated as having been received on the following Dealing Day. Applications by facsimile will be treated by the Managers as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Managers. Hong Kong residents must send subscription requests to the Hong Kong Representative for onward transmission to the Managers. Any requests received or treated as having been received in Hong Kong on a public holiday in Hong Kong will be deemed to have been received on the following Dealing Day which is not a public holiday in Hong Kong, however Hong Kong residents may send subscription requests on that day to the Managers provided that day is a Dealing Day. No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

The Minimum Investment/ Minimum Holding (inclusive of any Preliminary Charge) in respect of each Class is as set out under “Classes of Units”. The Minimum Investment/Minimum Holding in respect of each Class may be waived at the discretion of the Managers.

A confirmation note will be sent to each successful applicant. Subscription monies in cleared funds must be received by the Settlement Date. If payment in full in cleared funds has not been received by the Settlement Date, the application may be refused and any allotment or transfer of Units made on the basis thereof cancelled, or, alternatively, the Managers may treat the application as an application for such number of Units as may be purchased or subscribed with such payment. The Managers reserve the right, in the event of non-receipt of cleared funds by the due date and cancellation of a subscription, to charge the applicant for losses accruing. The Managers reserve the right to limit deals without prior receipt of cleared funds.

Payment is normally due in the currency of the relevant Class of the relevant Fund. The Managers may accept payment in other currencies, but such payments will be converted into the currency of the relevant Class of Unit and only the proceeds of such conversion at the prevailing exchange rate (after deducting expenses relating to such conversion) will be applied by the Managers towards payment of the subscription monies. The value of a Unit expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency of the relevant Fund. The Managers have standing arrangements for subscription monies to be paid by electronic transfer as specified in the Application Form.

Payments by electronic transfer should quote the applicant's name, bank, bank account number, Fund name and confirmation note number (if one has already been issued). Any charges incurred in making payment by electronic transfer will be payable by the applicant.

Should investors prefer to make payment in any currency other than the currency of the relevant Class of Unit they are advised to make direct contact with the Hong Kong Representative or the Managers.

Fractions of not less than one-thousandth of a Unit may be issued.

Application moneys representing smaller fractions of a Unit will not be returned to the applicant but will be retained as part of the relevant Fund's assets.

The Trust Deed also permits the Managers to issue Units at the issue price in consideration of the vesting in the Trustee of investments approved by the Managers.

Anti-Money Laundering and Counter Terrorist Financing Measures

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce a copy of a passport or identification card together with evidence of his/her address such as a copy of, a utility bill or bank statement and proof of tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a relevant third party as such term is defined in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. This exception will only apply if the relevant third party referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations and satisfies other applicable conditions such as providing a letter of undertaking confirming that it has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Managers or the Administrator.

The details above are given by way of example only and in that regard the Managers and the Administrator each reserve the right to request any such information as is necessary at the time of application for Units in a Fund to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Managers and the Administrator each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Managers or the Administrator may refuse to accept the application and subscription monies and return all subscription monies or compulsorily realise such Unitholder's Units and/or payment of realisation proceeds may be delayed (no realisation proceeds will be paid if the Unitholder fails to produce such information). None of the Managers, the Investment Manager or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily repurchased or payment of repurchase proceeds is delayed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Managers or the Administrator may refuse to pay or delay payment of realisation and income on Units and may automatically re-invest distribution entitlements proceeds where the requisite information for verification purposes has not been produced by a Unitholder.

The Managers and the Administrator reserve the right to obtain any additional information from investors so that it can monitor the ongoing business relationship with such investors. The Managers and the Administrator cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

Realisation of Units

Requests for the realisation of Units may be made either by facsimile or in writing to the Hong Kong Representative or the Managers. In addition investors can, with the agreement of the Managers or the Hong Kong Representative, realise Units via electronic messaging services such as EMX or SWIFT. Realisation requests can be processed on receipt of electronic instructions only where made to the account of record of the Unitholder. No realisation payments shall be made until the original subscription Application Form (and supporting documentation) has been received by the Managers. Units also need to be fully registered and settled before realisation payments can be made.

Applications for the realisation of Units received by the Hong Kong Representative prior to 5 p.m. Hong Kong time for onward submission to the Managers or by the Managers prior to 12 noon Dublin time on a Dealing Day will, subject as mentioned in this section, be dealt with by reference to the Net Asset Value per Unit determined as at the Valuation Point on that Dealing Day. Realisation requests received by the Hong Kong Representative after 5 p.m. Hong Kong time or after 12 noon Dublin time will be treated as having been received on the following Dealing Day. Requests by fax will be treated by the Managers as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Managers.

With effect from 1 January 2010 (or such later date as the Managers may determine), the Managers and the Administrator will withhold payment of the proceeds of redemption and income on Units and may automatically reinvest dividend entitlements until the original signed Application Form has been received from the investor and where it is considered necessary or appropriate to carry out or complete identification procedures in relation to the Unitholder pursuant to a statutory, regulatory, European Union or other obligation.

