BARINGS

Barings UK Unit Trusts

Annual Report & Audited Financial Statements

for the year ended 31 August 2019

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* These pages, together with the investment report, directors' statement, fund information table disclosure and portfolio statement of each fund comprise the Manager's Report

Introduction

These Annual Reports and Audited Financial Statements cover the period to 31 August 2019 and review the performance and market outlook for seven of the unit trusts managed by Baring Fund Managers Limited ("the Manager"). These comprise the Barings Dynamic Capital Growth Fund, the Barings Eastern Trust, the Barings European Growth Trust, the Barings Europe Select Trust, the Barings German Growth Trust, the Barings Japan Growth Trust and the Barings Strategic Bond Fund ("the Trusts").

The functional and presentational currency for all the Trusts is Sterling except for the Barings German Growth Trust where the functional and presentational currency is Euros.

This is the first Annual Report and Financial Statements for these Trusts since the financial year ends were aligned to 31 August. As the Trusts did not previously have the same financial year ends, the reporting period start date is not the same for all the Trusts.

As the investor in one of the Trusts, your money is pooled with that of other investors in the same Trust and invested by the Manager in line with the Investment Objective of the particular trust.

The Barings Dynamic Capital Growth Fund closed on 3 December 2019, therefore the financial statements for this Trust have been produced on a basis other than Going Concern for the current period. The financial statements for the other Trusts have been produced on a Going Concern basis.

For further information about the Trusts please visit the Barings website, www.barings.com.

Funds Available in Hong Kong

Warning: In relation to the funds as set out in this annual financial report, only the following funds are authorised by the Securities and Futures Commission ("**SFC**") pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong ("**SFO**") and hence may be offered to the public of Hong Kong:-

- Barings Europe Select Trust
- Barings Eastern Trust
- Barings European Growth Trust
- Barings German Growth Trust

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 endorsment of its suitability for any particular investor or class of investors.

Please note that this annual financial report is a global document and therefore also contains information of the following funds which are **not** authorised by the SFC in Hong Kong and not available to the public in Hong Kong.

- Barings Dynamic Capital Growth Fund
- Barings Japan Growth Trust
- Barings Strategic Bond Fund

No offer shall be made to the public of Hong Kong in respect of the above unauthorised funds and unauthorised collective investment schemes.

Barings Dynamic Capital Growth Fund

Fund Closure

Following a review of the Fund, the Directors resolved on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund and unitholders were offered a Scheme of Election to switch their holding into the Barings Multi Asset Fund. Any units which were not switched were redeemed on 3 December 2019, the closing date of the Fund and proceeds returned to the unitholders.

Investment objective and policy

The investment objective of Barings Dynamic Capital Growth Fund (the "Fund") is to achieve capital growth by investing globally.

The Fund will seek to achieve its investment objective by investing directly and indirectly across a range of asset classes, such as equities and equity-related securities, fixed income, currencies, deposits, cash and money market instruments. Exposure may be gained indirectly to alternative investments.

In order to implement the investment policy, the Fund may gain exposure through transferable securities, or collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager). It may also use derivatives including futures, options, warrants, swaps and forward contracts for efficient portfolio management and for investment purposes.

Please refer to the Prospectus for the full investment objective and policy.

Performance Assessment

The Fund is not managed to a benchmark, nor does the Manager use a benchmark in assessing the Fund's performance. Investors may however refer to the information in the Morningstar's GBP Flexible Allocation Category which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

How the Fund is managed

The Fund is invested in a range of asset classes and markets, which are determined by the Manager's asset allocation analysis. The Manager uses the ideas generated by Barings' Strategic Policy Group and asset allocation team to choose what it believes are the best asset classes to achieve the investment objectives of the Fund. Based on this analysis, the Manager selects the markets and individual companies that look most attractive in its view. The Manager aims to access a variety of asset classes in a transparent and flexible manner, and may gain exposure to asset classes directly and/or indirectly, such as through the use of investment funds including index tracking and exchange traded funds.

Risk profile

Please see detailed below the key risks applicable to the Fund:

- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated.
- The rating of a bond is subject to change. There is no guarantee that a bond issuer will pay the interest due or repay the loan, which would result in a loss of income to the Fund, along with its initial investment. Bond values are likely to fall if interest rates rise.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative, as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Dynamic Capital Growth Fund

The Fund at a glance on 31 August 2019

Total Fund size		£25.32 million
OCF*	**31/08/2019**	**15/02/2019**
Class A GBP Acc	1.00%	1.04%
Class A GBP Inc	1.00%	1.04%
Class D GBP Acc**	0.55%	0.59%
Class I GBP Acc	0.75%	0.79%
Class I GBP Inc	0.75%	0.79%
	Initial charge	**Annual charge**
Class A GBP Acc	up to 5.00%	0.75%
Class A GBP Inc	up to 5.00%	0.75%
Class D GBP Acc**	Nil	0.30%
Class I GBP Acc	Nil	0.50%
Class I GBP Inc	Nil	0.50%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class D GBP Acc**	£20,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Fund and is deducted from the assets over the period. It includes fees paid for the investment management,trustee and general charges.

** Class D units are only available for subscription by certain distributors who have in place a placing agency agreement or distribution agreement with the Manager or the Investment Manager or their delegates or otherwise at the discretion of the Manager.

Price per unit	(pence per unit)
Class A GBP Acc	772.70p
Class A GBP Inc	283.50p
Class D GBP Acc	320.80p
Class I GBP Acc	780.30p
Class I GBP Inc	283.90p

Barings Dynamic Capital Growth Fund

Fund information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2019 (p)	15/02/2019 (p)	15/02/2018 (p)	31/08/2019 (p)	15/02/2019 (p)	15/02/2018 (p)
Change in net assets per unit						
Opening net asset value per unit	737.31	734.47	710.24	270.52	277.13	274.00
Return before operating charges	34.62	10.55	31.39	12.72	4.02	12.10
Operating charges	(4.10)	(7.71)	(7.16)	(1.51)	(2.89)	(2.75)
Return after operating charges	30.52	2.84	24.23	11.21	1.13	9.35
Distributions	(9.50)	(20.62)	(16.19)	(3.48)	(7.74)	(6.22)
Retained distributions on accumulation units	9.50	20.62	16.19	–	–	–
Closing net asset value per unit	767.83	737.31	734.47	278.25	270.52	277.13
after direct transaction costs of*	0.09	0.11	0.26	0.03	0.04	0.10
Performance						
Return after charges	4.14%	0.39%	3.41%	4.14%	0.41%	1.14%
Other information						
Closing net asset value ('000)	£3,060	£3,432	£4,979	£10,347	£11,682	£12,418
Closing number of units	398,509	465,433	677,961	3,718,639	4,318,290	4,480,962
Operating charges	1.00%	1.04%	0.97%	1.00%	1.04%	0.97%
Direct transaction costs	0.01%	0.01%	0.04%	0.01%	0.01%	0.04%
Prices**						
Highest unit price	780.00	759.20	766.90	286.20	286.40	293.20
Lowest unit price	737.50	699.50	709.70	270.90	260.70	273.80

	Class D GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2019 (p)	15/02/2019 (p)	15/02/2018 (p)	31/08/2019 (p)	15/02/2019 (p)	15/02/2018 (p)
Change in net assets per unit						
Opening net asset value per unit	305.36	301.59	291.01	743.57	738.85	712.69
Return before operating charges	14.37	5.54	12.16	34.97	10.62	31.50
Operating charges	(0.94)	(1.77)	(1.58)	(3.11)	(5.90)	(5.34)
Return after operating charges	13.43	3.77	10.58	31.86	4.72	26.16
Distributions	(4.70)	(10.33)	(8.76)	(10.62)	(22.62)	(18.12)
Retained distributions on accumulation units	4.70	10.33	8.76	10.62	22.62	18.12
Closing net asset value per unit	318.79	305.36	301.59	775.43	743.57	738.85
after direct transaction costs of*	0.04	0.04	0.11	0.09	0.11	0.26
Performance						
Return after charges	4.40%	1.25%	3.64%	4.28%	0.64%	3.67%
Other information						
Closing net asset value ('000)	£38	£36	£–	£1,049	£804	£909
Closing number of units	11,820	11,820	38	135,358	108,137	123,068
Operating charges	0.55%	0.59%	0.52%	0.75%	0.79%	0.72%
Direct transaction costs	0.01%	0.01%	0.04%	0.01%	0.01%	0.04%
Prices**						
Highest unit price	323.70	313.90	316.10	787.60	765.00	771.30
Lowest unit price	305.50	289.80	291.60	743.90	704.80	712.30

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Fund and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 16 February to 31 August. For previous periods, they relate to the accounting period from 16 February to 15 February.

Fund information (continued)

	Class I GBP Inc - Distribution units		
	31/08/2019 (p)	15/02/2019 (p)	15/02/2018 (p)
Change in net assets per unit			
Opening net asset value per unit	270.54	277.15	274.03
Return before operating charges	12.73	4.04	12.09
Operating charges	(1.13)	(2.20)	(2.04)
Return after operating charges	11.60	1.84	10.05
Distributions	(3.86)	(8.45)	(6.93)
Closing net asset value per unit	278.28	270.54	277.15
after direct transaction costs of*	0.03	0.04	0.10
Performance			
Return after charges	4.29%	0.66%	1.14%
Other information			
Closing net asset value ('000)	£10,821	£10,168	£11,280
Closing number of units	3,888,654	3,758,589	4,070,006
Operating charges	0.75%	0.79%	0.72%
Direct transaction costs	0.01%	0.01%	0.04%
Prices**			
Highest unit price	286.60	286.70	293.60
Lowest unit price	270.90	260.90	273.90

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Fund and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 16 February to 31 August. For previous periods, they relate to the accounting period from 16 February to 15 February.

Barings Dynamic Capital Growth Fund

Report of the Investment Manager

Investment Report

Performance

During the period from 16 February 2019 to 31 August 2019, the Barings Dynamic Capital Growth Fund (the "Fund") produced an absolute net return for Class I GBP Inc of 4.80% compared with a return of 2.04% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class I GBP Inc were 13.36% and 20.66% respectively compared with the return of the performance comparator over the same periods of 11.30% and 19.39% respectively.

The key contributors to performance over the period have been High Yield Bonds and Emerging Market Debt (hard currency). We still favour these higher yielding asset classes and we have added to these positions during the period at points of market weakness and as appropriate investment opportunities have arisen. Even under challenging market conditions, we feel that these assets will provide some capital protection.

Having been a positive contributor in the period prior to this report, Emerging equities underperformed on slowing global growth and continued worries around the trade wars. Japanese equities were a detractor to performance over the period under review. This was mainly due to the sharp sell-off witnessed in December 2018 in global equities. Japanese equities were significantly slower to recover in the first quarter of 2019 in comparison to other global markets due to the weak economic data releases and poor earnings revisions. The position was exited in early 2019 thereby avoiding further underperformance.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
UK Treasury Bond 0.00% 4/11/2019	1,843	Legal & General Japan Index Trust	2,263
Xtrackers II USD Emerging Markets Bond UCITS ETF	1,449	iShares Emerging Markets Bond UCITS ETF	1,447
UK Treasury Bond 0.00% 27/01/2020	996	UK Treasury Bond 0.0% 23/04/2019	1,200
UK Treasury Bond 0.00% 11/11/2019	897	UK Treasury Bond 0.0% 10/06/2019	900
UK Treasury Bond 0.00% 22/07/2019	822	Mexican Bonos 10.00% 05/12/2024	865
US Treasury Bond 2.375% 15/05/2029	780	UK Treasury Bond 0.00% 22/07/2019	823
US Treasury Index-Linked 2.375% 15/01/2027	510	iShares JP Morgan Emerging Markets Local Government Bond UCITS ETF	387
iShares Core Euro Stoxx 50 UCITS ETF	400	iShares USD High Yield Corporate Bond UCITS ETF	334
Legal & General European Index Trust	269	Gecina Reits	313
Republic of Italy Government International Bond 6.00% 04//08/2028	254	Invesco Preferred Shares UCITS ETF	267

Market outlook

The trade war between the US and China is following an uncertain and erratic path and the dimming economic outlook will weigh on company earnings and expansion plans. The recent downgrade in US corporate earnings reflects the pessimism around growth in the global economy and the falling bond yields signal towards a slowdown and often point towards a recession. We do not expect a full economic recession although under the current conditions, our view is that an earnings recession is likely. Therefore, we remain engaged with risky assets but have turned our attention to investments which would provide a decent level of stability through defensive characteristics, quality or through higher income.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Dynamic Capital Growth Fund

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial period which give a true and fair view of the financial affairs of the Barings Dynamic Capital Growth Fund (the "Fund") and of its net revenue and net capital gains for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Fund in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the "Fund") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the "Fund") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Barings Dynamic Capital Growth Fund

Directors' statement

The financial statements on pages 18 to 33 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings Dynamic Capital Growth Fund

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Investment Funds: 19.26% (24.94%)		
	Ireland: 9.52% (8.29%)		
2,125	Barings European High Yield Bond Fund Dist	213,813	0.84
7,013	Barings U.S High Yield Bond Component Fund Acc	673,233	2.66
18,577	Barings U.S High Yield Bond Component Fund Inc	1,524,364	6.02
		2,411,410	**9.52**
	United Kingdom: 9.74% (16.52%)		
319,693	Greencoat UK Wind Fund	444,373	1.76
493,975	Legal & General European Index Trust	1,427,094	5.64
1,102,256	Legal & General Japan Index Trust	594,006	2.34
56	Legal & General Pacific Index Trust	60	–
34	Legal & General Sterling Corporate Bond Index Fund	20	–
		2,465,553	**9.74**
	United States: 0.00% (0.13%)		
2,000	Caithniss*	**–**	**–**
	Bonds: 30.26% (20.31%)		
	Brazil: 0.76% (0.65%)		
USD 200,000	Brazilian Government International Bond 6.00% 07/04/2026	**192,007**	**0.76**
	Greece: 0.64% (0.00%)		
EUR 59,000	Hellenic Republic 3.875% 12/03/2029	64,189	0.25
EUR 91,000	Hellenic Republic 3.75% 30/01/2028	97,166	0.39
		161,355	**0.64**
	Hungary: 4.44% (2.26%)		
USD 598,000	Hungary Government International Bond 5.75% 22/11/2023	558,086	2.21
USD 608,000	Hungary Government International Bond 5.375% 25/03/2024	565,265	2.23
		1,123,351	**4.44**
	Italy: 1.03% (0.73%)		
GBP 205,000	Republic of Italy Government International Bond 6% 04/08/2028	**262,355**	**1.03**
	Mexico: 1.69% (4.71%)		
MXN 10,000,000	Mexican Bonos 7.75% 29/05/2031	**429,012**	**1.69**
	Poland: 1.58% (1.00%)		
USD 454,000	Republic of Poland Government International Bond 3.25% 06/04/2026	**399,459**	**1.58**
	Turkey: 0.00% (0.91%)		
	United Kingdom: 14.79% (10.05%)		
GBP 900,000	UK Treasury Bond 0% 11/11/2019	898,675	3.55
GBP 1,000,000	UK Treasury Bond 0% 27/01/2020	996,890	3.94

Barings Dynamic Capital Growth Fund

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Bonds: 30.26% (20.31%) (continued)		
	United Kingdom: 14.79% (10.05%) (continued)		
GBP 1,850,000	UK Treasury Bond 0% 04/11/2019	1,847,553	7.30
		3,743,118	**14.79**
	United States: 5.33% (0.00%)		
USD 900,000	US Treasury Bond 2.375% 15/05/2029	795,706	3.14
USD 451,600	US Treasury Index-Linked 2.375% 15/01/2027	553,891	2.19
		1,349,597	**5.33**
	Equities: 11.80% (17.62%)		
	Australia: 0.07% (0.13%)		
12,399	Orocobre	**16,713**	**0.07**
	Belgium: 0.13% (0.15%)		
1,245	Umicore	**32,668**	**0.13**
	Canada : 0.00% (0.03%)		
	France: 0.62% (1.89%)		
1,444	Unibail-Rodamco Reits	**156,323**	**0.62**
	Germany: 2.42% (3.32%)		
20,065	Alstria Office REIT- AG Class A REITs	272,523	1.08
17,554	TAG Immobilien	340,279	1.34
		612,802	**2.42**
	Guernsey: 1.14% (1.10%)		
255,906	JPEL Private Equity	**289,990**	**1.14**
	Japan : 0.00% (3.65%)		
	Republic of South Korea: 0.31% (0.56%)		
167	LG Chem	37,361	0.15
359	SK Innovation	40,158	0.16
		77,519	**0.31**
	United Kingdom: 7.00% (6.65%)		
554,817	AEW UK Reits	499,335	1.97
150,000	Aquila European Renewables Income Fund	145,522	0.58
324,908	Doric Nimrod Air Two	597,831	2.36
1,446	Johnson Matthey	41,977	0.17
56,096	Nexxtdrive*	–	–
5,610	Nexxtdrive Rights*	–	–
188,118	SDCL Energy Efficiency Income	203,167	0.80
10,888	Tennants Consolidated	54,440	0.21