Instructions for the realisation of Units must be signed by the Unitholder before payment of realisation proceeds can be made. Payment of realisation proceeds will be made in accordance with initial realisation payment instructions as notified to the Managers. If investors wish to make any change in the realisation payment instructions, such change must be by written notice to the Managers signed by the sole Unitholder or all joint Unitholders. The Managers will be deemed to be authorised to act on any realisation instruction received from any person purporting to be the Unitholder and reciting the relevant account number.

Payment of realisation proceeds will be made to the registered Unitholder or in favour of the joint registered Unitholders as appropriate unless the Managers are otherwise instructed in writing by the registered Unitholder or joint registered Unitholders. Amendments to a Unitholder's registration details and payment instructions will only be effected on receipt of original documentation.

Payment of realisation proceeds will be paid by electronic transfer. Any charges incurred in making payment by electronic transfer may be payable by the Unitholder. Arrangements can be made for Unitholders wishing to realise their Units to receive payment in currencies other than the currency of the relevant Class of Unit. In such circumstances the Unitholder is advised to make direct contact with the Hong Kong

Representative in order to facilitate payment. The cost of currency conversion and other administrative expenses, including electronic transfers may be charged to the Unitholder.

Subject as mentioned above, the amount due on the realisation of Units will be made in the currency of the relevant Class of Unit. Payment will normally be made within four Business Days (excluding days when due to public holidays in the relevant country, payments in the currency of the relevant Class of Unit cannot be settled) of the relevant Dealing Day or, if later, four Business Days after receipt by the Managers of a duly signed dealing confirmation by facsimile or in writing excluding days when due to public holidays in the relevant country, payments in the currency of the relevant Class of Unit cannot be settled. Delayed payment of redemption proceeds can occur where there is a delay in the settlement of the underlying securities in a particular Fund. Such delay will not exceed 10 Business Days from the date of receipt of the realisation request.

Partial realisations or conversions of holdings are permitted provided that this will not result in the Unitholder holding a number of Units of a Class of a value which is less than the Minimum Holding for the relevant Class. A registration advice confirming the new Unitholding will be posted to the Unitholder.

Realisation Deferral Policy

The Managers are entitled, with the approval of the Trustee, to limit the number of Units which may be realised on any Dealing Day to 10% of the total number of Units in issue of that Fund (the "Deferral Policy"). The Deferral Policy will apply pro rata amongst all Unitholders seeking to realise Units on the relevant Dealing Day, and in such event, the Managers will carry out such realisations which, in aggregate, amount to 10% of the Units then in issue in the Fund. Where the Managers decide to invoke this Deferral Policy, the excess of Units above 10% which have not been realised will be carried forward until the next Dealing Day and will be realised on the next Dealing Day (subject to a further operation of the Deferral Policy on the next Dealing Day). Requests for realisation of Units carried forward from an earlier Dealing Day shall be dealt with in priority to any realisation requests received subsequently until all the Units to which the original request related have been realised. If requests for realisation are so carried forward, the Managers will give immediate notice to the Unitholders affected.

In Specie Realisations

Realisation requests will normally be settled in cash. However, the Managers may at their discretion, satisfy any realisation request by in-specie distribution in circumstances where a Unitholder wishes to redeem Units representing 5% or more of the Net Asset Value of any Fund on a single Dealing Day and where the Unitholder either requests in-specie distribution or has consented to such in-specie realisation. The assets so realised shall have a value equal to the realisation price (which is calculated in accordance with the provisions of the Trust Deed) less any costs incurred in connection with the sale or in-specie distribution. Such costs shall include an amount equivalent to any Stamp Duty Reserve Tax (SDRT) to be paid in relation to cancellation of the Units. The assets for distribution will be selected in consultation with and subject to the approval of the Trustee on such basis as the Managers deem equitable and so that there is no prejudice to the interests of remaining Unitholders. The Unitholder may, by notice in writing to the Managers, request the Managers to sell such investments and to pay the proceeds of sale less any costs incurred in connection with such sale.

Where a redeeming Unitholder has elected or has consented to receive realisation proceeds by an in specie distribution of stock of Units representing 5% or more of the Net Asset Value of any Fund, the Units settled in-specie will not be included in the calculation of the percentage of the Units for which realisation requests have been received for the purpose of determining whether the Deferral Policy may be invoked on a particular Dealing Day. Where a Unitholder has elected or consented to receive part or all of the realisation proceeds in-specie, the Managers shall advise the Unitholder that a Deferral Policy may operate if cash settlement is requested.

Qualified Unitholders and Total Realisation

The Managers shall have the power (but shall not be under a duty) to impose such restrictions as they may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or any requirements of any country or governmental authority, including any foreign exchange control regulations or by a United States Person or Japanese person[1](except in transactions exempt from the requirements of the Securities Act and applicable state securities laws) or by any person described in (a) to (f) below.

The Managers may at any time give notice in writing for the realisation of, or request the transfer of, Units held directly or beneficially by:–

(a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units;

(b) any United States Person;

(c) any Japanese Person;

(d) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Managers to be relevant) in the opinion of the Managers might result in the Unit Trust or its Unitholders incurring any liability to taxation or suffering pecuniary disadvantages which the Unit Trust or its Unitholders might not otherwise have incurred or suffered;

(e) any Unitholder, on the basis of the circumstances of the Unitholder concerned, if it has reasonable grounds to believe that the Unitholder is engaging in any activity which might result in the Unit Trust or its Unitholders as a whole suffering any regulatory, pecuniary, legal, taxation or other material administrative disadvantage which the Unit Trust or its Unitholders as a whole might not otherwise have suffered; or

(f) any person or persons holding Units with a value less than the Minimum Holding.

The Managers shall be entitled to give notice to such persons requiring him/her to transfer such Units to a person who is qualified or entitled to own them or submit a request for realisation. If any such person upon whom such a notice is served as aforesaid does not within 30 days after such notice transfer such Units or request the Managers to purchase such Units as aforesaid he shall be deemed forthwith upon the expiration of 30 days to have requested the Managers to purchase his Units and the Managers shall be entitled to appoint any delegate to sign on his/her behalf such documents as may be required for the purposes of the purchase of the said Units by the Managers.

All of the Units of any Fund or of the Unit Trust may be realised by the Managers if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Unitholders duly convened and held that such Units should be redeemed.

The Managers may resolve at their discretion to retain sufficient monies prior to effecting a total realisation of Units to cover the costs associated with the subsequent termination of the Unit Trust or relevant Fund.

[1] For this purpose, "Japanese Person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Conversion of Units

Unitholders will be able to apply to convert on any Dealing Day all or part of their holding of Units of any Class (the "Original Class") into Units of another Class of the same Fund or in another Fund, which are being offered at that time (the "New Class") by giving notice to the Hong Kong Representative before 5 p.m. Hong Kong time or the Managers before 12 noon Dublin time on the relevant Dealing Day. The general provisions and procedures relating to realisation will apply equally to conversions. No conversion will be made, however, if it would result in the Unitholder holding a number of Units of either the Original Class or the New Class of a value which is less than the Minimum Holding for the relevant Class.

The number of Units of the New Class to be issued will be calculated in accordance with the following formula:

$$N = \frac{P(R \text{ X } CF)}{S}$$

where:

N – is the number of Units of the New Class to be allotted

P – is the number of Units of the Original Class to be converted

R – is the Dealing Price per Unit of the Original Class applicable to realisation requests received on the relevant Dealing Day

CF – is the currency conversion factor determined by the Managers as representing the effective rate of exchange on the relevant Dealing Day between the base currencies of the Original Class and the New Class (where the base currencies are different)

S – is the Dealing Price per Unit of the New Class applicable to subscription applications received on the relevant Dealing Day.

The Trust Deed gives powers to the Managers to redeem or require the transfer of Units held by any United States person or by any person in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Managers to be relevant) which, in the opinion of the Managers, might result in regulatory, pecuniary, legal, taxation or material administrative disadvantage which the Fund or the Unit Trust might not otherwise have suffered. If a Unitholder currently resident outside the United States becomes resident in the United States, the Managers reserve the right to compulsorily redeem or require the transfer of Units held by the Unitholder.

Repeatedly purchasing and selling Units in the Funds in response to short-term market fluctuations – known as 'market timing' – can disrupt the Managers' investment strategy and increase the Funds' expenses to the prejudice of all Unitholders. The Funds are not intended for market timing or excessive trading. To deter these activities, the Managers may refuse to accept an application for Units from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive to the Funds.

The Managers reserve the right to redeem Units from a Unitholder, if it has reasonable grounds to believe that the Unitholder is engaging in any activity which might result in the Fund or its Unitholders as a whole suffering any regulatory, pecuniary, legal, taxation or material administrative disadvantage which the Fund or its Unitholders as a whole might not otherwise have suffered.

The Managers and the Administrator retain the right to seek such evidence of identity from applicants as they deem appropriate to comply with their obligations under anti-money laundering legislation and, in the absence of satisfactory evidence, or for any other reason, to reject any application in whole or in part (as detailed below under the section headed "Anti-Money Laundering and Counter Terrorist Financing Measures"). If an application is rejected the Managers and the Administrator, at the risk of the applicant, may return application moneys or the balance thereof at the cost of the applicant, by electronic transfer.

The Managers act as data controller for the purposes of relevant data protection legislation and accordingly personal data may be processed, transferred, and/or disclosed by the Funds, its agents, appointees (including the Administrator, Registrar, transfer agent and Trustee) and associates for the following purposes:

- Subscribing, redeeming, or transferring Units and complying with your instructions in connection therewith;
- Providing ancillary administrative and management services in connection with your investment;
- Analysis of the Funds or Baring Asset Management Group companies services;
- Compliance with Anti-Money laundering and other foreign and domestic legal regulatory and obligations;
- Monitoring and/or recording of telephone calls and emails in order to detect and prevent fraud and/or to confirm and aid the accurate implementation of your instructions;
- To send you information on other products and service which may be of interest to you (unless you have indicated on the Application Form that you do not wish to receive such information).