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 11.80% (17.62%) (continued)		
	United Kingdom: 7.00% (6.65%) (continued)		
48,482	Tennants Consolidated A	230,290	0.91
		1,772,562	**7.00**
	United States: 0.11% (0.14%)		
576	Albemarle	**28,592**	**0.11**
	Exchange Traded Funds: 37.03% (34.58%)		
	Ireland: 31.13% (34.46%)		
44,400	Invesco Preferred Shares UCITS ETF	734,835	2.90
8,679	iShares Core Euro Stoxx 50 UCITS ETF	870,631	3.44
141,645	iShares Core FTSE 100 UCITS ETF	1,022,818	4.04
10,241	iShares Core S&P 500 UCITS ETF	2,448,488	9.67
9,120	iShares EUR High Yield Corp Bond UCITS ETF	876,998	3.47
14,069	iShares JP Morgan EM Local Government Bond UCITS ETF	678,265	2.68
2,449	iShares USD Corp Bond UCITS ETF	248,962	0.98
32,480	Vanguard FTSE 250 UCITS ETF	998,760	3.95
		7,879,757	**31.13**
	Luxembourg: 5.90% (0.12%)		
116,763	Xtrackers II USD Emerging Markets Bond UCITS ETF	**1,493,623**	**5.90**
	Credit Default Swaps: 0.32% (0.39%)		
(2,200,881)	CDX Citigroup 5.00% 20/06/2021	**82,043**	**0.32**
	Futures Contracts: -0.01% (0.30%)		
21	Future Euro Stoxx 50 Eux September 2019	1,142	0.01
18	Future MSCI Cons Staples ICF September 2019	16,058	0.06
17	Future MSCI Emerging Market September 2019	(21,009)	(0.08)
		(3,809)	**(0.01)**
	Forward Currency Contracts: -0.54% (-0.78%)		
GBP (639,286)	Sold GBP, bought USD 800,000 for settlement 12/09/2019 (Northern Trust)	17,371	0.07
EUR (1,902,000)	Sold EUR, bought GBP 1,744,152 for settlement 13/11/2019 (State Street)	15,157	0.06
USD (4,397,000)	Sold USD, bought GBP 3,609,610 for settlement 13/11/2019 (Canadian Imperial Bank of Commerce)	9,501	0.04
EUR (68,800)	Sold EUR, bought GBP 63,745 for settlement 12/09/2019 (Canadian Imperial Bank of Commerce)	1,347	0.01
CHF (177,000)	Sold CHF, bought GBP 148,607 for settlement 13/11/2019 (State Street)	1,145	–
EUR (37,300)	Sold EUR, bought GBP 34,558 for settlement 13/11/2019 (State Street)	651	–
GBP (90,581)	Sold GBP, bought JPY 11,728,450 for settlement 12/09/2019 (Northern Trust)	(32)	–
GBP (248,026)	Sold GBP, bought JPY 32,055,000 for settlement 13/11/2019 (Northern Trust)	(77)	–

Barings Dynamic Capital Growth Fund

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Forward Currency Contracts: -0.54% (-0.78%) (continued)		
USD (225,100)	Sold USD, bought GBP 184,449 for settlement 12/09/2019 (State Street)	(318)	–
JPY (32,055,000)	Sold JPY, bought GBP 247,610 for settlement 13/11/2019 (State Street)	(340)	–
JPY (11,728,450)	Sold JPY, bought GBP 86,000 for settlement 12/09/2019 (State Street)	(4,548)	(0.02)
CHF (177,360)	Sold CHF, bought GBP 141,542 for settlement 12/09/2019 (State Street)	(5,744)	(0.02)
EUR (2,097,425)	Sold EUR, bought GBP 1,874,379 for settlement 12/09/2019 (State Street)	(27,881)	(0.11)
USD (4,397,710)	Sold USD, bought GBP 3,466,449 for settlement 12/09/2019 (Canadian Imperial Bank of Commerce)	(143,286)	(0.57)
		(137,054)	**(0.54)**
	Portfolio of investments: 98.12% (97.36%)	**24,838,946**	**98.12**
	Net other assets	476,367	1.88
	Net assets	**25,315,313**	**100.00**

* Unquoted or illiquid securities

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 15 February 2019.

Independent auditors' report to the unitholders of Barings Dynamic Capital Growth Fund

Report on the audit of the financial statements

Our opinion

In our opinion, Barings Dynamic Capital Growth Fund's (the "Fund") financial statements:

- give a true and fair view of the financial position of the Fund as at 31 August 2019 and of the net revenue and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 19); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 18); the distribution tables (page 34); and the notes to the financial statements (pages 20 to 33), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements (page 20) which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the unitholders of Barings Dynamic Capital Growth Fund (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 9, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control that he/she determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of this report

This report, including the opinions, has been prepared for, and only for, the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings Dynamic Capital Growth Fund

Statement of total return

for the period from 16 February 2019 to 31 August 2019

	Notes	16/02/2019 to 31/08/2019* £'000	£'000	16/02/2018 to 15/02/2019 £'000	£'000
Income					
Net capital gains/(losses)	2		**735**		(646)
Revenue	3	**459**		1,057	
Expenses	4	**(114)**		(223)	
Interest payable and other similar charges	5	**–**		(13)	
Net revenue before taxation		**345**		821	
Taxation	6	**(3)**		(23)	
Net revenue after taxation			**342**		798
Total return before distributions			**1,077**		152
Distributions	7		**(342)**		(798)
Change in net assets attributable to unitholders from investment activities			**735**		(646)

Statement of change in net assets attributable to unitholders

for the period from 16 February 2019 to 31 August 2019

		16/02/2019 to 31/08/2019* £'000	£'000	16/02/2018 to 15/02/2019 £'000	£'000
Opening net assets attributable to unitholders			**26,122**		29,587
Amounts receivable on issue of units		**1,209**		454	
Amounts payable on cancellation of units		**(2,808)**		(3,409)	
			(1,599)		(2,955)
Dilution adjustment			**–**		2
Changes in net assets attributable to unitholders from investment activities			**735**		(646)
Retained distribution on accumulation units	7		**53**		124
Unclaimed distributions			**4**		10
Closing net assets attributable to unitholders			**25,315**		26,122

* The accounting year end date was changed from 15 February to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings Dynamic Capital Growth Fund

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	15/02/2019 £'000
Assets			
Investment assets		–	25,651
Current assets:			
Investment assets		**25,042**	–
Debtors	8	**116**	115
Cash and bank balances	9	**724**	999
Total assets		**25,882**	26,765
Liabilities			
Investment liabilities		**–**	(219)
Creditors:			
Investment liabilities		**(203)**	**–**
Distribution payable on income units	7	**(279)**	(356)
Other creditors	10	**(85)**	(68)
Total liabilities		**(567)**	(643)
Net assets attributable to unitholders		**25,315**	26,122

* The accounting year end date was changed from 15 February to 31 August.

Notes to the financial statements

for the period from 16 February 2019 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements for the current period have been prepared on a basis other than going concern following the Directors' resolution on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund (the "Fund"). Any additional costs in relation to the termination will be borne by the Manager. The financial statements for the year ended 15 February 2019 were produced on a going concern basis.

In applying this basis of preparation, the assets and liabilities of the Fund continue to be stated at their fair values, which materially equate to their realisable values and fixed assets and long-term liabilities are reclassified as current assets and liabilities.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Recognition of Revenue

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest is recognised on an accrual basis.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment, and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase or an investment over its remaining life based on contractual cash flows. Any adjustments resulting from changes in actual cashflows are treated as capital.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of investments.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Fund's distribution.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Fund's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Fund will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Fund will retain any surplus revenue for investment in the Fund.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

1. Accounting policies (continued)

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Fund is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Trailer commission

Trailer commission is received from investments in Investment Funds managed by other Managers. If the underlying Investment Fund pays its annual management charge from capital, the trailer commission is treated as capital in nature. All other trailer commission is treated as revenue and forms part of the distribution.

Derivative financial instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts are accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance is to protect or enhance capital return, gains or losses are recognised in net capital (losses)/ gains in the statement of total return; Where the motive and circumstance is to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the period-end are reflected in the balance sheet at their marked to market value.

Unclaimed distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Fund.

Management fee rebate

The Manager rebates an amount equivalent to the ongoing charge suffered on this Fund's share in the underlying Investment Funds. Each rebate is paid to either the capital or revenue element of the Fund depending on whether the fee of the underlying fund is charged to capital or revenue.

2. Net capital gains/(losses)

The net capital gains/(losses) during the period comprise:

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Non-derivative securities	**1,296**	207
Derivative securities	**(103)**	(144)
Currency gains	**85**	447
Forward currency contracts	**(539)**	(1,152)
Transaction charges	**(4)**	(3)
Derivative charges	**–**	(1)
Net capital gains/(losses) on investments	**735**	(646)

3. Revenue

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Bank interest	**1**	12
Franked CIS revenue	**40**	66
Franked PID revenue	**3**	3
UK dividends	**20**	171
Futures income	**15**	26
Interest on debt securities	**83**	201
Management fee rebates	**1**	2
Offshore CIS dividend revenue	**42**	111
Offshore CIS interest revenue	**184**	247
Overseas dividends	**51**	175
Unfranked PID revenue	**19**	43
	459	1,057

4. Expenses

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**90**	178
	90	178
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**3**	7
Safe custody charges	**1**	2
	4	9
Other expenses:		
Administration fees	**1**	3
Audit fees	**11**	12
Professional fees	**1**	2
Registrar and transfer agency fees	**5**	8
Standing charges	**2**	3
Taxation fees*	**–**	8
	20	36
Total expenses	**114**	223

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Credit default swap expenses	**–**	5
Interest expenses	**–**	8
	–	13

6. Taxation

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
a) Analysis of tax charges for the period/year:		
Irrecoverable CIS income tax	**–**	14
Overseas withholding tax	**3**	9
Current tax charge (note 6b)	**3**	23

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is lower (15 February 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (15 February 2019: 20%). The differences are explained below:

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Net revenue before taxation	**345**	821
Corporation tax at 20%	**69**	164
Effects of:		
Overseas withholding tax	**3**	9
Non-taxable UK dividends	**(13)**	(48)
Excess management expenses not utilised	**(40)**	(58)
Irrecoverable CIS income tax	**–**	14
Non-taxable offshore funds	**(8)**	(22)
Non taxable overseas dividends	**(10)**	(35)
Taxation due to timing difference	**2**	(1)
Total tax charge for the period/year (note 6a)	**3**	23

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £496,705 (15 February 2019: £536,599) in relation to unutilised management expenses.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	16/02/2019 to 31/08/2019 £'000	16/02/2018 to 15/02/2019 £'000
Interim Distribution	**–**	302
Interim Accumulation	**–**	58
Final Distribution	**279**	356
Final Accumulation	**53**	66
	332	782
Add: Revenue deducted on cancellation of units	**15**	18
Deduct: Revenue received on issue of units	**(5)**	(2)
Total distributions	**342**	798

Details of the distributions per unit are set out in the Distribution Tables on page 34.

Distributions payable at the period end of £279,430 (15 February 2019: £355,679) are disclosed in the Balance Sheet on page 19.

8. Debtors

	31/08/2019 £'000	15/02/2019 £'000
Accrued revenue	**86**	83
Amount receivable for creation of units	**–**	2
CIS income tax recoverable	**2**	2
Credit default swap income receivable	**18**	14
Management fee rebates receivable	**1**	1
Overseas tax recoverable	**8**	10
PID tax recoverable	**1**	3
	116	115

9. Cash and bank balances

	31/08/2019 £'000	15/02/2019 £'000
Cash and bank balances	**580**	1,001
Cash due to the broker	**–**	(2)
Cash held by the broker	**144**	**–**
	724	999

10. Other creditors

	31/08/2019 £'000	15/02/2019 £'000
Accrued expenses	**66**	59
Amounts payable for cancellation of units	**19**	9
	85	68

11. Contingent liabilities

There were no contingent liabilities at the period-end date (15 February 2019: £nil).

12. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

13. Financial instruments

In pursuing its investment objective set out on page 4, the Fund may hold a number of financial instruments.

These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Fund's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Fund's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

14. Risks of financial instruments

The risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (15 February 2019: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

14. Risks of financial instruments (continued)

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.248 million (15 February 2019: £1.271 million).

Foreign currency risk

The revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as the majority of the Fund's assets and revenue are denominated in currencies other than sterling, which is the Fund's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Fund. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Fund. The Fund converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Fund. This increases the exposure of the Fund to exchange rate movements and may significantly affect the returns of the Fund.

At the period-end date, a proportion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	17	1	18
Euro	(870)	83	(787)
Japanese yen	–	7	7
Mexican peso	429	17	446
South Korean won	78	–	78
Swiss franc	(295)	–	(295)
US dollar	4,524	115	4,639
	3,883	223	4,106

14. Risks of financial instruments (continued)

Currency exposure for the year ended 15 February 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	35	–	35
Canadian dollar	8	–	8
Euro	(757)	22	(735)
Japanese yen	(2,616)	23	(2,593)
Mexican peso	802	77	879
South Korean won	145	2	147
Swiss franc	(123)	–	(123)
Turkish lira	239	31	270
US dollar	1,334	222	1,556
	(933)	377	(556)

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.041 million (15 February 2019: £0.006 million).

Interest rate risk

The Fund may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Fund also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**45**	**7,660**	**17,337**	**25,042**
Cash at bank	**724**	**–**	**–**	**724**
Other assets	**–**	**–**	**116**	**116**
Liabilities	**(182)**	**–**	**(385)**	**(567)**
	587	**7,660**	**17,068**	**25,315**

14. Risks of financial instruments (continued)

	Floating rate 15/02/2019 £'000	Fixed rate 15/02/2019 £'000	Non-interest bearing 15/02/2019 £'000	Total 15/02/2019 £'000
Portfolio of investments	15	5,303	20,333	25,651
Cash at bank	999	–	–	999
Other assets	–	–	115	115
Liabilities	(219)	–	(424)	(643)
	795	5,303	20,024	26,122

The floating rate assets and liabilities comprise bank balances, and forward contracts whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

At 31 August 2019, if the interest rate increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.082 million (15 February 2019: £0.061 million).

Liquidity risk

The Fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. All currency contracts are held with Northern Trust, State Street and Canadian Imperial Bank of Commerce.

The Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the period, the Fund made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Fund's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Fund for interest rate swaps and credit default swaps, it is the market value of these instruments as shown in the portfolio statement.

Derivatives and other financial instruments

Transactions in derivatives, warrants, forward contracts and futures may be used for the purpose of hedging and meeting the investment objectives of the Fund. In pursuing the Fund's objectives, the Manager may make use of a variety of instruments in accordance with the rules. The notional exposure of OTC derivative instruments for forward currency contracts at period-end is £12,596,256 (year-end 15 February 2019: £15,542,509). There is no collateral held for the OTC derivative instruments at period-end (year-end 15 February 2019: same).

15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

15. Fair value (continued)

FRS 102 requires the Fund to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

Financial Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Credit Default Swaps	**–**	**82**	**–**	**82**
Debt Securities	**7,660**	**–**	**–**	**7,660**
Equities	**3,432**	**–**	**–**	**3,432**
Forward Currency Contracts	**–**	**45**	**–**	**45**
Futures Contracts	**17**	**–**	**–**	**17**
Investment Funds	**9,374**	**4,432**	**–**	**13,806**
	20,483	**4,559**	**–**	**25,042**
Financial Liabilities				
Forward Currency Contracts	**–**	**(182)**	**–**	**(182)**
Futures Contracts	**(21)**	**–**	**–**	**(21)**
	(21)	**(182)**	**–**	**(203)**

Valuation technique for the year ended 15 February 2019:

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Credit Default Swaps	–	103	–	103
Debt Securities	5,114	190	–	5,304
Equities	4,234	–	399	4,633
Forward Currency Contracts	–	15	–	15
Futures	77	–	–	77
Investment Funds	9,003	6,482	34	15,519
	18,428	6,790	433	25,651
Financial Liabilities				
Forward Currency Contracts	–	(219)	–	(219)
	–	(219)	–	(219)

16. Portfolio transaction costs

Analysis of total purchase costs:	**16/02/2019 to 31/08/2019 £'000**	16/02/2018 to 15/02/2019 £'000
Purchases before transaction costs*	**9,559**	15,340
Commissions:		
Collective Investment Schemes total value paid	**–**	3
Equities total value paid	**1**	–
Total transaction costs	**1**	3
Gross purchases total	**9,560**	15,343

Analysis of total sale costs:	**16/02/2019 to 31/08/2019 £'000**	16/02/2018 to 15/02/2019 £'000
Sales before transaction costs*	**11,326**	16,167
Commissions:		
Collective Investment Schemes total value paid	**–**	(2)
Equities total value paid	**(2)**	(1)
Total transaction costs	**(2)**	(3)
Total sales net of transaction costs	**11,324**	16,164

* There were no purchases and sales in cash funds during the period from 16 February 2019 to 31 August 2019. For the year ended 15 February 2019, purchases and sales in cash funds totalled £2.444 million and £3.370 million, respectively.