Where necessary or consequent upon the way both the Baring Asset Management Group and the Northern Trust Group organise their respective businesses, data may be transferred outside the EEA which may not have the same data protection laws as Ireland.

Registration of Units

All Units will be in registered form. Unit certificates will not be issued. Registration of the Units comprised in the application will normally be effected within 21 days of the Managers receiving the relevant registration details and payment. Ownership is recorded by an entry in the Unit register and an account number is allocated to the investor which will be shown in a registration advice despatched within 21 days of the Managers receiving the relevant registration details and payment. Your account number should be quoted in all communications relating to any Funds. The Managers will be deemed to be authorised to act on any realisation instruction received from any person purporting to be the Unitholder and reciting the personal account number.

Temporary Suspension of Dealings

Units may not be issued or sold by the Managers during any period when the right of Unitholders to redeem their Units is suspended. The Managers may at any time, with the approval of the Trustee, suspend temporarily the right of Unitholders to require the realisation of Units of any Class and/or may delay the payment of any moneys in respect of any such realisation during any of the following periods:

(i) any period when any market on which a substantial part of the investments of the relevant Fund are quoted, listed, or dealt is closed or when trading on such market is limited or suspended;

(ii) any period when dealings on any such market are restricted or suspended;

(iii) the existence of any state of affairs as a result of which disposal of the investments of the relevant Fund cannot, in the opinion of the Managers, be effected normally or without seriously prejudicing the interests of Unitholders of that Class;

(iv) any breakdown in the means of communication normally employed in determining the Net Asset Value of the relevant Fund or when, for any other reason, the value of any investments of the relevant Fund cannot be promptly and accurately ascertained;

(v) any period during which the Trustee is unable to repatriate funds required for making payments due on redemption of Units or during which the realisation of investments or the transfer of funds involved in such realisation cannot, in the opinion of the Managers, be effected at normal prices or normal rates of exchange.

Unitholders who have requested realisations of any Units will be notified of any such suspension and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension will be notified to the Central Bank and the SFC immediately. In addition, the fact that dealing has been suspended will be published immediately in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times and thereafter at least once a month during the period of suspension.

Transfer of Units

Units in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided that the transfer does not result in the transferor or the transferee holding a number of Units of a value which is less than the Minimum Holding for that Fund. A purported transfer of Units will not become effective and binding upon the Managers until such time as the transferee has completed the prescribed Application Form and any attendant documentation, such as anti-money laundering documentation, and the Administrator has received the originals thereof. In this regard the rights and obligations of the purported transferor will subsist and the purported transferor will continue to be regarded as the registered holder of Units, to the exclusion of the purported transferee, until receipt by the Administrator of the documentation outlined above. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Trustee and the Managers as having any title to or interest in the Units registered in the names of such joint Unitholders. If the transferor is not resident in Ireland, the transferor must complete a declaration of non-residence to avoid deduction of tax on redemptions and distributions.

ALLOCATION OF ASSETS AND LIABILITIES

The Trust Deed requires the Trustee to establish a separate Fund for each Class of Unit in the following manner:-

(a) records and accounts of each Fund shall be maintained separately and in such currency as the Managers and the Trustee shall from time to time determine;

(b) the proceeds from the issue of each Class of Unit (excluding the Preliminary Charge) shall be applied to the Fund established for that Class of Unit, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Trust Deed;

(c) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;

(d) in the case of any asset which the Trustee does not consider as attributable to a particular Fund or Funds, the Trustee shall have discretion, subject to the approval of the Managers and the auditors, to determine the basis upon which any such asset shall be allocated between Funds, and the Trustee shall have power at any time and from time to time, subject to the approval of the

Managers and the auditors, to vary such basis provided that the approval of the Managers and of the auditors shall not be required in any case where the asset is allocated between all Funds pro rata to their Net Asset Values at the time when the allocation is made;

(e) the Trustee shall have discretion, subject to the approval of the Managers and the auditors, to determine the basis upon which any liability shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time to vary such basis, provided that the approval of the Managers and the auditors shall not be required in any case where a liability is allocated to the Fund or Funds to which in the opinion of the Trustee it relates or if in the opinion of the Trustee it does not relate to any particular Fund or Funds, between all the underlying Funds pro rata to their Net Asset Values;

(f) subject to the approval of the Managers and the auditors, the Trustee may transfer any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Trust or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (e) above or in any similar circumstances; and

(g) subject to paragraph (f) above, the assets of each Fund shall belong exclusively to that Fund, shall be segregated from other Funds and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

TRUST DEED

Copies of the Trust Deed may be obtained from the Hong Kong Representative or may be inspected during normal working hours at the offices of the Hong Kong Representative free of charge.