The above analysis covers any direct transaction costs suffered by the Fund during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

16. Portfolio transaction costs (continued)

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Analysis of total purchase costs:	**16/02/2019 to 31/08/2019 %**	16/02/2018 to 15/02/2019 %
Commissions:		
Collective Investment Schemes percentage of total purchases costs	**–**	0.04
Collective Investment Schemes of average NAV	**–**	0.01
Equities percentage of total purchases costs	**0.05**	–

Analysis of total sale costs:	**16/02/2019 to 31/08/2019 %**	16/02/2018 to 15/02/2019 %
Commissions:		
Collective Investment Schemes percentage of total sales costs	**–**	(0.04)
Collective Investment Schemes percentage of average NAV	**–**	(0.01)
Equities percentage of total sales costs	**(0.05)**	(0.05)
Equities percentage of average NAV	**(0.01)**	–

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.27% (15 February 2019: 0.31%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17. Unit classes

The Fund currently has five unit classes: A GBP Acc, A GBP Inc, D GBP Acc, I GBP Acc and I GBP Inc. The annual management charge and Fund management fee can be found on page 2. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 6 and 7. The distribution per unit class is given in the distribution tables on page 34. All classes have the same rights on winding up.

	Class A GBP Acc	Class A GBP Inc	Class D GBP Acc
Opening units	465,433	4,318,290	11,820
Units created	1,933	22,922	–
Units liquidated	(68,857)	(509,937)	–
Units converted	–	(112,636)	–
Closing units	**398,509**	**3,718,639**	**11,820**

	Class I GBP Acc	Class I GBP Inc
Opening units	108,137	3,758,589
Units created	32,357	317,764
Units liquidated	(5,135)	(300,229)
Units converted	(1)	112,530
Closing units	**135,358**	**3,888,654**

18. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Fund. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (15 February 2019: nil).

The Manager exercises control over the Fund and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

19. Annual management fee charge for underlying Investment Funds

The maximum proportion of management fees charged to the Fund are disclosed on page 2. The management fees charged to the other schemes that the Fund invests in were:

	31/08/2019	15/02/2019
Barings European High Yield Bond Fund	**N/A**	N/A
Barings U.S High Yield Bond Component Fund Acc	**N/A**	N/A
Barings U.S High Yield Bond Component Fund Dist	**N/A**	N/A
Invesco Preferred Shares UCITS ETF	**0.50%**	0.50%
iShares Core Euro Stoxx 50 UCITS ETF	**0.10%**	0.10%
iShares Core FTSE 100 UCITS ETF	**0.07%**	0.07%
iShares Core S&P 500 UCITS ETF	**0.07%**	0.07%
iShares EUR High Yield Corporate Bond UCITS ETF	**0.50%**	0.50%
iShares J.P. Morgan Emerging Market Bond UCITS ETF	**N/A**	0.45%
iShares JP Morgan Emerging Market Local Government Bond UCITS ETF	**0.50%**	0.50%
iShares USD Corporate Bond UCITS ETF	**0.20%**	0.20%
iShares USD High Yield Corporate Bond UCITS ETF	**N/A**	0.50%
Legal & General European Index Trust	**0.12%**	0.12%
Legal & General Japan Index Trust	**0.15%**	0.15%
Legal & General Pacific Index Trust	**0.19%**	0.19%
Legal & General Sterling Corporate Bond Index Fund	**0.14%**	0.14%
Source Physical Gold P-ETC ETF	**N/A**	N/A
Vanguard FTSE 250 UCITS ETF	**0.10%**	0.10%
Xtrackers II USD Emerging Markets Bond UCITS ETF	**0.25%**	N/A

20. Subsequent events

Following a review of the Fund, the Directors resolved to terminate the Barings Dynamic Capital Growth Fund and unitholders were offered a Scheme of Election to switch their holding into the Barings Multi Asset Fund. Any units which were not switched were redeemed on 3 December, the closing date of the Fund and proceeds returned to the unitholders.

Barings Dynamic Capital Growth Fund

Distribution tables

Group 1: Units purchased prior to 16 February 2019*

Group 2: Units purchased between 16 February 2019 and 31 August 2019

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	31 October 2019 Accumulation Paid	30 April 2019 Accumulation Paid
1	9.4963	0.0000	9.4963	11.2593
2	2.2227	7.2736	9.4963	11.2593

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	31 October 2019 Distribution Paid	30 April 2019 Distribution Paid
1	3.4794	0.0000	3.4794	4.2078
2	2.0123	1.4671	3.4794	4.2078

Final accumulation - Class D GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	31 October 2019 Accumulation Paid	30 April 2019 Accumulation Paid
1	4.7026	0.0000	4.7026	5.5709
2	4.7026	0.0000	4.7026	5.5709

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	31 October 2019 Accumulation Paid	30 April 2019 Accumulation Paid
1	10.6224	0.0000	10.6224	12.4444
2	6.5898	4.0326	10.6224	12.4444

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	31 October 2019 Distribution Paid	30 April 2019 Distribution Paid
1	3.8585	0.0000	3.8585	4.6287
2	2.2283	1.6302	3.8585	4.6287

*The accounting year end date was changed from 15 February to 31 August. As a result, during the period from 16 February 2019 to 31 August 2019, there was no interim distribution compared with two distributions in prior accounting year from 16 February 2018 to 15 February 2019.

Barings Eastern Trust

Investment objective and policy

The investment objective of Barings Eastern Trust (the "Trust") is to achieve capital growth by investing in the Asia Pacific region excluding Japan.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in the Asia Pacific region excluding Japan, or quoted or traded on the stock exchanges in those countries, including developed and emerging markets.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity related securities of companies outside of the Asia Pacific region excluding Japan, as well as in fixed income and cash.

In order to implement the investment policy the Trust may gain indirect exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the MSCI AC Asia ex Japan (Total Gross Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging Asian countries.

How the Trust is managed

The Trust is invested in the Asian equity markets, using a "bottom-up" investment approach. This means that the Manager focuses more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, the Trust is managed using a Growth at a Reasonable Price ("GARP") approach. This means that when researching candidates for the portfolio, just as much emphasis is placed on the likely growth in corporate earnings at a company as is placed on the unit price valuation before deciding whether to invest or not. It is believed that this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

Risk profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Regional Trusts have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Eastern Trust

The Trust at a glance on 31 August 2019

Total Trust size		£109.48 million
OCF*	**31/08/2019**	**28/02/2018**
Class A GBP Acc	1.71%	1.70%
Class A GBP Inc	1.71%	1.70%
Class A USD Acc	1.71%	1.70%
Class D GBP Inc	0.81%	0.79%
Class I GBP Acc	0.96%	0.95%
Class I GBP Inc	0.96%	0.95%
	Initial charge	**Annual charge**
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class D GBP Inc	Nil	0.60%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A USD Acc	US$5,000	US$2,500
Class D GBP Inc	£30,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges.

Price per unit	(pence/cents per unit)
Class A GBP Acc	1,060.00p
Class A GBP Inc	1,040.00p
Class A USD Acc	1,287.00c
Class D GBP Inc	1,080.00p
Class I GBP Acc	1,101.00p
Class I GBP Inc	1,077.00p

Barings Eastern Trust

Trust information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2019 (p)	28/02/2018 (p)	28/02/2017 (p)	31/08/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	1,126.01	848.26	652.58	1,105.08	832.39	640.38
Return before operating charges*	(40.89)	295.06	209.57	(40.03)	289.92	205.61
Operating charges	(26.43)	(17.31)	(13.89)	(26.01)	(17.23)	(13.60)
Return after operating charges	(67.32)	277.75	195.68	(66.04)	272.69	192.01
Distributions	(8.78)	–	–	(8.93)	–	–
Retained distributions on accumulation units	8.78	–	–	–	–	–
Closing net asset value per unit	1,058.69	1,126.01	848.26	1,030.11	1,105.08	832.39
after direct transaction costs of**	4.02	2.92	5.53	3.95	2.90	5.42
Performance						
Return after charges	(5.98)%	32.74%	29.99%	(5.98)%	32.76%	29.98%
Other information						
Closing net asset value ('000)	£31,718	£50,925	£31,455	£84	£171	£79
Closing number of units	2,995,955	4,522,645	3,708,254	8,158	15,450	9,512
Operating charges	1.71%	1.70%	1.82%	1.71%	1.70%	1.82%
Direct transaction costs	0.39%	0.29%	0.72%	0.39%	0.29%	0.72%
Prices* **						
Highest unit price	1,145.00	1,165.00	866.30	1,150.00	1,143.00	850.10
Lowest unit price	889.70	856.80	627.10	899.00	840.70	615.40

	Class A USD Acc - Accumulation units			Class D GBP Inc - Distribution units		
	31/08/2019 (c)	28/02/2018 (c)	28/02/2017 (c)	31/08/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	1,557.90	1,055.43	904.15	1,131.18	849.42	695.50
Return before operating charges*	(246.24)	527.39	168.59	(40.07)	298.12	164.02
Operating charges	(25.77)	(24.92)	(17.31)	(12.61)	(8.64)	(6.50)
Return after operating charges	(272.01)	502.47	151.28	(52.68)	289.48	157.52
Distributions	(8.09)	–	–	(23.30)	(7.72)	(3.60)
Retained distributions on accumulation units	8.09	–	–	–	–	–
Closing net asset value per unit	1,285.89	1,557.90	1,055.43	1,055.20	1,131.18	849.42
after direct transaction costs of**	3.92	4.20	6.89	4.04	3.13	5.68
Performance						
Return after charges	(17.46)%	47.61%	16.73%	(4.66)%	34.08%	22.65%
Other information						
Closing net asset value ('000)	$313	$2,495	$185	£23,531	£14,079	£1,422
Closing number of units	24,351	160,157	17,526	2,229,980	1,244,606	167,389
Operating charges	1.71%	1.70%	1.82%	0.81%	0.79%	0.83%
Direct transaction costs	0.39%	0.29%	0.72%	0.39%	0.29%	0.72%
Prices* **						
Highest unit price	1,139.57	1,627.00	1,100.00	1,149.99	1,177.00	867.70
Lowest unit price	888.47	1,050.00	915.90	898.95	858.00	625.80

*Operating charges were presented in pounds for the years ended 28/02/2018 and 28/02/2017. These were revised to show as pence and returns before operating charges have been changed.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

***High/low prices included in the table above for the current accounting period are from 1 March to 31 August. For previous periods, they relate to the accounting period from 1 March to 28 February.

Trust information (continued)

	Class I GBP Acc - Accumulation units			Class I GBP Inc - Distribution units		
	31/08/2019 (p)	28/02/2018 (p)	28/02/2017 (p)	31/08/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	1,155.83	863.92	659.64	1,130.59	849.44	649.86
Return before operating charges*	(41.29)	301.97	212.67	(40.51)	297.12	2019.55
Operating charges	(15.27)	(10.06)	(8.39)	(14.94)	(9.94)	(8.27)
Return after operating charges	(56.56)	291.91	204.28	(55.45)	287.18	201.28
Distributions	(21.53)	(6.12)	(1.66)	(20.91)	(6.03)	(1.70)
Retained distributions on accumulation units	21.53	6.12	1.66	–	–	–
Closing net asset value per unit	1,099.27	1,155.83	863.92	1,054.23	1,130.59	849.44
after direct transaction costs of**	4.13	3.04	5.69	4.04	3.00	5.60
Performance						
Return after charges	(4.89)%	33.79%	30.97%	(4.90)%	33.81%	30.97%
Other information						
Closing net asset value ('000)	£34,037	£38,475	£13,458	£19,853	£26,086	£8,605
Closing number of units	3,096,298	3,328,795	1,557,727	1,883,219	2,307,300	1,012,967
Operating charges	0.96%	0.95%	1.07%	0.96%	0.95%	1.07%
Direct transaction costs	0.39%	0.29%	0.72%	0.39%	0.29%	0.72%
Prices* **						
Highest unit price	1,175.00	1,195.00	879.70	1,150.00	1,175.00	866.70
Lowest unit price	917.80	872.70	635.00	897.60	858.00	625.60

*Operating charges were presented in pounds for the years ended 28/02/2018 and 28/02/2017. These were revised to show as pence and returns before operating charges have been changed.

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 1 March to 31 August. For previous periods, they relate to the accounting period from 1 March to 28 February.

Barings Eastern Trust

Report of the Investment Manager

Investment Report

Performance

During the reporting period from 1 March 2018 to 31 August 2019 the Barings Eastern Trust ("the Trust") produced an absolute net return for Class A GBP Acc of -6.03% compared with a return of –0.96% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class A GBP Acc were 30.22% and 76.81% respectively compared with the return of the performance comparator over the same periods of 30.31% and 57.75% respectively.

Performance was challenged largely due to stock selection, particularly among our holdings in the information technology sector on the back of US-China trade standoff alongside industry downcycle. Notable detractors include our positions in ZTE Corporation, as share price was negatively impacted by the US Department of Commerce's 7 year ban on US companies from selling components to ZTE as it failed to comply with the agreed settlement reached between both parties back in March 2017, and we have reviewed and exited the position. Taiwan's passive components manufacturer Yageo Corporation also dragged relative performance on the back of its muted earnings and cautious growth outlook due to trade tensions.

On the contributor front, Chinese sportswear and equipment brand Li Ning added value to relative performance as the company continued to deliver better-than-expected earnings, demonstrating its successful turnaround strategy resulting in solid sales momentum and margin expansion. We believe its fast-growing store openings in China and continuing R&D investments for product offering enhancements should help drive the brand's long-term prospect. Holdings in Chinese liquor manufacturer Kweichow Moutai also contributed to the Trust driven by robust 2018 financial results and resilient demand for high-end baijiu products, which was expected to provide continuous support to growth.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Alibaba	9,163	Samsung Electronics - Preference Shares	6,985
Samsung Electronics	6,942	SK Hynix	4,041
POSCO Chemical	3,981	Globalwafers	3,690
Taiwan Semiconductor Manufacturing	3,512	Thai Oil	3,603
Kweichow Moutai	3,304	SK Innovation	3,597
Link REIT	3,218	Largan Precision	3,027
Baidu	3,025	Yangzijiang Shipbuilding	2,908
SK Hynix	2,923	Samsung Biologics	2,869
Bangkok Dusit Medical Services	2,889	ASMedia Technology	2,864
Largan Precision	2,841	China Mobile	2,859

Market outlook

The year-long trade tensions between the US and China has resulted in faltering global economic growth momentum leading to earnings downgrades for the year. However, we expect to see an eventual resolution to the trade dispute given the risk to global economic growth particularly heading into the 2020 US Presidential Elections, and it will presumably entail a prolonged negotiation process. The now unexpected spat between Korea and Japan adds another element of uncertainty to the tech supply chain, and as such, market remains volatile. Nonetheless, we expect the domestic policies, particularly in China and other Asia, to be flexibly accommodative given the macro backdrop with still fragile growth momentum. Furthermore, the weaker oil price and potentially more rate cuts from central banks in Asia later this year are also positive catalysts for Asian markets, particularly domestic demand driven economies such as India and Indonesia.

Report of the Investment Manager (continued)

Market outlook (continued)

In terms of positioning, the Trust is currently more weighted on domestic demand sectors like consumer which offer long-term structural growth prospects, but relatively more insulated from the near-term external weakness. Nonetheless, the market correction triggered by the unexpected re-escalation in trade tensions provided opportunities for us to bargain on long-term structural growth companies that might have rallied too hard in the beginning of 2019, particularly in selective IT names which are recently starting to show signs of earnings momentum recovery. Among key growth thematic embedded in the Trust are changing and emerging consumption patterns in Asia, beneficiaries of the next secular growth areas in technology, and the rise of Asian brands in a global landscape. We are also looking into attractive opportunities within the China A-share universe, especially those that are positioned to benefit from the ongoing industry consolidation and consumption upgrade trend.

Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager by

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial period which give a true and fair view of the financial affairs of the Barings Eastern Trust (the "Trust") and of its net expense and net capital losses for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Barings Eastern Trust

Directors' statement

The financial statements on pages 48 to 64 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings Eastern Trust

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Investment Funds: 1.84% (1.36%)		
114,033	Barings China A-Share Fund	**2,010,398**	**1.84**
	Equities: 98.02% (94.24%)		
	China: 39.75% (31.45%)		
61,107	Alibaba	8,670,289	7.92
6,441,000	China Construction Bank	3,918,286	3.58
264,700	China Fortune Land Development	810,586	0.74
776,000	China Resources Cement	564,694	0.52
382,000	China Resources Land	1,273,912	1.16
6,552,000	China Tower	1,221,126	1.12
1,140,000	CNOOC	1,394,166	1.27
244,545	Hangzhou Hikvision Digital Technology	868,526	0.79
23,304	Kweichow Moutai	3,056,901	2.79
1,790,000	Lenovo	965,221	0.88
1,066,000	Li Ning	2,578,314	2.35
404,500	Ping An Insurance Group of China	3,807,544	3.48
1,472,000	Shenzhen Expressway	1,478,064	1.35
191,000	Shenzhou	2,125,853	1.94
412,500	Shimao Property	958,834	0.88
204,600	STO Express	537,708	0.49
50,000	Sunny Optical Technology	569,071	0.52
256,700	Tencent	8,724,510	7.97
		43,523,605	**39.75**
	Hong Kong: 11.73% (6.01%)		
630,200	AIA	5,024,756	4.59
396,000	Galaxy Entertainment	2,037,912	1.86
95,900	Hong Kong Exchange	2,407,878	2.20
185,500	Link REIT	1,709,201	1.56
143,000	Sun Hung Kai Properties	1,661,980	1.52
		12,841,727	**11.73**
	India: 13.00% (10.73%)		
119,105	HDFC Bank	3,053,715	2.79
288,192	ICICI Prudential Life Insurance India	1,404,754	1.28
471,759	Indian Hotels	748,980	0.69
186,312	Infosys	1,744,473	1.59
94,953	Kajaria Ceramics	516,142	0.47
133,664	Larsen & Toubro	2,039,528	1.86
81,340	PI Industries	1,063,904	0.97
132,904	Ramco Cements	1,113,434	1.02
176,933	Reliance Industries	2,547,559	2.33
		14,232,489	**13.00**
	Indonesia: 2.92% (4.89%)		
6,124,700	Ace Hardware Indonesia	611,601	0.56
1,180,800	Bank Negara Indonesia Persero	522,917	0.48
8,355,900	Bank Rakyat Indonesia Persero	2,060,618	1.88
		3,195,136	**2.92**

Barings Eastern Trust

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Equities: 98.02% (94.24%) (continued)		
	Italy : 0.00% (0.35%)		
	Malaysia: 0.74% (0.90%)		
814,400	Hartalega	**809,398**	**0.74**
	Philippines: 1.76% (1.48%)		
132,410	Ayala	**1,931,982**	**1.76**
	Singapore: 2.12% (2.73%)		
1,003,000	CapitaLand Commercial Trust	1,264,180	1.16
72,800	DBS	1,053,267	0.96
		2,317,447	**2.12**
	South Korea: 10.22% (14.06%)		
8,706	Hyundai Mobis	1,463,729	1.34
1,205	LG Household & Health Care	960,693	0.88
28,923	POSCO	1,031,381	0.94
224,801	Samsung Electronics	6,698,033	6.12
37,585	Shinhan Financial	1,035,775	0.94
		11,189,611	**10.22**
	Taiwan: 10.42% (16.28%)		
643,296	Chailease	2,085,396	1.90
96,820	Hiwin Technologies	642,917	0.59
1,113,000	Taiwan Semiconductor Manufacturing	7,521,626	6.87
343,000	Taiwan Union Technology	1,156,751	1.06
		11,406,690	**10.42**
	Thailand: 3.90% (5.36%)		
1,390,900	Bangkok Dusit Medical Services	877,924	0.80
1,138,700	CP ALL	2,561,457	2.34
31,147	Sea	829,444	0.76
		4,268,825	**3.90**
	Vietnam: 1.46% (0.00%)		
550,000	Airports Corp of Vietnam	**1,597,257**	**1.46**
	Portfolio of investments: 99.86% (95.60%)	**109,324,565**	**99.86**
	Net other assets	155,358	0.14
	Net assets	**109,479,923**	**100.00**

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 28 February 2018.

Independent auditors' report to the unitholders of Barings Eastern Trust

Report on the audit of the financial statements

Our opinion

In our opinion, Barings Eastern Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 31 August 2019 and of the net revenue and the net capital losses on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 49); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 48); the distribution tables (pages 63 to 64); and the notes to the financial statements (pages 50 to 62), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Trust's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings Eastern Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 41, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control that he/she determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings Eastern Trust

Statement of total return

for the period from 01 March 2018 to 31 August 2019

	Notes	01/03/2018 to 31/08/2019* £'000	£'000	01/03/2017 to 28/02/2018 £'000	£'000
Income					
Net capital (losses)/gains	2		**(11,916)**		19,401
Revenue	3	**4,738**		1,293	
Expenses	4	**(2,285)**		(1,021)	
Net revenue before taxation		**2,453**		272	
Taxation	5	**(458)**		(175)	
Net revenue after taxation			**1,995**		97
Total return before distributions			**(9,921)**		19,498
Distributions	6		**(2,127)**		(171)
Change in net assets attributable to unitholders from investment activities			**(12,048)**		19,327

Statement of change in net assets attributable to unitholders

for the period from 01 March 2018 to 31 August 2019

		01/03/2018 to 31/08/2019* £'000	£'000	01/03/2017 to 28/02/2018 £'000	£'000
Opening net assets attributable to unitholders			**131,539**		55,167
Amounts receivable on issue of units		**95,708**		83,646	
Amounts payable on cancellation of units		**(106,680)**		(26,889)	
			(10,972)		56,757
Dilution adjustment			**30**		84
Changes in net assets attributable to unitholders from investment activities			**(12,048)**		19,327
Retained distribution on accumulation units	6		**931**		204
Closing net assets attributable to unitholders			**109,480**		131,539

* The accounting year end date was changed from 28 February to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings Eastern Trust

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	28/02/2018 £'000
Assets			
Investment assets		**109,325**	125,794
Current assets:			
Debtors	8	**807**	2,475
Cash and bank balances	9	**1,351**	4,674
Total assets		**111,483**	132,943
Liabilities			
Creditors:			
Distribution payable on income units	6	**(914)**	(235)
Other creditors	10	**(1,089)**	(1,169)
Total liabilities		**(2,003)**	(1,404)
Net assets attributable to unitholders		**109,480**	131,539

* The accounting year end date was changed from 28 February to 31 August.

Notes to the financial statements

for the period from 01 March 2018 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest is recognised on an accruals basis.

Distribution receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distribution receivable from Investment Funds, excluding any equalisation element, are recognised as revenue.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments, capital gains tax and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Unclaimed distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net capital (losses)/gains

The net capital (losses)/gains during the period comprise:

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Non-derivative securities	**(11,817)**	19,159
Derivative securities	**–**	313
Currency losses	**(59)**	(59)
Forward currency contracts	**1**	14
Transaction charges	**(41)**	(26)
Net capital (losses)/gains on investments	**(11,916)**	19,401

3. Revenue

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Management fee rebates	**–**	17
Offshore CIS dividend revenue	**7**	12
Overseas dividends	**4,731**	1,264
	4,738	1,293

4. Expenses

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**1,804**	887
	1,804	887
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**46**	19
Safe custody charges	**162**	54
	208	73
Other expenses:		
Administration fees	**4**	–
Audit fees	**22**	12
Professional fees	**13**	–
Registrar and transfer agency fees	**90**	39
Standing charges	**5**	3
Taxation fees*	**139**	7
	273	61
Total expenses	**2,285**	1,021

* Taxation fees amounting to £20,387.51 relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Taxation

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
a) Analysis of tax charges for the period/year:		
Overseas withholding tax	**458**	175
Current tax charge (note 5b)	**458**	175

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is lower (28 February 2018: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (28 February 2018: 20%). The differences are explained below:

5. Taxation (continued)

b) Factors affecting taxation charge for the period/year: (continued)

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Net revenue before taxation	**2,453**	272
Corporation tax at 20%	**491**	54
Effects of:		
Overseas withholding tax	**458**	175
Non-taxable UK dividends	**(2)**	–
Excess management expenses not utilised	**431**	201
Non taxable overseas dividends	**(920)**	(255)
Total tax charge for the period/year (note 5a)	**458**	175

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £832,485 (28 February 2018: £401,878) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Final Distribution	**914**	235
Final Accumulation	**931**	204
	1,845	439
Add: Revenue deducted on cancellation of units	**843**	95
Deduct: Revenue received on issue of units	**(561)**	(363)
Total distributions	**2,127**	171

Details of the distributions per unit are set out in the Distribution Tables on pages 63 and 64.

Distributions payable at the period end of £913,918 (28 February 2018: £235,116) are disclosed in the Balance Sheet on page 49.

7. Movement between net revenue and distributions

	01/03/2018 to 31/08/2019 £'000	01/03/2017 to 28/02/2018 £'000
Net revenue after taxation	**1,995**	97
Add: Capitalised expenses	**131**	–
Equalisation on conversions	**1**	3
Income deficit	**–**	71
	2,127	171

8. Debtors

	31/08/2019 £'000	28/02/2018 £'000
Accrued revenue	**108**	240
Amount receivable for creation of units	**316**	1,129
Currency deals awaiting settlement	**–**	550
Sales awaiting settlement	**383**	556
	807	2,475

9. Cash and bank balances

	31/08/2019 £'000	28/02/2018 £'000
Bank overdraft	**–**	(859)
Cash and bank balances	**1,351**	5,533
	1,351	4,674

10. Other creditors

	31/08/2019 £'000	28/02/2018 £'000
Accrued expenses	**308**	188
Amounts payable for cancellation of units	**550**	425
Currency deals awaiting settlement	**1**	556
Purchases awaiting settlement	**230**	–
	1,089	1,169

11. Contingent liabilities

There were no contingent liabilities at the period-end date (28 February 2018: £nil).

12. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

13. Financial instruments

In pursuing its investment objective set out on page 35, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

14. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (28 February 2018: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £5.466 million (28 February 2018: £6.290 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

14. Risks of financial instruments (continued)

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the period-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Chinese yuan	5,274	203	5,477
Hong Kong dollar	42,421	–	42,421
Indian rupee	14,233	–	14,233
Indonesian rupiah	3,195	–	3,195
Malaysian ringgit	809	–	809
Philippine peso	1,932	–	1,932
Singapore dollar	2,317	27	2,344
South Korean won	11,190	–	11,190
Taiwan dollar	11,407	69	11,476
Thai bhat	3,439	–	3,439
US dollar	9,500	–	9,500
Vietnamese dong	1,597	–	1,597
	107,314	299	107,613

14. Risks of financial instruments (continued)

Currency exposure for the year ended 28 February 2018:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Chinese yuan	2,615	–	2,615
Hong Kong dollar	43,067	–	43,067
Indian rupee	14,145	–	14,145
Indonesian rupiah	6,440	–	6,440
Malaysian ringgit	1,184	–	1,184
Philippine peso	1,945	–	1,945
Singapore dollar	7,152	–	7,152
South Korean won	18,484	180	18,664
Taiwan dollar	21,427	–	21,427
Thai bhat	7,049	60	7,109
US dollar	502	–	502
	124,010	240	124,250

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.076 million (28 February 2018: £1.243 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

14. Risks of financial instruments (continued)

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**–**	**–**	**109,325**	**109,325**
Cash at bank	**1,351**	**–**	**–**	**1,351**
Other assets	**–**	**–**	**807**	**807**
Liabilities	–	**–**	**(2,003)**	**(2,003)**
	1,351	**–**	**108,129**	**109,480**

	Floating rate 28/02/2018 £'000	Fixed rate 28/02/2018 £'000	Non-interest bearing 28/02/2018 £'000	Total 28/02/2018 £'000
Portfolio of investments	–	–	125,794	125,794
Cash at bank	4,674	–	–	4,674
Other assets	–	–	2,475	2,475
Liabilities	–	–	(1,404)	(1,404)
	4,674	–	126,865	131,539

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2019 (28 February 2018: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2019, the Trust did not hold any open forward currency contracts with any counterparty (28 February 2018: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

15. Fair value (continued)

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

Financial Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equities	**107,314**	**–**	**–**	**107,314**
Investment Funds	**–**	**2,011**	**–**	**2,011**
	107,314	**2,011**	**–**	**109,325**

Valuation technique for the year ended 28 February 2018:

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	124,010	–	–	124,010
Investment Funds	–	1,784	–	1,784
	124,010	1,784	–	125,794

16. Portfolio transaction costs

Analysis of total purchase costs:	**01/03/2018 to 31/08/2019 £'000**	01/03/2017 to 28/02/2018 £'000
Purchases before transaction costs	**194,076**	92,266
Commissions:		
Equities total value paid	**178**	136
Taxes:		
Equities total value paid	**88**	46
Total transaction costs	**266**	182
Gross purchases total	**194,342**	92,448

16. Portfolio transaction costs (continued)

Analysis of total sale costs:	**01/03/2018 to 31/08/2019 £'000**	01/03/2017 to 28/02/2018 £'000
Sales before transaction costs	**199,481**	40,313
Commissions:		
Equities total value paid	**(167)**	(61)
Taxes:		
Equities total value paid	**(352)**	(74)
Total transaction costs	**(519)**	(135)
Total sales net of transaction costs	**198,962**	40,178

The above analysis covers any direct transaction costs suffered by the Trust during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Analysis of total purchase costs:	**01/03/2018 to 31/08/2019 %**	01/03/2017 to 28/02/2018 %
Commissions:		
Equities percentage of total purchases costs	**0.09**	–
Equities percentage of average NAV	**0.14**	0.17
Taxes:		
Equities percentage of total purchases costs	**0.05**	–
Equities percentage of average NAV	**0.07**	0.06

16. Portfolio transaction costs (continued)

Analysis of total sale costs:	**01/03/2018 to 31/08/2019 %**	01/03/2017 to 28/02/2018 %
Commissions:		
Equities percentage of total sales costs	**(0.08)**	–
Equities percentage of average NAV	**(0.13)**	(0.08)
Taxes:		
Equities percentage of total sales costs	**(0.18)**	–
Equities percentage of average NAV	**(0.28)**	(0.09)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.16% (28 February 2018: 0.24%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17. Unit classes

The Trust currently has six unit classes: A GBP Acc, A GBP Inc, A USD Acc, D GBP Inc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 36. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 37 and 38 . The distribution per unit class is given in the distribution tables on pages 63 and 64. All classes have the same rights on winding up.

	Class A GBP Acc	**Class A GBP Inc**	**Class A USD Acc**
Opening units	4,522,645	15,450	160,157
Units created	1,036,717	1,601	456,874
Units liquidated	(2,553,511)	(8,892)	(592,680)
Units converted	(9,896)	(1)	–
Closing units	**2,995,955**	**8,158**	**24,351**

	Class D GBP Inc	**Class I GBP Acc**	**Class I GBP Inc**
Opening units	1,244,606	3,328,795	2,307,300
Units created	1,303,797	4,370,690	1,895,689
Units liquidated	(326,885)	(4,612,557)	(2,311,479)
Units converted	8,462	9,370	(8,291)
Closing units	**2,229,980**	**3,096,298**	**1,883,219**

18. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (28 February 2018: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Eastern Trust

Distribution tables

Group 1: Units purchased prior to 1 March 2018*

Group 2: Units purchased between 1 March 2018 and 31 August 2019

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Accumulation Paid	2018 Accumulation Paid
1	8.7784	0.0000	8.7784	0.0000
2	5.7677	3.0107	8.7784	0.0000

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Distribution Paid	2018 Distribution Paid
1	8.9261	0.0000	8.9261	0.0000
2	5.3007	3.6254	8.9261	0.0000

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Accumulation Paid	2018 Accumulation Paid
1	8.0870	0.0000	8.0870	0.0000
2	5.3593	2.7277	8.0870	0.0000

Final distribution - Class D GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Distribution Paid	2018 Distribution Paid
1	23.2953	0.0000	23.2953	7.7162
2	12.6148	10.6805	23.2953	7.7162

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Accumulation Paid	2018 Accumulation Paid
1	21.5307	0.0000	21.5307	6.1231
2	14.7314	6.7993	21.5307	6.1231

Distribution tables (continued)

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2019 Distribution Paid	2018 Distribution Paid
1	20.9062	0.0000	20.9062	6.0278
2	13.1102	7.7960	20.9062	6.0278

* The accounting year end date was changed from 28 February to 31 August.

Barings European Growth Trust

Investment objective and policy

The investment objective of Barings European Growth Trust (the "Trust") is to achieve capital growth by investing in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom) as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain indirect exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the MSCI Europe ex UK (Total Net Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging European countries excluding the UK.