Subject to the prior approval of the Central Bank, the Trustee and the Managers may modify or add to the provisions of the Trust Deed if the Trustee is satisfied that the modification or addition either (a) does not materially prejudice the interests of the Unitholders, does not operate to release to any material extent the Trustee or the Managers or any other person from any responsibility to the Unitholders and will not increase the costs and charges payable out of the Unit Trust or (b) is necessary for compliance with any fiscal, statutory or official requirements or (c) is solely for the purpose of enabling Units to be issued in bearer form or (d) is solely for the purpose of revising or extending the list of markets on which the property of the Unit Trust may be invested.

Any other modification or addition requires, in addition, the approval of an Extraordinary Resolution (as described below under “Meetings of Unitholders”) of a meeting of Unitholders or of the relevant Class of Unitholders. No modification or addition may impose on any Unitholder any obligation to make a further payment or to accept any liability in respect of his Units.

CUSTODIANSHIP

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the Unit Trust’s investments, except for any bearer documents which may be held by certain approved depositories or clearance systems referred to in the Trust Deed. The Trustee may, however, appoint any person or persons to be the sub-custodian of such investments with power to appoint (with the prior written consent of the Trustee) sub-sub-custodians. The liability of the Trustee will not be affected by the appointment of any third party to hold assets of the Unit Trust.

TAXATION

The following statements are not exhaustive and do not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.

Prospective Unitholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Units in the places of their citizenship, incorporation, residence and domicile.

If the Unit Trust becomes liable to account for tax in any jurisdiction in the event that a Unitholder or beneficial owner of a Unit were to receive a distribution in respect of his/her Units or to dispose (or deemed to have disposed) of his/her Units in any way ("Chargeable Event"), the Managers shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax and/or where applicable, to appropriate, cancel or compulsorily repurchase such number of Units held by the Unitholder or such beneficial owner as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Unit Trust indemnified against loss arising to the Unit Trust by reason of the Unit Trust becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event if no such deduction, appropriation, cancellation or compulsory repurchase has been made.

Dividends, interest and capital gains (if any) which the Unit Trust receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Unit Trust may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Unit Trust the previous Net Asset Value to which the repayment relates will not be restated and the benefit will be allocated to the existing Unitholders rateably and will be reflected in the Net Asset Value at the time of repayment.

Hong Kong

During such period as the Unit Trust is authorised by the SFC then, under present Hong Kong law and practice:-

(a) The Unit Trust is not expected to be subject to Hong Kong tax in respect of any of its authorised activities;

(b) No tax will be payable by Unitholders in Hong Kong in respect of any capital gains arising on a sale, realisation or other disposal of Units in the Unit Trust, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

(c) No tax should generally be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of the Unit Trust.

Irish Taxation

The Unit Trust

The Unit Trust shall be regarded as resident in Ireland for tax purposes if the Trustee of the Unit Trust is regarded as tax resident in Ireland. It is the intention of the Managers that the business of the Unit Trust will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Managers have been advised that the Unit Trust qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Unit Trust is not chargeable to Irish tax on its income and gains.

However tax can arise on the happening of a "chargeable event" in the Unit Trust. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a relevant period) of Units. No tax will arise on the Unit Trust in respect of chargeable events in respect of a Unitholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that the relevant declaration is in place and the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a relevant declaration or the Unit Trust satisfying and availing of prescribed equivalent measures (see paragraph headed "Equivalent Measures" below) there is a presumption that the investor is Irish resident or Irish ordinary resident. A chargeable event does not include:

- An exchange by a Unitholder, effected by way of an arms length bargain where no payment is made to the Unitholder, of Units in the Unit Trust for other Units in the Unit Trust;
- Any transactions (which might otherwise be a chargeable event) in relation to units held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Unitholder of the entitlement to a Unit where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Unit Trust with another investment undertaking.

If the Unit Trust becomes liable to account for tax if a chargeable event occurs, the Unit Trust shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Unit Trust indemnified against loss arising to the Unit Trust by reason of the Unit Trust becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Unit Trust from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Unit Trust can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Unit Trust to receive such dividends without deduction of Irish dividend withholding tax.

Unitholders Tax

The Unit Trust will not have to deduct tax on the occasion of a chargeable event if (a) the Unitholder is neither Irish resident nor ordinarily resident in Ireland, (b) the Unitholder has made a relevant declaration on or about the time when the Units are applied for or acquired by the Unitholder and (c) the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a relevant declaration (provided in a timely manner) or the Unit Trust satisfying and availing of prescribed equivalent measures tax (see paragraph headed "Equivalent Measures" below) will arise on the happening of a chargeable event in the Unit Trust regardless of the fact that a Unitholder is neither Irish resident nor ordinarily resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent a Unitholder is acting as an Intermediary on behalf of a person who are neither Irish resident nor ordinarily resident in Ireland no tax will have to be deducted by the Unit Trust on the occasion of a chargeable event provided that either (i) the Unit Trust satisfied and availed of the prescribed equivalent measures or (ii) the Intermediary has made a relevant declaration that he/she is acting on behalf of such persons and the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are neither Irish resident nor ordinarily resident in Ireland and either (i) the Unit Trust has satisfied and availed of the prescribed equivalent measures or (ii) such Unitholders have made a relevant declaration in respect of which the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Units and gains made on the disposal of their Units. However, any corporate Unitholder which is not Irish resident and which holds Units directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Unit Trust on the basis that no relevant declaration has been filed with the Unit Trust by the Unitholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