How the Trust is managed

Baring Fund Managers Limited (the "Manager") adopts a "bottom-up" Growth at a Reasonable Price ("GARP") approach to investing in the Trust. The GARP framework focuses the Manager's attention on those companies which it believes will deliver earnings growth that is superior to that currently expected by the market. The Manager does this by carefully researching a company's corporate strategy and revenue sources, as well as the potential to drive superior earnings growth through margin expansion. An important part of the investment process involves regular meetings with the management teams of companies in which the Manager is considering investment. The Manager then works to put a price on the shares of the company in the light of their assessment of its earnings prospects and compares this to its peers both in the sector and globally, as well as to market expectations for those earnings. When the Manager is satisfied that a company meets its criteria for investing, it purchases an appropriate number of shares.

Risk profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings European Growth Trust

The Trust at a glance on 31 August 2019

Total Trust size		£23.80 million
OCF*	**31/08/2019**	**30/04/2018**
Class A GBP Inc	1.59%	1.60%
Class I GBP Inc	0.84%	0.85%
	Initial charge	**Annual charge**
Class A GBP Inc	up to 5.00%	1.50%
Class I GBP Inc	Nil	0.75%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Inc	£1,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges.

Price per unit	(pence per unit)
Class A GBP Inc	1,417p
Class I GBP Inc	1,436p

Barings European Growth Trust

Trust information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2019 (p)	30/04/2018 (p)	30/04/2017 (p)	31/08/2019 (p)	30/04/2018 (p)	30/04/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	1,448.96	1,311.65	1,024.35	1,453.22	1,315.24	1,025.50
Return before operating charges	(3.50)	170.80	317.40	(2.85)	171.60	319.94
Operating charges	(29.22)	(23.07)	(18.78)	(15.55)	(12.36)	(10.11)
Return after operating charges	(32.72)	147.73	298.62	(18.40)	159.24	309.83
Distributions	(24.19)	(10.42)	(11.32)	(38.26)	(21.26)	(20.09)
Closing net asset value per unit	1,392.05	1,448.96	1,311.65	1,396.56	1,453.22	1,315.24
after direct transaction costs of*	0.69	0.70	1.48	0.69	0.71	1.49
Performance						
Return after charges	(2.25)%	11.26%	28.05%	(1.27)%	12.11%	28.25%
Other information						
Closing net asset value ('000)	£47,506	£64,726	£64,189	£25,664	£26,779	£20,987
Closing number of units	3,412,702	4,467,060	4,893,737	1,837,653	1,842,704	1,595,683
Operating charges	1.59%	1.60%	1.63%	0.84%	0.85%	0.87%
Direct transaction costs	0.05%	0.05%	0.13%	0.05%	0.05%	0.13%
Prices**						
Highest unit price	1,512.00	1,552.00	1,326.00	1,517.00	1,564.00	1,338.00
Lowest unit price	1,152.00	1,315.00	980.40	1,161.00	1,318.00	982.80

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 1 May 2018 to 31 August 2019. For previous periods, they relate to the accounting period from 1 March to 30 April.

Barings European Growth Trust

Report of the Investment Manager

Performance

During the reporting period from 1 May 2018 to 31 August 2019 the Barings European Growth Trust ("the Trust") produced an absolute net return for Class A GBP Inc of -2.25% compared with a return of 7.26% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class A GBP Inc were 28.76% and 49.22% respectively compared with the return of the performance comparator over the same periods of 31.07% and 51.28% respectively.

The majority of the negative absolute performance occurred in the fourth quarter of 2018, during which time Global equity markets experienced a broad sell-off due to concerns surrounding ongoing trade tensions, rising labour and raw material costs, fears of a slowdown in global economic growth, and central banks' withdrawal of accommodative monetary policy. As a result, investor sentiment towards equity markets deteriorated in the quarter, prompting profit-taking in asset classes, stocks and sectors which had hitherto been performing strongly.

Going into the fourth quarter the Trust had very strong three and five year performance relative to peer group and our style is to limit turnover within the portfolio, therefore some individual stocks suffered significant profit-taking despite remaining high quality companies with good long-term growth prospects. Defensive sectors in Europe more broadly tended to deliver the best relative returns as investors sought refuge from market uncertainty and heightened volatility. This aggressive rotation into defensive sectors prompted significant underperformance in the Trust, as our focus on identifying companies that offer superior long-term growth compared to the wider market means we have a much lower weighting in these defensive sectors, such as Utilities and Telecommunications, compared to the performance comparator.

The period from January to August 2019 has been much stronger for the Trust, as investors revisit some of the quality growth names that sold off so severely in the fourth quarter. In this period the Class A GBP Inc class has delivered 21.21% net of fees, compared to a return from the MSCI Europe ex-UK Index of 17.73% (in Pound Sterling terms).

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Wirecard	1,877	BNP Paribas	2,346
Tullow Oil	1,244	UBS	2,125
Dalata Hotel	1,050	Voestalpine	2,063
Hexagon Composites	996	Ferrari	1,868
Roche	814	ASML	1,585
Cap Gemini	764	TUI	1,439
ASML	704	Fresenius	1,282
Julius Baer	672	Telefonica Deutschland	1,185
Fresenius	613	Cap Gemini	1,074
Natixis	587	Aurubis	1,019

Market outlook

Many of the macro-level and political challenges experienced at the end of last year remain unresolved. While the Sino-U.S. trade war continues it creates significant uncertainty in global markets: an escalation would certainly be negative for equity markets however a de-escalation would provide a significant boost. In the U.K., there is still little clarity on Britain's future trading relationship with the European Union, with Britain's major political parties in disagreement on how best to withdraw. A no-deal "Brexit" is likely to have a significant negative impact on markets due to its implications on trade; on the other hand, if a deal is reached or the UK reverses course and decides to stay in the European Union, disruption would be limited which would be positive for markets.

Overall, we continue to believe in the positive stock selection opportunities among European equities over the medium to long-term, as the underlying business fundamentals enjoyed by European companies continue to look strong.

Report of the Investment Manager (continued)

Market outlook (continued)

We will continue to follow our quality Growth at a Reasonable Price investment approach, where we aim to identify attractively valued investment opportunities in companies whose strategic positioning and competitive strengths can drive sustained improvements in their profitability and returns over the medium to long-term.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings European Growth Trust (the "Trust") and of its net revenue and net capital gains for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the "Trust") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the "Trust") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Directors' statement

The financial statements on pages 77 to 89 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings European Growth Trust

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Investment Funds: 0.56% (0.00%)		
409,000	Northern Trust Global Funds - Sterling Fund†	**409,000**	**0.56**
	Equities: 101.89% (101.72%)		
	Austria: 0.00% (3.25%)		
	Belgium: 5.18% (5.43%)		
70,006	KBC Ancora	2,282,480	3.12
36,895	Telenet	1,507,339	2.06
		3,789,819	**5.18**
	France: 25.00% (25.61%)		
30,431	Airbus	3,476,473	4.75
160,714	AXA	3,070,954	4.20
39,236	Cap Gemini	3,897,169	5.33
550,013	Natixis	1,774,316	2.42
27,414	Safran	3,283,427	4.49
24,231	Wendel	2,787,950	3.81
		18,290,289	**25.00**
	Germany: 12.69% (14.42%)		
20,253	Allianz	3,694,617	5.05
36,908	Fresenius	1,481,266	2.03
21,011	Rheinmetall	2,054,561	2.81
15,501	Wirecard	2,051,237	2.80
		9,281,681	**12.69**
	Ireland: 9.53% (10.29%)		
105,952	CRH	2,941,483	4.02
647,500	Dalata Hotel	2,603,667	3.56
172,532	Ryanair	1,427,899	1.95
		6,973,049	**9.53**
	Italy: 4.54% (5.13%)		
17,605	Ferrari	2,300,927	3.14
110,850	UniCredit	1,024,548	1.40
		3,325,475	**4.54**
	Netherlands: 11.85% (10.61%)		
96,312	ArcelorMittal	1,147,434	1.57
29,169	ASML	5,333,003	7.29
95,744	Royal Dutch Shell	2,192,790	2.99
		8,673,227	**11.85**
	Norway: 0.92% (0.00%)		
278,771	Hexagon Composites	**676,283**	**0.92**

Barings European Growth Trust

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 101.89% (101.72%) (continued)		
	Portugal: 2.40% (2.71%)		
148,961	Galp Energia	**1,753,070**	**2.40**
	Sweden: 2.31% (3.14%)		
94,385	Boliden	**1,689,421**	**2.31**
	Switzerland: 24.13% (18.96%)		
23,159	Cembra Money Bank	1,939,674	2.65
63,461	Julius Baer	2,071,278	2.83
64,071	Nestle	5,924,676	8.10
23,701	Roche	5,324,669	7.28
17,349	Temenos	2,394,885	3.27
		17,655,182	**24.13**
	United Kingdom: 3.34% (2.17%)		
63,811	First Derivatives	1,458,081	1.99
488,257	Tullow Oil	984,815	1.35
		2,442,896	**3.34**
	Portfolio of investments: 102.45% (101.72%)	**74,959,392**	**102.45**
	Net other liabilities	(1,789,083)	(2.45)
	Net assets	**73,170,309**	**100.00**

† Units in Investment Funds. Uninvested cash from the Trust is swept into this fund daily.

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2018.

Independent auditors' report to the unitholders of Barings European Growth Trust

Report on the audit of the financial statements

Our opinion

In our opinion, Barings European Growth Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 31 August 2019 and of the net expense and the net capital losses on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 78); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 77); the distribution tables (page 90); and the notes to the financial statements (pages 79 to 89), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Trust's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings European Growth Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 70, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control that he/she determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings European Growth Trust

Statement of total return

for the period from 01 May 2018 to 31 August 2019

	Notes	01/05/2018 to 31/08/2019* £'000	£'000	01/05/2017 to 30/04/2018 £'000	£'000
Income					
Net capital (losses)/gains	2		**(3,596)**		8,859
Revenue	3	**3,519**		2,326	
Expenses	4	**(1,457)**		(1,298)	
Interest payable and other similar charges	5	**(1)**		(2)	
Net revenue before taxation		**2,061**		1,026	
Taxation	6	**(346)**		(169)	
Net revenue after taxation			**1,715**		857
Total return before distributions			**(1,881)**		9,716
Distributions	7		**(1,717)**		(859)
Change in net assets attributable to unitholders from investment activities			**(3,598)**		8,857

Statement of change in net assets attributable to unitholders

for the period from 01 May 2018 to 31 August 2019

	01/05/2018 to 31/08/2019* £'000	£'000	01/05/2017 to 30/04/2018 £'000	£'000
Opening net assets attributable to unitholders		**91,505**		85,176
Amounts receivable on issue of units	**8,575**		11,595	
Amounts payable on cancellation of units	**(23,331)**		(14,134)	
		(14,756)		(2,539)
Dilution adjustment		**2**		–
Changes in net assets attributable to unitholders from investment activities		**(3,598)**		8,857
Unclaimed distributions		**17**		11
Closing net assets attributable to unitholders		**73,170**		91,505

* The accounting year end date was changed from 30 April to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings European Growth Trust

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	30/04/2018 £'000
Assets			
Investment assets		**74,959**	93,080
Current assets:			
Debtors	9	**319**	563
Cash and bank balances	10	**11**	–
Total assets		**75,289**	93,643
Liabilities			
Creditors:			
Bank overdrafts	10	**–**	(614)
Distribution payable on income units	7	**(1,529)**	(857)
Other creditors	11	**(590)**	(667)
Total liabilities		**(2,119)**	(2,138)
Net assets attributable to unitholders		**73,170**	91,505

* The accounting year end date was changed from 30 April to 31 August.

Notes to the financial statements

for the period from 01 May 2018 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Trust's distribution.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

1. Accounting policies (continued)

Unclaimed distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net capital (losses)/gains

The net capital (losses)/gains during the period comprise:

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Non-derivative securities	**(3,530)**	8,884
Currency losses	**(52)**	(21)
Transaction charges	**(14)**	(4)
Net capital (losses)/gains on investments	**(3,596)**	8,859

3. Revenue

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Bank interest	**–**	2
UK dividends	**53**	7
Offshore CIS interest revenue	**3**	–
Overseas dividends	**3,463**	2,317
	3,519	2,326

4. Expenses

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**1,348**	1,206
	1,348	1,206
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**26**	22
Safe custody charges	**18**	18
	44	40
Other expenses:		
Administration fees	**4**	–
Audit fees	**11**	12
Professional fees	**2**	2
Registrar and transfer agency fees	**35**	27
Regulatory fees	**4**	3
Standing charges	**4**	3
Taxation fees*	**5**	5
	65	52
Total expenses	**1,457**	1,298

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Interest expenses	**1**	2
	1	2

6. Taxation

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
a) Analysis of tax charges for the period/year:		
Overseas withholding tax	**346**	169
Current tax charge (note 6b)	**346**	169

6. Taxation (continued)

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is lower (30 April 2018: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (30 April 2018: 20%). The differences are explained below:

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Net revenue before taxation	**2,061**	1,026
Corporation tax at 20% (20%)	**412**	205
Effects of:		
Double taxation relief expenses	**(4)**	(2)
Overseas withholding tax	**346**	169
Non-taxable UK dividends	**(11)**	(1)
Excess management expenses not utilised	**268**	240
Non taxable overseas dividends	**(665)**	(442)
Total tax charge for the period/year (note 6a)	**346**	169

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £4,931,627 (30 April 2018: £4,663,723) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Final Distribution	**1,529**	857
	1,529	857
Add: Revenue deducted on cancellation of units	**293**	110
Deduct: Revenue received on issue of units	**(105)**	(108)
Total distributions	**1,717**	859

Details of the distributions per unit are set out in the Distribution Tables on page 90.

Distributions payable at the period end of £1,528,556 (30 April 2018: £857,373) are disclosed in the Balance Sheet on page 78.

8. Movement between net revenue and distributions

	01/05/2018 to 31/08/2019 £'000	01/05/2017 to 30/04/2018 £'000
Net revenue after taxation	**1,715**	857
Equalisation on conversions	**2**	2
	1,717	859

9. Debtors

	31/08/2019 £'000	30/04/2018 £'000
Accrued revenue	**46**	182
Amount receivable for creation of units	**44**	48
Overseas tax recoverable	**194**	333
Sales awaiting settlement	**35**	–
	319	563

10. Cash and bank balances

	31/08/2019 £'000	30/04/2018 £'000
Bank overdraft	**(1,766)**	(1,454)
Cash and bank balances	**1,777**	840
	11	(614)

11. Other creditors

	31/08/2019 £'000	30/04/2018 £'000
Accrued expenses	**489**	498
Amounts payable for cancellation of units	**101**	169
	590	667

12. Contingent liabilities

There were no contingent liabilities at the period-end date (30 April 2018: £nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

14. Financial instruments

In pursuing its investment objective set out on page 65, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (30 April 2018: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £3.748 million (30 April 2019: £4.650 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the period-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

15. Risks of financial instruments (continued)

These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	**Net other assets £'000**	**Total £'000**
Danish krone	**–**	**20**	**20**
Euro	**52,087**	**171**	**52,258**
Norwegian krone	**676**	**–**	**676**
Swedish krona	**1,689**	**–**	**1,689**
Swiss franc	**17,655**	**3**	**17,658**
	72,107	**194**	**72,301**

Currency exposure for the year ended 30 April 2018:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	–	19	19
Euro	69,071	368	69,439
Norwegian krone	–	8	8
Swedish krona	2,871	74	2,945
Swiss franc	17,348	54	17,402
	89,290	523	89,813

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.723 million (30 April 2019: £0.900 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

15. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**409**	**–**	**74,550**	**74,959**
Cash at bank	**11**	**–**	**–**	**11**
Other assets	**–**	**–**	**319**	**319**
Liabilities	**–**	**–**	**(2,119)**	**(2,119)**
	420	**–**	**72,750**	**73,170**

	Floating rate 30/04/2018 £'000	Fixed rate 30/04/2018 £'000	Non-interest bearing 30/04/2018 £'000	Total 30/04/2018 £'000
Portfolio of investments	–	–	93,080	93,080
Cash at bank	(614)	–	–	(614)
Other assets	–	–	563	563
Liabilities	–	–	(1,524)	(1,524)
	(614)	–	92,119	91,505

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2019 (30 April 2018: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2019, the Trust did not hold any open forward currency contracts with any counterparty (30 April 2019: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the period, the Trust made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

Financial Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equities	**74,550**	**–**	**–**	**74,550**
Investment Funds	**–**	**409**	**–**	**409**
	74,550	**409**	**–**	**74,959**

Valuation technique for the year ended 30 April 2018:

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	93,080	–	–	93,080
	93,080	–	–	93,080

17. Portfolio transaction costs

Analysis of total purchase costs:	**01/05/2018 to 31/08/2019 £'000**	01/05/2017 to 30/04/2018 £'000
Purchases before transaction costs*	**14,445**	14,805
Commissions:		
Equities total value paid	**6**	12
Taxes:		
Equities total value paid	**25**	22
Total transaction costs	**31**	34
Gross purchases total	**14,476**	14,839

17. Portfolio transaction costs (continued)

Analysis of total sale costs:	**01/05/2018 to 31/08/2019 £'000**	01/05/2017 to 30/04/2018 £'000
Sales before transaction costs*	**29,093**	15,582
Commissions:		
Equities total value paid	**(10)**	(11)
Total transaction costs	**(10)**	(11)
Total sales net of transaction costs	**29,083**	15,571

* Not included in 2019 figures are purchases and sales in cash funds totalling £17.107 million and £16.698 million, respectively, where there are no transaction costs applicable. In 2018, purchases and sales in cash funds totalled £11.87 million and £13.12 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Analysis of total purchase costs:	**01/05/2018 to 31/08/2019 %**	01/05/2017 to 30/04/2018 %
Commissions:		
Equities percentage of total purchases costs	**0.04**	0.08
Equities percentage of average NAV	**0.01**	0.01
Taxes:		
Equities percentage of total purchases costs	**0.18**	0.15
Equities percentage of average NAV	**0.03**	0.02

17. Portfolio transaction costs (continued)

Analysis of total sale costs:	**01/05/2018 to 31/08/2019 %**	01/05/2017 to 30/04/2018 %
Commissions:		
Equities percentage of total sales costs	**(0.03)**	(0.08)
Equities percentage of average NAV	**(0.01)**	(0.01)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.07% (30 April 2018: 0.09%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 66. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on page 67. The distribution per unit class is given in the distribution tables on page 90. All classes have the same rights on winding up.

	Class A GBP Inc	**Class I GBP Inc**
Opening units	4,467,060	1,842,704
Units created	223,054	403,750
Units liquidated	(1,247,213)	(438,769)
Units converted	(30,199)	29,968
Closing units	**3,412,702**	**1,837,653**

19. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (30 April 2018: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings European Growth Trust

Distribution tables

Group 1: Units purchased prior to 1 May 2018*

Group 2: Units purchased between 1 May 2018 and 31 August 2019

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	24.1866	0.0000	24.1866	10.4246
2	13.7317	10.4549	24.1866	10.4246

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	38.2629	0.0000	38.2629	21.2568
2	16.1177	22.1452	38.2629	21.2568

* The accounting year end date was changed from 30 April to 31 August.

Barings Europe Select Trust

Investment objective and policy

The investment objective of Barings Europe Select Trust (the "Trust") is to achieve capital growth by investing in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe's listed companies (this excludes companies in the United Kingdom).

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom), as well as in larger companies, and in fixed income and cash.

In order to implement the investment policy, the Trust may gain indirect exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the EMIX Smaller European Companies Ex UK (Total Gross Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of small and medium sized companies from developed European countries excluding the UK.

How the Trust is managed

At Barings, our equity investment teams share the philosophy of quality "Growth at a Reasonable Price" or GARP. We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth and upside disciplines can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises quality criteria when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models.

Risk profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares, which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative, as a relatively small movement may have a larger impact on derivatives than the underlying assets.. Some derivative transactions may be entered into directly with an eligible person or institution (a "counterparty"). There is a risk that the counterparty may not meet its obligations or becomes insolvent, which could cause the Trust to incur a loss.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Losses may occur if an organization through which we buy an asset (such as a bank) fails to meet its obligations.

Barings Europe Select Trust

Investment objective and policy

Risk profile (continued)

- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

The Trust at a glance on 31 August 2019

Total Trust size		£1,565.63 million
OCF*	**31/08/2019**	**31/05/2018**
Class A GBP Inc**	1.56%	1.55%
Class A EUR Acc**	1.56%	1.55%
Class A EUR Inc**	1.56%	1.55%
Class A USD Acc	1.56%	1.55%
Class I GBP Inc	0.81%	0.80%
Class I EUR Acc	0.81%	0.80%
Class I EUR Inc	0.81%	0.80%
	Initial charge	**Annual charge**
Class A GBP Inc**	up to 5.00%	1.50%
Class A EUR Acc**	up to 5.00%	1.50%
Class A EUR Inc**	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class I GBP Inc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Inc**	£1,000	£500
Class A EUR Acc**	€5,000	€1,000
Class A EUR Inc**	€5,000	€1,000
Class A USD Acc	$5,000	$2,500
Class I GBP Inc	£10,000,000	€500
Class I EUR Acc	€10,000,000	€1,000
Class I EUR Inc	€10,000,000	€1,000

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, depositary and general charges.

** Calculation based on mid-price.

Barings Europe Select Trust

The Trust at a glance on 31 August 2019 (continued)

Price per unit	(pence/cents per unit)
Class A GBP Inc	4,239.00p
Class A EUR Acc	4,963.00c
Class A EUR Inc	4,661.00c
Class A USD Acc	5,468.00c
Class I GBP Inc	4,281.00p
Class I EUR Acc	4,979.00c
Class I EUR Inc	4,723.00c

Barings Europe Select Trust

Trust information

	Class A GBP Inc - Distribution units			Class A EUR Acc - Accumulation units		
	31/08/2019 (p)	31/05/2018 (p)	31/05/2017 (p)	31/08/2019 (c)	31/05/2018 (c)	31/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	4,063.90	3,881.28	2,853.26	4,911.96	4,681.55	3,935.40
Return before operating charges	250.24	266.56	1,082.90	129.60	315.28	817.95
Operating charges	(78.47)	(62.04)	(51.06)	(82.29)	(84.86)	(71.81)
Return after operating charges	171.77	204.52	1,031.84	47.31	230.42	746.15
Distributions	(17.76)	(21.90)	(3.82)	–	(13.89)	(26.36)
Retained distributions on accumulation units	–	–	–	–	13.89	26.36
Closing net asset value per unit	4,217.91	4,063.90	3,881.28	4,959.27	4,911.96	4,681.55
after direct transaction costs of*	2.38	3.13	3.32	2.50	4.29	4.67
Performance						
Return after charges	4.23%	5.27%	36.16%	0.96%	4.92%	18.96%
Other information						
Closing net asset value ('000)	£232,387	£276,753	£319,944	€38,581	€133,361	€261,964
Closing number of units	5,509,533	6,810,034	8,243,250	777,949	2,715,017	5,595,673
Operating charges	1.56%	1.55%	1.55%	1.56%	1.55%	1.55%
Direct transaction costs	0.06%	0.08%	0.10%	0.06%	0.08%	0.10%
Prices**						
Highest unit price	4,383.00	4,184.00	3,887.00	5,141.00	5,000.00	4,717.00
Lowest unit price	3,534.00	3,828.00	2,793.00	4,150.00	4,482.00	3,615.00

	Class A EUR Inc - Distribution units			Class A USD Acc - Accumulation units		
	31/08/2019 (c)	31/05/2018 (c)	31/05/2017 (c)	31/08/2019 (c)	31/05/2018 (c)	31/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	4,623.86	4,432.63	3,739.29	5,736.98	5,249.97	4,389.40
Return before operating charges	111.59	299.35	776.19	(189.45)	603.17	949.42
Operating charges	(77.81)	(80.56)	(67.63)	(83.03)	(116.16)	(88.85)
Return after operating charges	33.78	218.79	708.56	(272.48)	487.01	860.57
Distributions	(8.23)	(27.29)	(15.49)	(27.50)	(36.33)	(13.47)
Retained distributions on accumulation units	–	–	–	27.50	36.33	13.47
Closing net asset value per unit	4,649.41	4,623.86	4,432.36	5,464.50	5,736.98	5,249.97
after direct transaction costs of*	2.36	4.07	4.40	2.52	5.87	5.78
Performance						
Return after charges	0.73%	4.94%	18.95%	(4.75)%	9.28%	19.61%
Other information						
Closing net asset value ('000)	€292,038	€612,383	€567,829	$16,926	$28,181	$16,335
Closing number of units	6,281,177	13,243,986	12,810,983	309,752	491,209	311,152
Operating charges	1.56%	1.55%	1.55%	1.56%	1.55%	1.55%
Direct transaction costs	0.06%	0.08%	0.10%	0.06%	0.08%	0.10%
Prices**						
Highest unit price	4,828.00	4,735.00	4,450.00	5,971.00	6,184.00	5,253.00
Lowest unit price	3,907.00	4,243.00	3,450.00	4,728.00	5,206.00	3,982.00

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 1 June to 31 August. For previous periods, they relate to the accounting period from 1 June to 31 May.

Trust information (continued)

	Class I GBP Inc - Distribution units			Class I EUR Acc - Accumulation units		
	31/08/2019 (c)	31/05/2018 (c)	31/05/2017 (c)	31/08/2019 (c)	31/05/2018 (c)	31/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	4,069.60	3,887.87	2,861.71	4,892.47	4,627.76	3,862.10
Return before operating charges	253.10	268.43	1,091.68	126.21	308.32	800.68
Operating charges	(40.89)	(32.24)	(26.72)	(42.84)	(43.61)	(35.02)
Return after operating charges	212.21	236.19	1,064.96	83.37	264.71	765.66
Distributions	(64.53)	(54.46)	(38.81)	(74.02)	(64.68)	(33.82)
Retained distributions on accumulation units	–	–	–	74.02	64.68	33.82
Closing net asset value per unit	4,217.28	4,069.60	3,887.87	4,975.84	4,892.47	4,627.76
after direct transaction costs of*	2.39	3.16	3.37	2.51	4.27	4.22
Performance						
Return after charges	5.21%	6.08%	37.21%	1.70%	5.72%	19.83%
Other information						
Closing net asset value ('000)	£933,913	£1,104,121	£884,299	€58,399	€60,291	€54,741
Closing number of units	22,144,891	27,130,932	22,745,100	1,173,650	1,232,329	1,182,890
Operating charges	0.81%	0.80%	0.80%	0.81%	0.80%	0.80%
Direct transaction costs	0.06%	0.08%	0.10%	0.06%	0.08%	0.10%
Prices**						
Highest unit price	4,424.00	4,212.00	3,929.00	5,152.00	4,973.00	4,698.00
Lowest unit price	3,552.00	3,837.00	2,803.00	4,152.00	4,438.00	3,550.00

	Class I EUR Inc - Distribution units		
	31/08/2019 (p)	31/05/2018 (p)	31/05/2017 (p)
Change in net assets per unit			
Opening net asset value per unit	4,645.25	4,452.93	3,754.13
Return before operating charges	119.06	297.15	780.70
Operating charges	(40.83)	(42.05)	(35.64)
Return after operating charges	78.23	255.10	745.06
Distributions	(71.19)	(62.78)	(46.26)
Closing net asset value per unit	4,652.29	4,645.25	4,452.93
after direct transaction costs of*	2.39	4.12	4.49
Performance			
Return after charges	1.68%	5.73%	19.85%
Other information			
Closing net asset value ('000)	€36,082	€54,407	€35,716
Closing number of units	775,583	1,171,244	802,082
Operating charges	0.81%	0.80%	0.80%
Direct transaction costs	0.06%	0.08%	0.10%
Prices**			
Highest unit price	4,886.00	4,786.00	4,531.00
Lowest unit price	3,939.00	4,271.00	3,450.00

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 1 June to 31 August. For previous periods, they relate to the accounting period from 1 June to 31 May.

Barings Europe Select Trust

Report of the Investment Manager

Investment Report

Performance

During the reporting period from 1 June 2018 to 31 August 2019, the Barings Europe Select Trust ("the Trust") produced an absolute net return for Class A GBP Inc of 4.25% compared with a return of -0.62% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class A GBP Inc were 32.81% and 88.84% respectively compared with the return of the performance comparator over the same periods of 31.70% and 71.63% respectively.

The period under review was characterised by ongoing political upheaval and economic challenges. Recent indications of slowing European economic growth, evidenced by weaker business confidence and falling sales of cars, partly reflect uncertainties about the domestic political environment and partly slowing global trade in the light of Sino-U.S. tariff disputes.

Tryg, a Danish P&C insurer, was the most significant contributor to relative returns as the company has continued to execute on its plan to increase profitability whilst maintaining excellent capital discipline, and its new products appear to be gaining traction. At the country level, stock selection in France was the most significant contributor to relative returns, led by call centre outsourcing company Teleperformance reflecting their strong growth potential and continuing good execution. German medical technology company Carl Zeiss Meditec also outperformed due to strong organic growth, continued progress in the company's geographic expansion, and success of its new ophthalmic products; we have since sold the shares as they reached our price target following strong performance. Partly offsetting these positive returns, Italian cables manufacturer Prysmian underperformed following a series of disappointing results, as the company has been impacted by technical issues with the installation of a sub-sea cable; Prysmian has a strong position across a range of different electric and telecommunication cables however profits developments did not meet our expectations and so we sold the shares.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Vopak	32,450	Carl Zeiss Meditec	42,070
SEB	23,814	DSV	37,862
Qiagen	23,012	ANDRITZ	31,194
Wendel	22,301	CIE Automotive	30,293
Bucher Industries	22,227	Temenos	29,431
Swedish Match	20,764	Recordati	28,993
Brenntag	20,087	DKSH	28,625
Moncler	20,082	Valmet	27,671
KION	18,564	Worldline	23,596
SCOR	18,298	Amer Sports	23,015

Market outlook

European smaller companies remain reasonably valued relative to other asset classes, in part reflecting current low interest rates on cash and low yields on European government bonds. Nevertheless, in absolute terms many valuation measures would imply that European smaller companies are trading towards the higher end of historic ranges of these valuations, given the strong performance experienced by European indices so far this year. Forecasts for European companies' profits growth in 2019 have, however, been revised down slightly as the year has gone on and, in the light of recent weak economic growth data from Germany, may be reduced further. Exports from the E.U. have been disrupted by America's trade disputes with China, and investment spending in Europe has been depressed by continued Brexit uncertainties. More encouragingly, political developments in Italy have resulted in a stabilisation of Italian government bond yields, while the European Central Bank and the German government are likely to intensify efforts to stimulate economic growth. Smaller companies should continue to benefit from resilient domestic spending and consumer sentiment, and employment growth continues.

Report of the Investment Manager (continued)

Market outlook (continued)

On balance, therefore, it would be reasonable to anticipate further volatility in the share prices of European smaller companies. We will continue to follow our quality Growth at a Reasonable Price investment approach. Our aim remains to identify attractively valued investment opportunities in companies, particularly those whose strategic positioning and competitive strengths can drive sustained improvements in their profitability and returns, rather than positioning our funds to reflect macroeconomic news.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Europe Select Trust

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Europe Select Trust (the "Trust") and of its net revenue and net capital gains for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Barings Europe Select Trust

Directors' statement

The financial statements on pages 107 to 123 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings Europe Select Trust

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Investment Funds: 5.01% (5.49%)		
29,003,647	Northern Trust Global Funds - Euro Liquidity Fund†	25,621,077	1.64
38,003,000	Northern Trust Global Funds - Sterling Fund†	38,003,000	2.43
18,020,000	Northern Trust Global Funds - US Dollar Fund†	14,797,174	0.94
		78,421,251	**5.01**
	Equities: 95.20% (97.41%)		
	Austria: 0.53% (1.05%)		
268,974	BAWAG	**8,257,514**	**0.53**
	Belgium: 3.78% (3.95%)		
140,981	Barco	24,439,964	1.56
390,988	KBC Ancora	12,747,799	0.82
285,766	Kinepolis	13,498,961	0.86
207,357	Telenet	8,471,532	0.54
		59,158,256	**3.78**
	Denmark: 7.05% (8.88%)		
173,706	Chr Hansen	11,981,035	0.76
498,806	FLSmidth & Co.	17,384,058	1.11
378,547	GN Store Nord	13,082,393	0.84
386,953	ISS	8,074,559	0.52
138,828	Royal Unibrew	9,906,277	0.63
484,806	Topdanmark	19,808,454	1.26
1,225,898	Tryg	30,142,467	1.93
		110,379,243	**7.05**
	Finland: 4.02% (4.79%)		
867,660	DNA	16,441,746	1.05
697,794	Elisa	28,799,276	1.84
1,202,834	Valmet	17,765,558	1.13
		63,006,580	**4.02**
	France: 15.81% (14.04%)		
6,435,330	CGG	10,794,303	0.69
583,411	Cie Plastic Omnium	11,705,989	0.75
526,829	Edenred	21,265,564	1.36
937,780	Elis	13,782,756	0.88
222,016	Eurazeo	12,188,507	0.78
221,484	IPSOS	4,819,541	0.31
548,986	Lagardere	9,681,284	0.62
310,812	Nexity	11,948,564	0.76
259,181	Orpea	27,118,212	1.73
263,197	Rubis	12,504,441	0.80
246,809	SCOR	8,125,298	0.52
152,247	SEB	19,587,690	1.25
781,381	SPIE	11,569,141	0.74
160,612	Teleperformance	28,920,734	1.85
127,699	Ubisoft Entertainment	8,530,789	0.54
158,013	Wendel	18,180,529	1.16