Equivalent Measures

The Finance Act 2010 ("Act") introduced new measures commonly referred to as equivalent measures to amend the rules with regard to relevant declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a unitholder who was neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event, provided that a relevant declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a relevant declaration there was a presumption that the investor was Irish resident or ordinarily resident in Ireland. The Act however introduced provisions that permit the above exemption in respect of unitholders who are not Irish resident nor ordinarily resident in Ireland to apply where appropriate equivalent measures are put in place by the investment undertaking to ensure that such unitholders are not Irish resident nor ordinarily resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer repurchase or redemption of Units in the Unit Trust. Where any subscription for or redemption of Units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Unit Trust on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B(1) of the Taxes Act) which is registered in Ireland.

Capital Acquisitions Tax

The disposal of Units may be subject to Irish gift or inheritance tax (capital acquisitions tax). However, provided that the Unit Trust falls within the definition of investment undertaking (within the meaning of Section 739B(1) of the Taxes Act), the disposal of Units by a Unitholder is not liable to capital acquisitions tax provided that(a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland; (b) at the date of the disposition, either the Unitholder disposing ("disponer") of the Units is neither domiciled nor ordinarily resident in Ireland; and (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and

ii) that person is either resident or ordinarily resident in Ireland on that date.

Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The purpose of these provisions is to ensure that details of US investors, as defined under FATCA, holding assets outside the US will be reported by financial institutions to the Internal Revenue Service ("IRS"), as a safeguard against US tax evasion. In order to discourage non-US financial institutions from staying outside this regime, the Hire Act also requires that all US securities held by a non-US financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. However, Ireland has entered into an Inter-Governmental Agreement (IGA) with the US which means that any FATCA related requirements that will have to be met by Irish financial institutions will be set out in Irish law rather than the US Hire Act. Notably Irish financial institutions, including the Unit Trust, will be required to register with the IRS but have an obligation under Irish law to collect and assess information relating to whether any of their investors could be subject to US tax. With effect from 1 July 2014 (or such other dates as provided in the IGA or the relevant laws and regulations) onwards, details of US investors, if any, or investors where there remains uncertainty over their tax status will be reported to the Irish tax authorities which will then forward this information to the US authorities. Further information concerning income earned and gains realised by such investors will be progressively provided in subsequent years. While it is intended that the Unit Trust will be registered with the IRS and will comply with any obligations imposed on it under Irish law implemented pursuant to the IGA, no assurance can be given that the Unit Trust will be able to satisfy these obligations. While unlikely, if the Unit Trust becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material losses. Unitholders and prospective Unitholders should consult their own tax advisors on the possible implications of FATCA on an investment in the Unit Trust.

In cases where investors invest in the Fund through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant. If you are in any doubt, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

REPORTS AND ACCOUNTS

Audited reports (available in English only) on the Unit Trust will be sent to Unitholders within four months after the Accounting Period ends on 30 April of each year.

Unaudited semi-annual reports (available in English only) will be sent within two months after the end of the 6-month period ending on 31 October in each year. The reports will contain the value of the net assets of each Fund and of the investments comprised therein as at the year end or the end of such 6-month period.

MEETING OF UNITHOLDERS

The Trust Deed contains detailed provisions for meetings of Unitholders generally and Unitholders of each particular Class. Meetings may be convened by the Trustee, the Managers or the holders of at least 10% in value of the Units in issue or the Units of the particular Class in issue, on not less than 21 days' notice. Notices of meetings will be posted to Unitholders or Unitholders of the particular Class. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting will be Unitholders present in person or by proxy and holding or representing not less than 10% (or in relation to the passing of an Extraordinary Resolution, 25%) of the Units (or Units of the relevant Class) for the time being in issue or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number or the number of Units held by them.

On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote. On a poll every Unitholder present in person or by representative or proxy shall have one vote for every Unit for which he is registered as the holder. For so long as the Unit Trust is authorised by the SFC, a poll will be conducted at a meeting of Unitholders. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

An Extraordinary Resolution is a resolution proposed as such at a meeting of Unitholders at which a quorum is present and passed by a majority of 75% of the total number of votes cast.

The Trust Deed provides that a resolution which, in the opinion of the Trustee, affects one Class only of Units will be duly passed if passed at a separate meeting of the Unitholders of that Class; if, in the opinion of the Trustee, the resolution affects more than one Class of Unit but does not give rise to a conflict of interests between the holders of the Units of the respective Classes, the resolution will be duly passed if passed at a single meeting of the holders of the Units of those Classes. If the resolution affects, in the opinion of the Trustee, more than one Class of Unit and gives or may give rise to a conflict of interests between the holders of Units of the respective Classes, the resolution will only be duly passed if, in lieu of being passed at a single meeting of the holders of the Units of those Classes, it is passed at separate meetings of the holders of Units of those Classes.