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 95.20% (97.41%) (continued)		
	France: 15.81% (14.04%) (continued)		
293,988	Worldline	16,792,766	1.07
		247,516,108	**15.81**
	Germany: 10.87% (14.35%)		
520,444	Brenntag	20,620,896	1.32
303,641	CompuGroup Medical	14,480,989	0.93
527,994	Evotec	9,543,272	0.61
343,986	Gerresheimer	21,254,882	1.36
387,221	Hugo Boss	17,884,217	1.14
403,801	KION	16,178,694	1.03
231,122	Puma	14,637,260	0.93
179,135	RIB Software	3,240,227	0.21
379,902	Scout24	18,410,745	1.18
385,291	Software	8,551,698	0.55
132,422	Stabilus	4,903,407	0.31
327,242	Stroeer	20,398,293	1.30
		170,104,580	**10.87**
	Ireland: 1.51% (2.22%)		
910,816	Glanbia	8,126,019	0.52
403,985	Kingspan	15,405,883	0.98
3,594	Kingspan (UK Listing)	137,056	0.01
		23,668,958	**1.51**
	Italy: 10.76% (9.55%)		
1,647,126	Amplifon	35,035,386	2.24
1,050,974	Banca Generali	25,861,511	1.65
286,851	DiaSorin	28,218,777	1.80
8,098,845	Hera	26,934,225	1.72
2,349,183	Infrastrutture Wireless Italiane	19,638,117	1.26
719,085	MARR	12,843,948	0.82
637,260	Moncler	19,933,696	1.27
		168,465,660	**10.76**
	Luxembourg: 1.37% (0.79%)		
471,753	Befesa	13,088,449	0.84
22,118	Eurofins Scientific	8,318,340	0.53
		21,406,789	**1.37**
	Netherlands: 13.99% (11.69%)		
492,355	Aalberts Industries	15,347,453	0.98
162,713	Arcadis	2,540,431	0.16
353,429	ASM International	24,623,037	1.57
766,448	ASR Nederland	22,084,556	1.41
518,846	BE Semiconductor Industries	12,635,620	0.81
523,897	Euronext	33,962,843	2.17
300,710	Flow Traders	6,559,875	0.42
1,058,047	GrandVision	26,304,163	1.68
418,995	IMCD	24,104,190	1.54

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 95.20% (97.41%) (continued)		
	Netherlands: 13.99% (11.69%) (continued)		
574,229	Intertrust	9,834,882	0.63
998,513	SBM Offshore	13,828,880	0.88
694,461	Vopak	27,251,298	1.74
		219,077,228	**13.99**
	Norway: 3.32% (3.04%)		
3,586,351	Storebrand	17,005,256	1.08
987,357	TGS-NOPEC Geophysical Company	19,670,679	1.26
658,706	Tomra Systems	15,343,028	0.98
		52,018,963	**3.32**
	Spain: 3.46% (6.78%)		
2,796,451	Applus Services	30,755,309	1.96
801,161	Ebro Foods	13,707,043	0.87
771,355	Indra Sistemas	4,969,017	0.32
7,785,677	Unicaja Banco	4,800,178	0.31
		54,231,547	**3.46**
	Sweden: 7.47% (7.77%)		
1,671,865	AAK	27,302,576	1.74
1,156,643	Elekta	12,216,684	0.78
3,021,059	Hexpol	18,589,363	1.19
376,208	ICA Gruppen	15,302,613	0.98
724,077	Scandic Hotels	4,658,367	0.30
1,533,571	Securitas	18,924,243	1.21
616,234	Swedish Match	19,889,803	1.27
		116,883,649	**7.47**
	Switzerland: 10.00% (8.51%)		
175,090	Baloise	24,634,795	1.57
11,961	Barry Callebaut	19,956,366	1.27
70,069	Bucher Industries	17,053,275	1.09
323,411	Cembra Money Bank	27,087,185	1.73
212,356	Dufry	14,242,749	0.91
1,301,343	SIG Combibloc	14,042,779	0.90
215,335	Sulzer	16,739,417	1.07
58,077	Tecan	11,386,808	0.73
82,957	Temenos	11,451,522	0.73
		156,594,896	**10.00**

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 95.20% (97.41%) (continued)		
	United States: 1.26% (0.00%)		
688,818	Qiagen	**19,685,333**	**1.26**
	Portfolio of investments: 100.21% (102.90%)	**1,568,876,555**	**100.21**
	Net other liabilities	(3,249,585)	(0.21)
	Net assets	**1,565,626,970**	**100.00**

† Units in Investment Funds. Uninvested cash from the Trust is swept into these funds daily.

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 May 2018.

Independent auditors' report to the unitholders of Barings Europe Select Trust

Report on the audit financial statements

Our opinion

In our opinion, Barings Europe Select Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 31 August 2019 and of the net expense and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 108); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 107); the distribution tables (pages 121 to 123) and the notes to the financial statements (pages 109 to 120), which include a summary of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Trust's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings Europe Select Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 98, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control that he/she determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings Europe Select Trust

Statement of total return

for the period from 01 June 2018 to 31 August 2019

	Notes	01/06/2018 to 31/08/2019* £'000	£'000	01/06/2017 to 31/05/2018 £'000	£'000
Income					
Net capital gains	2		**34,559**		93,993
Revenue	3	**48,484**		50,187	
Expenses	4	**(25,359)**		(24,555)	
Interest payable and other similar charges	5	**(25)**		(11)	
Net revenue before taxation		**23,100**		25,621	
Taxation	6	**(4,446)**		(3,864)	
Net revenue after taxation			**18,654**		21,757
Total return before distributions			**53,213**		115,750
Distributions	7		**(18,803)**		(21,758)
Change in net assets attributable to unitholders from investment activities			**34,410**		93,992

Statement of change in net assets attributable to unitholders

for the period from 01 June 2018 to 31 August 2019

		01/06/2018 to 31/08/2019* £'000	£'000	01/06/2017 to 31/05/2018 £'000	£'000
Opening net assets attributable to unitholders			**2,155,989**		2,020,738
Amounts receivable on issue of units		**341,475**		676,539	
Amounts receivable on in-specie transactions		**57,967**		**–**	
Amounts payable on cancellation of units		**(955,276)**		(636,452)	
Amounts payable on in-specie transactions		**(70,067)**		**–**	
			(625,901)		40,087
Dilution adjustment			**241**		–
Changes in net assets attributable to unitholders from investment activities			**34,410**		93,992
Retained distribution on accumulation units	7		**875**		1,163
Unclaimed distributions			**13**		9
Closing net assets attributable to unitholders			**1,565,627**		2,155,989

* The accounting year end date was changed from 31 May to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings Europe Select Trust

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	31/05/2018 £'000
Assets			
Investment assets		**1,568,877**	2,218,439
Current assets:			
Debtors	9	**18,583**	30,938
Cash and bank balances	10	**4,318**	777
Total assets		**1,591,778**	2,250,154
Liabilities			
Creditors:			
Distribution payable on income units	7	**(15,430)**	(20,078)
Other creditors	11	**(10,721)**	(74,087)
Total liabilities		**(26,151)**	(94,165)
Net assets attributable to unitholders		**1,565,627**	2,155,989

* The accounting year end date was changed from 31 May to 31 August.

Notes to the financial statements

for the period from 01 June 2018 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest is recognised on an accruals basis.

Distributions receivable from Investment funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the book cost, cost of investments.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Stock dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

1. Accounting policies (continued)

Unclaimed distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net capital gains

The net capital gains during the period comprise:

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Non-derivative securities	**34,736**	93,259
Currency (losses)/gains	**(136)**	765
Transaction charges	**(41)**	(31)
Net capital gains on investments	**34,559**	93,993

3. Revenue

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Bank interest	**2**	19
Offshore CIS interest revenue	**846**	373
Overseas dividends	**47,636**	49,795
	48,484	50,187

4. Expenses

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**24,364**	23,613
	24,364	23,613
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**323**	293
Safe custody charges	**440**	446
	763	739
Other expenses:		
Administration fees	**4**	–
Audit fees	**11**	12
Professional fees	**4**	3
Registrar and transfer agency fees	**191**	173
Regulatory fees	**6**	7
Standing charges	**4**	3
Taxation fees*	**12**	5
	232	203
Total expenses	**25,359**	24,555

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Interest expenses	**25**	11
	25	11

6. Taxation

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
a) Analysis of tax charges for the period/year:		
Overseas withholding tax	**4,446**	3,864
Current tax charge (note 6b)	**4,446**	3,864

6. Taxation (continued)

b) Factors affecting taxation charge of the period/year:

The tax assessed for the period is lower (31 May 2018: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 May 2018: 20%). The differences are explained below:

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Net revenue before taxation	**23,100**	25,621
Corporation tax at 20%	**4,620**	5,124
Effects of:		
Overseas withholding tax	**4,446**	3,864
Excess management expenses not utilised	**4,907**	3,576
Non taxable overseas dividends	**(9,527)**	(8,565)
Taxation due to timing difference	**–**	(135)
Total tax charge for the period/year (note 6a)	**4,446**	3,864

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £28,261,524 (31 May 2018: £23,354,334) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprise:

	01/06/2019 to 31/08/2019 £'000	01/06/2018 to 31/05/2019 £'000
Interim Distribution	**943**	–
Interim Accumulation	**61**	–
Final Distribution	**15,430**	20,078
Final Accumulation	**814**	1,163
	17,248	21,241
Add: Revenue deducted on cancellation of units	**2,693**	1,034
Add: Revenue deducted on in-specie transactions	**293**	–
Deduct: Revenue received on issue of units	**(1,431)**	(517)
Total distributions	**18,803**	21,758

Details of the distributions per units are set out in the Distribution Tables on pages 121 to 123.

7. Distributions (continued)

Distributions payable at the period end of £15,429,667 (31 May 2018: £20,078,441) are disclosed in the Balance Sheet on page 108.

8. Movement between net revenue and distributions

	01/06/2018 to 31/08/2019 £'000	01/06/2017 to 31/05/2018 £'000
Net revenue after taxation	**18,654**	21,757
Equalisation on conversions	**3**	1
Income deficit	**146**	–
	18,803	21,758

9. Debtors

	31/08/2019 £'000	31/05/2018 £'000
Accrued revenue	**88**	2,241
Amount receivable for creation of units	**5,656**	2,836
Overseas tax recoverable	**3,206**	4,577
Sales awaiting settlement	**9,633**	21,284
	18,583	30,938

10. Cash and bank balances

	31/08/2019 £'000	31/05/2019 £'000
Bank overdraft	**(14,282)**	(308,681)
Cash and bank balances	**18,600**	309,457
	4,318	777

11. Other creditors

	31/08/2019 £'000	31/05/2018 £'000
Accrued expenses	**1,549**	2,298
Amounts payable for cancellation of units	**3,116**	55,011
Currency deals awaiting settlement	**–**	18
Purchases awaiting settlement	**6,056**	16,760
	10,721	74,087

12. Contingent liabilities

There were no contingent liabilities at the period-end date (31 May 2018: £nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into the capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

14. Financial instruments

In pursuing its investment objective set out on page 91, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (31 May 2018: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £78.444 million (31 May 2018: £110.922 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

15. Risks of financial instruments (continued)

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the period-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	**Net other assets £'000**	**Total £'000**
Danish krone	**110,379**	**1,542**	**111,921**
Euro	**1,080,200**	**1,872**	**1,082,072**
Norwegian krone	**52,019**	**3,597**	**55,616**
Swedish krona	**116,884**	**539**	**117,423**
Swiss franc	**156,595**	**42**	**156,637**
US dollar	**14,797**	**9**	**14,806**
	1,530,874	**7,601**	**1,538,475**

Currency exposure for the year ended 31 May 2018:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	191,534	874	192,408
Euro	1,516,707	5,120	1,521,827
Norwegian krone	65,472	489	65,961
Swedish krona	167,529	339	167,868
Swiss franc	183,492	705	184,197
US dollar	17,374	36	17,410
	2,142,108	7,563	2,149,671

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £15.835 million (31 May 2018: £21.497 million).

15. Risks of financial instruments (continued)

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**78,421**	**–**	**1,490,456**	**1,568,877**
Cash at bank	**4,318**	**–**	**–**	**4,318**
Other assets	**–**	**–**	**18,583**	**18,583**
Liabilities	**–**	**–**	**(26,151)**	**(26,151)**
	82,739	**–**	**1,482,888**	**1,565,627**

	Floating rate 31/05/2018 £'000	Fixed rate 31/05/2018 £'000	Non-interest bearing 31/05/2018 £'000	Total 31/05/2018 £'000
Portfolio of investments	118,317	–	2,100,122	2,218,439
Cash at bank	777	–	–	777
Other assets	–	–	30,938	30,938
Liabilities	–	–	(94,165)	(94,165)
	119,094	–	2,036,895	2,155,989

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2019 (31 May 2018: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2019, the Trust did not hold any open forward currency contracts with any counterparty (31 May 2018: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

Financial Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equities	**1,490,456**	**–**	**–**	**1,490,456**
Investment Funds	**–**	**78,421**	**–**	**78,421**
	1,490,456	**78,421**	**–**	**1,568,877**

Valuation technique for the year ended 31 May 2018:

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	2,100,122	–	–	2,100,122
Investment Funds	–	118,317	–	118,317
	2,100,122	118,317	–	2,218,439

17. Portfolio transaction costs

Analysis of total purchase costs:	**01/06/2018 to 31/08/2019 £'000**	01/06/2017 to 31/05/2018 £'000
Purchases before transaction costs*	**670,208**	868,531
Commissions:		
Equities total value paid	**305**	665
Taxes:		
Equities total value paid	**419**	493
Total transaction costs	**724**	1,158
Gross purchases total	**670,932**	869,689

Analysis of total sale costs:	**01/06/2018 to 31/08/2019 £'000**	01/06/2017 to 31/05/2018 £'000
Sales before transaction costs*	**1,316,879**	750,097
Commissions:		
Equities total value paid	**(615)**	(521)
Total transaction costs	**(615)**	(521)
Total sales net of transaction costs	**1,316,264**	749,576

* Not included in 2019 figures are purchases and sales in cash funds totalling £834.91 million and £874.88 million, respectively, where there are no transaction costs applicable. In 2018, purchases and sales in cash funds totalled £693.06 million and £710.47 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

17. Portfolio transaction costs (continued)

Analysis of total purchase costs:	**01/06/2018 to 31/08/2019 %**	01/06/2017 to 31/05/2018 %
Commissions:		
Equities percentage of total purchases costs	**0.05**	–
Equities percentage of average NAV	**0.02**	0.04
Taxes:		
Equities percentage of total purchases costs	**0.06**	–
Equities percentage of average NAV	**0.02**	0.02

Analysis of total sale costs:	**01/06/2018 to 31/08/2019 %**	01/06/2017 to 31/05/2018 %
Commissions:		
Equities percentage of total sales costs	**(0.05)**	–
Equities percentage of average NAV	**(0.03)**	(0.02)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.11% (31 May 2018: 0.11%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has seven unit classes: A EUR Acc, A EUR Inc, A GBP Inc, A USD Acc, I EUR Acc, I EUR Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 92. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 94 and 95 . The distribution per unit class is given in the distribution tables on pages 121 to 123. All classes have the same rights on winding up.

	Class A GBP Inc	**Class A EUR Acc**	**Class A EUR Inc**
Opening units	6,810,034	2,715,017	13,243,986
Units created	1,838,097	404,366	1,088,383
Units liquidated	(3,117,920)	(2,325,464)	(8,050,983)
Units converted	(20,678)	(15,970)	(209)
Closing units	**5,509,533**	**777,949**	**6,281,177**

18. Unit classes (continued)

	Class A USD Acc	Class I GBP Inc	Class I EUR Acc
Opening units	491,209	27,130,932	1,232,329
Units created	104,640	5,618,825	781,847
Units liquidated	(286,098)	(10,625,433)	(856,506)
Units converted	1	20,567	15,980
Closing units	**309,752**	**22,144,891**	**1,173,650**

	Class I EUR Inc
Opening units	1,171,244
Units created	46,887
Units liquidated	(442,755)
Units converted	207
Closing units	**775,583**

19. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2019, the Investment Manager had holdings of 15,709 units (31 May 2018: 20,412), equivalent to 0.04% (31 May 2018: 0.04%) of units held in the Trust. Amounts due from or to the Investment Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other Creditors in the notes to the financial statements.