TERMINATION OF THE FUND

The Unit Trust will continue indefinitely until terminated in accordance with the Trust Deed either (a) by the Managers if the Net Asset Value of the Unit Trust amounts, at any time, to less than US$25 million or its equivalent or (b) by either the Managers or the Trustee at any time in certain circumstances (e.g. if any law is passed which renders it illegal or, in the opinion of the Managers or the Trustee, impracticable or inadvisable to continue the Trust), or (c) by Extraordinary Resolution of a meeting of Unitholders passed at any time. The Managers have the power to terminate any particular Fund on the date one year following the first issue of Units in that Fund or on any date thereafter if the Net Asset Value of that Fund amounts at such date to less than US$2 million or its equivalent.

The Trust Deed provides that upon the Unit Trust being terminated the Trustee shall:–

(a) sell all investments held for the Unit Trust; and

(b) distribute all net cash proceeds derived from the realisation of the assets of each Fund to Unitholders of the relevant Class in proportion to their respective interests upon production of the Unit certificate (if issued) or delivery of such form of request as the Trustee may require.

The Trustee shall not be bound (except in the case of final distribution) to distribute any moneys for the time being in its hands the amount of which is insufficient to pay the equivalent of US$1.00 in respect of each Unit. In addition, the Trustee shall be entitled to retain out of any monies in its hands as part of the property of the Unit Trust or the relevant Fund, full provision for all costs, charges, expenses, claims and demands.

Any unclaimed proceeds or other cash held by the Trustee at the end of the expiration of twelve months from the date on which the same were payable will be paid into Court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

MISCELLANEOUS

The Unit Trust is not involved in any litigation nor are the Directors of the Managers aware of any pending or threatened litigation.

Any distribution of assets in specie will not be materially prejudicial to the rights of the remaining Unitholders.

Any investor wishing to make a complaint regarding any aspect of the Unit Trust or its operations may contact the compliance officer at the Hong Kong Representative. Please refer to the section headed "Complaints" below.

PROXY VOTING POLICIES AND PROCEDURES

The Managers will vote proxies on the securities held by the Funds in accordance with the procedures of the Investment Manager. The Investment Manager has established a Proxy Voting Policy which is overseen by the Investment Manager's Proxy Voting Committee. The policy is designed to ensure that votes are cast in accordance with the best economic interest of the clients of the Investment Manager, such as the Funds. The Investment Manager uses the services of an independent third party service provider who provides proxy analysis, information on events requiring voting and vote recommendations, and also to execute the voting decisions of Investment Manager. The Investment Manager ordinarily votes proxies according to the independent third party service provider's proxy voting recommendations. Proxies on all proposals are voted, except in those instances when the Investment Manager, with guidance from the Proxy Voting Committee if desired, determines that the cost of voting those proxies outweighs the economic benefit to the Investment Manager's clients.

The Investment Manager's detailed Proxy Voting Policy is available on request from the Investment Manager.

BEST EXECUTION

The Managers rely on the Execution Policy of the Investment Manager. Best Execution is the term used to describe the objective of taking all reasonable steps to obtain the best possible result for each transaction carried out by the Investment Manager on the property of the Unit Trust. In order to obtain the best possible result the Investment Manager takes into account a number of factors including price, both the explicit and implicit costs of trading, size and speed of execution and any other specific considerations relevant to that transaction.

The Investment Manager's detailed Execution Policy is available on request from the Investment Managers.

INDUCEMENTS

The Managers receive and pay certain fees such as an annual management fee from each Fund. The Managers remit the fees and expenses of the Investment Manager out of the annual management fee and the Managers also pay rebates to distributors. The Managers will not enter into any fee arrangements that give rise to conflicts with the Managers' duties to act honestly, fairly and professionally in accordance with the best interests of the Fund(s).

Further details of the Managers' policy on Inducements are available on request from the Managers.

PUBLICATION OF PRICE

The price per Unit of each Class will be available on the Barings' website at www.barings.com and will be updated on each Dealing Day. The prices will also be published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.

The website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.

Prices can also be ascertained at the registered office of the Managers and from the offices of the Hong Kong Representative.

COMPLAINTS

Investors may contact the compliance officer at the Hong Kong Representative if they have any complaints or enquiries in respect of the Unit Trust. Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Hong Kong Representative directly, or referred to the Managers / relevant parties for further handling. The Hong Kong Representative will, on a best effort basis, revert and address the investor's complaints and enquiries as soon as practicable.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be obtained or inspected at the offices by the Hong Kong Representative set out below: the Trust Deed (as amended), Administrator Agreement, Hong Kong Representative Agreement, Investment Management Agreement and latest annual and semi-annual report and accounts (the annual and semi-annual reports are available in English only):

Baring Asset Management (Asia) Limited

19th Floor

Edinburgh Tower

15 Queen's Road Central

Hong Kong

Telephone: 852 2841 1411

Facsimile: 852 2526 7129

If you are considering investing in a Fund and would like further information prior to subscribing for Units, the Hong Kong Representative can arrange for the Managers to send to you (free of charge) a copy of the Prospectus together with a copy of these Highlights, the relevant KFS and a personalised cover letter.

IMPORTANT INFORMATION

Managers

Baring International Fund Managers (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

The Directors of the Managers are:

David Conway
Dun Rua
180 Vernon Avenue
Clontarf
Dublin 3
Ireland

John Burns
155 Bishopsgate
London EC2M 3XY
UK

Nicola Hayes
155 Bishopsgate
London EC2M 3XY
UK

Mark Thorne
Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Investment Manager

Baring Asset Management Limited
155 Bishopsgate
London
EC2M 3XY
United Kingdom

Administrator and Registrar

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court
54-62, Townsend Street
Dublin 2
Ireland

Trustee

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62, Townsend Street
Dublin 2
Ireland

Hong Kong Representative

Baring Asset Management (Asia) Limited
19th Floor
Edinburgh Tower
15 Queen's Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
Chartered Accountants
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Legal advisers – as to Hong Kong Law

Deacons
5th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Sponsoring Brokers

NCB Stockbrokers Limited
3 George's Dock
International Financial Services Centre
Dublin 1
Ireland

APPENDIX I

With the exception of permitted investments in unlisted securities, the Unit Trust will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which is listed below (this is to reflect Clause 19(E) of the Trust Deed of the Unit Trust which states that *"the Unit Trust will only invest in securities or financial derivative instruments traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which is listed in the offering document").*

Market

With the exception of permitted investments in unlisted securities, the Unit Trust will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which is listed below.

For the purpose of the Trust, a market shall be:–

In relation to any Investment which constitutes a transferable security or an exchange traded derivative:

(i) any stock exchange or market which is:

– located in any Member State of the EEA; or

– located in any of the following countries:–

Australia
Canada
Japan
New Zealand
Switzerland
United States of America; or

(ii) any stock exchange or market included in the following list:–

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange Ltd
Bangladesh	Chittagong Stock Exchange
Brazil	Sociedade Operadora Do Mercado De Ativos S.A.
Brazil	BM & F Bovespa SA
Brazil	Central de Custodia e de Liquidacao Financiera de Titulos
Chile	La Bolsa Electronica De Chile
Chile	Bolsa de Comercio de Santiago
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Colombia	Bolsa De Valores De Colombia
Egypt	The Egyptian Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Stock Exchange Of Hong Kong Ltd, The
Iceland	NASDAQ OMX ICELAND hf
India	Bombay/Mumbai Stock Exchange Ltd
India	National Stock Exchange of India
Indonesia	Indonesia Stock Exchange
Jordan	Amman Stock Exchange
Kenya	Nairobi Securities Exchange
Korea, Republic of	Korea Exchange
Malaysia	Bursa Malaysia Berhad

Mauritius	Stock Exchange of Mauritius Ltd, The
Mexico	Bolsa Mexicana De Valores (Mexican Stock Exchange)
Morocco	Casablanca Stock Exchange
Nigeria	Nigerian Stock Exchange, The
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Pakistan	Islamabad Stock Exchange
Peru	Bolsa De Valores De Lima
Philippines	Philippine Stock Exchange, Inc.
Russia	Moscow Exchange
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Trinidad and Tobago	Trinidad and Tobago Stock Exchange
Turkey	Istanbul Stock Exchange
Uruguay	Bolsa De Valores De Montevideo
Venezuela	Bolsa De Valores De Caracas
Vietnam	Hanoi Securities Trading Centre
Vietnam	Ho Chi Minh Stock Exchange
Zambia	Lusaka Stock Exchange

(iii) any of the following:

– the market organised by the International Capital Market Association;

– the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion” dated April 1988 (as amended from time to time);

– the market in US government securities conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;

– a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;

– NASDAQ in the United States;

– The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

– The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

– The French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);

– the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(iv) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a Member State in the European Economic Area (European Union, Norway, Iceland and Liechtenstein);
- in the United States of America, on the
  - Chicago Board of Trade;
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange;
  - Eurex US;
  - New York Futures Exchange;
  - New York Mercantile Exchange;
- in China, on the Shanghai Futures Exchange;
- in Hong Kong, on the Hong Kong Futures Exchange;
- in Japan, on the
  - Osaka Securities Exchange;
  - Tokyo Financial Exchange Inc.;
  - Tokyo Stock Exchange;
- in New Zealand, on the NZX Limited;
- in Singapore, on the Singapore Mercantile Exchange.

PROVIDED THAT the Trustee and the Managers shall be entitled without the sanction of an Extraordinary Resolution to modify this definition by adding to or deleting from the countries, markets and exchanges described above.

The markets and exchanges described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.