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Europe Select Trust

Distribution tables

Group 1: Units purchased prior to 1 June 2018

Group 2: Units purchased between 1 June 2018 and 30 November 2018

Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	3.5259	0.0000	3.5259	Nil
2	0.0000	3.5259	3.5259	Nil

Barings Europe Select Trust

Distribution tables (continued)

Interim accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	4.0990	0.0000	4.0990	Nil
2	0.0000	4.0990	4.0990	Nil

Interim distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	3.9242	0.0000	3.9242	Nil
2	0.0000	3.9242	3.9242	Nil

Group 1: Units purchased prior to 1 December 2018

Group 2: Units purchased between 1 December 2018 and 31 August 2019

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	17.7647	0.0000	17.7647	21.8958
2	0.0000	17.7647	17.7647	21.8958

Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	Nil	Nil	Nil	13.8851
2	Nil	Nil	Nil	13.8851

Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paide	2018 Distribution Paid
1	8.2284	0.0000	8.2284	27.2899
2	4.6296	3.5988	8.2284	27.2899

Barings Europe Select Trust

Distribution tables (continued)

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	27.4974	0.0000	27.4974	36.3301
2	14.7119	12.7855	27.4974	36.3301

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	61.0042	0.0000	61.0042	54.4617
2	35.8374	25.1668	61.0042	54.4617

Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	69.9210	0.0000	69.9210	64.6800
2	10.4967	59.4243	69.9210	64.6800

Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	67.2628	0.0000	67.2628	62.7810
2	27.0548	40.2080	67.2628	62.7810

* The accounting year end date was changed from 31 May to 31 August.

Barings German Growth Trust

Investment objective and policy

The investment objective of Barings German Growth Trust (the "Trust") is to achieve long-term capital growth by investing in Germany.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Germany, or quoted or traded on the stock exchanges in Germany.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Germany as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the HDAX® (Total Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the stock market index in Germany.

How the Trust is managed

The Investment Manager adopts a "bottom-up" approach to investing in the Trust. This means that the Investment Manager focuses more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. The Manager believes it is possible to find investment opportunities in German companies that, due to technological or market leadership, are growing rapidly, even though they operate in sectors that may not have a favourable outlook. The Manager also believes it is possible to find companies with excellent prospects in strong-performing areas of the market, which have been overlooked by the broader market. This is why the Manager believes it is important to focus on company fundamentals rather than macroeconomic trends.

Risk profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings German Growth Trust

The Trust at a glance on 31 August 2019

Total Trust size		€448.15 million
OCF*	**31/08/2019**	**15/05/2018**
Class A GBP Acc	1.57%	1.56%
Class A GBP Inc	1.57%	1.56%
Class A EUR Acc	1.57%	1.56%
Class A EUR Inc	1.57%	1.56%
Class A USD Acc	1.57%	1.56%
Class A USD Hedged Acc	1.57%	1.56%
Class A RMB Hedged Acc	1.57%	1.56%
Class I GBP Acc	0.82%	0.81%
Class I GBP Inc	0.82%	0.81%
Class I GBP Hedged Acc	0.82%	0.81%
Class I EUR Acc	0.82%	0.81%
Class I EUR Inc	0.82%	0.81%
Class I USD Acc	0.82%	0.81%
	Initial charge	**Annual charge**
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A EUR Acc	up to 5.00%	1.50%
Class A EUR Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class A USD Hedged Acc	up to 5.00%	1.50%
Class A RMB Hedged Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I GBP Hedged Acc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
Class I USD Acc	Nil	0.75%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A EUR Acc	€ 5,000	€ 1,000
Class A EUR Inc	€ 5,000	€ 1,000
Class A USD Acc	US$5,000	US$2,500
Class A USD Hedged Acc	US$5,000	US$2,500
Class A RMB Hedged Acc	US$5,000	US$2,500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	€ 1,000
Class I GBP Hedged Acc	£10,000,000	£500
Class I EUR Acc	€ 10,000,000	€ 1,000
Class I EUR Inc	€ 10,000,000	US$2,500
Class I USD Acc	US$10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges.

Barings German Growth Trust

The Trust at a glance on 31 August 2019 (continued)

Price per unit	(pence/cents per unit)
Class A GBP Acc	818.90p
Class A GBP Inc	739.60p
Class A EUR Acc	903.40c
Class A EUR Inc	812.60c
Class A USD Acc	997.10c
Class A USD Hedged Acc	106.10c
Class A RMB Hedged Acc	RMB71.68
Class I GBP Acc	859.70p
Class I GBP Inc	742.10p
Class I GBP Hedged Acc	837.30p
Class I EUR Acc	948.70c
Class I EUR Inc	794.40c
Class I USD Acc	103.00c

Barings German Growth Trust

Trust information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2019 (p)	15/05/2018 (p)	15/05/2017 (p)	31/08/2019 (p)	15/05/2018 (p)	15/05/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	928.87	845.72	605.53	838.93	765.56	551.69
Return before operating charges	(92.26)	97.19	251.32	(83.34)	88.06	228.97
Operating charges	(19.07)	(14.04)	(11.13)	(17.22)	(12.72)	(10.12)
Return after operating charges	(111.33)	83.15	240.19	(100.56)	75.34	218.85
Distributions	(4.21)	(1.96)	(5.74)	(3.89)	(1.97)	(4.98)
Retained distributions on accumulation units	4.21	1.96	5.74	–	–	–
Closing net asset value per unit	817.54	928.87	845.72	734.48	838.93	765.56
after direct transaction costs of*	0.38	0.52	0.82	0.34	0.47	0.75
Performance						
Return after charges	(11.99)%	9.83%	39.67%	(11.99)%	9.84%	39.67%
Other information						
Closing net asset value ('000)	£70,879	£108,935	£101,768	£482	£774	£697
Closing number of units	8,669,792	11,727,727	12,033,262	65,561	92,232	91,029
Operating charges	1.57%	1.56%	1.56%	1.57%	1.56%	1.56%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	936.90	980.20	846.40	846.20	887.30	771.10
Lowest unit price	708.50	830.70	587.90	639.90	752.00	535.80

	Class A EUR Acc - Accumulation units			Class A EUR Inc - Distribution units		
	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	1,055.51	996.90	769.20	949.44	900.36	699.90
Return before operating charges	(134.54)	76.80	243.14	(121.03)	69.50	221.42
Operating charges	(19.03)	(18.19)	(15.44)	(17.07)	(16.49)	(14.23)
Return after operating charges	(153.57)	58.61	227.70	(138.10)	53.01	207.19
Distributions	(4.71)	(2.68)	(6.66)	(4.25)	(3.93)	(6.73)
Retained distributions on accumulation units	4.71	2.68	6.66	–	–	–
Closing net asset value per unit	901.94	1,055.51	996.90	807.09	949.44	900.36
after direct transaction costs of*	0.38	0.59	0.97	0.34	0.54	0.89
Performance						
Return after charges	(14.55)%	5.88%	29.60%	(14.55)%	5.89%	29.59%
Other information						
Closing net asset value ('000)	€187,926	€264,134	€216,856	€2,399	€2,936	€1,044
Closing number of units	20,835,804	25,024,307	21,752,957	297,194	309,265	115,936
Operating charges	1.57%	1.56%	1.56%	1.57%	1.56%	1.56%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	1,068.00	1,117.00	997.70	960.40	1,009.00	908.00
Lowest unit price	785.80	956.60	712.10	706.90	864.00	648.00

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 16 May to 31 August. For previous periods, they relate to the accounting period from 16 May to 15 May.

	Class A USD Acc - Accumulation units			Class A USD Hedged Acc - Accumulation units		
	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	1,257.98	1,093.32	875.52	1,193.42	1,103.32	837.73
Return before operating charges	(243.27)	190.54	239.11	(115.09)	114.24	283.75
Operating charges	(19.22)	(25.88)	(18.31)	(19.24)	(24.14)	(18.16)
Return after operating charges	(262.49)	164.66	220.80	(134.33)	90.10	265.59
Distributions	(5.07)	(5.39)	(6.66)	(4.69)	(4.47)	(6.64)
Retained distributions on accumulation units	5.07	5.39	6.66	4.69	4.47	6.64
Closing net asset value per unit	995.49	1,257.98	1,093.32	1,059.09	1,193.42	1,103.32
after direct transaction costs of*	0.38	0.71	1.05	0.38	0.66	1.04
Performance						
Return after charges	(20.87)%	15.06%	25.31%	(11.26)%	8.16%	31.71%
Other information						
Closing net asset value ('000)	$7,583	$24,492	$6,654	$18,601	$58,295	$20,694
Closing number of units	761,750	1,946,941	608,587	1,756,346	4,884,747	1,875,638
Operating charges	1.57%	1.56%	1.56%	1.57%	1.56%	1.56%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	1,262.00	1,378.00	1,095.00	1,208.00	1,253.00	1,105.00
Lowest unit price	894.70	1,083.00	788.00	904.60	1,064.00	778.00

	Class A CHF Hedged Acc - Accumulation units			Class A RMB Hedged Acc - Accumulation units		
	31/08/2019 (CHF)	15/05/2018 (CHF)	15/05/2017 (CHF)	31/08/2019 (RMB)	15/05/2018 (RMB)	15/05/2017 (RMB)
Change in net assets per unit						
Opening net asset value per unit	–	10.17	7.90	80.23	72.96	53.59
Return before operating charges	–	0.42	15.04	10.32	124.71	109.14
Operating charges[1]	–	(10.59)	(12.77)	(18.98)	(117.44)	(89.77)
Return after operating charges	–	10.17	2.27	(8.66)	7.27	19.37
Distributions	–	–	(0.07)	(0.42)	(0.51)	–
Retained distributions on accumulation units	–	–	0.07	0.42	0.51	–
Closing net asset value per unit	–	–	10.17	71.57	80.23	72.96
after direct transaction costs of*	–	0.42	0.94	0.38	4.34	6.62
Performance						
Return after charges	–%	–%	28.75%	(10.79)%	9.96%	36.15%
Other information						
Closing net asset value ('000)	–	–	CHF23	RMB5,895	RMB6,355	RMB1,296
Closing number of units	–	–	2,267	82,373	79,211	17,757
Operating charges	–%	1.44%	1.56%	1.57%	1.56%	1.56%
Direct transaction costs	0.00%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	–	11.35	9.30	81.33	83.87	73.02
Lowest unit price	–	9.74	6.75	61.30	70.80	49.90

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 16 May to 31 August. For previous periods, they relate to the accounting period from 16 May to 15 May.

Trust information (continued)

	Class I GBP Acc - Accumulation units			Class I GBP Inc - Distribution units		
	31/08/2019 (p)	15/05/2018 (p)	15/05/2017 (p)	31/08/2019 (p)	15/05/2018 (p)	15/05/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	965.49	872.45	619.98	833.39	760.41	547.51
Return before operating charges	(96.78)	100.62	258.42	(83.41)	87.77	228.26
Operating charges	(10.43)	(7.58)	(5.95)	(9.05)	(6.59)	(5.25)
Return after operating charges	(107.21)	93.04	252.47	(92.46)	81.18	223.01
Distributions	(13.14)	(9.43)	(11.42)	(11.33)	(8.20)	(10.11)
Retained distributions on accumulation units	13.14	9.43	11.42	–	–	–
Closing net asset value per unit	858.28	965.49	872.45	729.60	833.39	760.41
after direct transaction costs of*	0.40	0.54	0.85	0.34	0.47	0.75
Performance						
Return after charges	(11.10)%	10.66%	40.72%	(11.09)%	10.68%	40.73%
Other information						
Closing net asset value ('000)	£107,137	£196.106	£121,407	£20,042	£62,444	£50,532
Closing number of units	12,482,677	20,311,551	13,915,692	2,747,024	7,492,734	6,645,370
Operating charges	0.82%	0.81%	0.81%	0.82%	0.81%	0.81%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	973.90	1,017.00	886.00	840.70	885.90	771.10
Lowest unit price	740.00	857.00	602.40	638.90	747.00	532.10

	Class I GBP Hedged Acc - Accumulation units			Class I EUR Acc - Accumulation units		
	31/08/2019 (p)	15/05/2018 (p)	15/05/2017 (p)	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	954.93	890.81	827.20	1,098.01	1,029.03	788.09
Return before operating charges	(108.68)	71.62	70.65	(140.36)	78.80	249.11
Operating charges	(10.31)	(7.50)	(7.04)	(10.45)	(9.83)	(8.17)
Return after operating charges	(118.99)	64.12	63.61	(150.81)	68.98	240.94
Distributions	(13.35)	(9.66)	(11.63)	(14.48)	(10.93)	(13.44)
Retained distributions on accumulation units	13.35	9.66	11.63	14.48	10.93	13.44
Closing net asset value per unit	835.94	954.93	890.81	947.20	1,098.01	1,029.03
after direct transaction costs of*	0.39	0.53	1.00	0.40	0.61	0.99
Performance						
Return after charges	(12.46)%	7.20%	7.69%	(13.73)%	6.70%	30.58%
Other information						
Closing net asset value ('000)	£740	£1,876	£167	€13,542	€32,595	€15,886
Closing number of units	88,542	196,485	18,778	1,429,644	2,967,601	1,543,807
Operating charges	0.82%	0.81%	0.81%	0.82%	0.81%	0.81%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	966.30	1,007.00	891.00	1,111.00	1,159.00	1,030.00
Lowest unit price	719.30	857.20	826.20	821.10	989.00	730.00

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above are for the accounting period from 16 May to 31 August. For previous periods, they relate to the accounting period from 16 May to 15 May.

Trust information (continued)

	Class I EUR Inc - Distribution units			Class I USD Acc - Accumulation units		
	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)	31/08/2019 (c)	15/05/2018 (c)	15/05/2017 (c)
Change in net assets per unit						
Opening net asset value per unit	957.29	905.91	700.00	1,286.61	1,110.00	870.00
Return before operating charges	(155.31)	69.02	226.46	(245.82)	190.22	249.78
Operating charges	(8.88)	(8.63)	(8.26)	(10.79)	(13.62)	(9.78)
Return after operating charges	(164.19)	–	218.20	(256.61)	176.61	240.00
Distributions	(6.30)	(9.02)	(12.29)	(15.90)	(12.67)	(14.69)
Retained distributions on accumulation units	–	–	–	15.90	12.67	14.69
Closing net asset value per unit	786.80	957.29	905.91	1,030.00	1,286.61	1,110.00
after direct transaction costs of*	0.34	0.54	1.00	0.41	0.72	1.08
Performance						
Return after charges	(17.15)%	6.67%	31.17%	(19.94)%	15.91%	27.59%
Other information						
Closing net asset value ('000)	€35	€26	€9	$–	$121	$–
Closing number of units	4,420	2,710	944	10	9,428	10
Operating charges	0.82%	0.81%	0.81%	0.82%	0.81%	0.81%
Direct transaction costs	0.04%	0.06%	0.12%	0.04%	0.06%	0.12%
Prices**						
Highest unit price	969.00	1,020.00	919.00	1,290.00	1,406.00	1,111.00
Lowest unit price	688.00	871.00	652.10	918.80	1,100.00	794.00

*The Class A CHF Hedged Acc unit class was closed 17 April 2018.

**Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

***High/low prices included in the table above for the current accounting period are from 16 May to 31 August. For previous periods, they relate to the accounting period from 16 May to 15 May.

Barings German Growth Trust

Report of the Investment Manager

Investment Report

Performance

During the reporting period from 16 May 2018 to 31 August 2019, the Barings German Growth Trust ("the Trust") produced an absolute net return for Class A EUR Acc of -14.53% compared with a return of -5.65% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class A EUR Acc were 12.03% and 31.84% respectively compared with the return of the performance comparator over the same periods of 18.26% and 36.49% respectively.

Of the stocks held by the Trust, fashion retailer Tom Tailor was a significant detractor from relative performance as the company was blocked from disposing of a severely loss-making subsidiary, we subsequently exited this holding. Shares in automotive cable and wiring system specialist Leoni were weak after a profit warning citing problems in its Mexican plant, poor operating performance and a downturn in the wider market. Schaeffler, a manufacturer of components for the automotive and industrial sectors, was also weak as automotive companies generally fell out of favour with investors amid ongoing trade disputes; conversely, our decision not to hold shares in automotive companies held in the comparator index, such as BMW, Daimler and Volkswagen, benefitted relative performance. Meanwhile, our decision not to hold shares in benchmark stocks that performed well, including Adidas and Linde, also detracted from relative performance.

On the positive side, aerospace and defence company Airbus was the top contributor to relative returns due to much better than expected operational performance. Small cap isotope technology specialist Eckert & Ziegler also saw strong performance due to dramatic growth in its radiopharmaceuticals franchise. Wirecard, Evotec and Nabaltec also saw continued strong growth accompanied by positive share price performance in a period when the market declined overall.

The top ten purchases and sales during the period were as follows:

Purchases	Costs €'000	Sales	Proceeds €'000
Deutsche Telekom	38,803	Bayer	61,522
Bayer	18,898	Allianz	39,997
Allianz	11,211	BASF	31,476
Siemens	10,295	Muenchener Rueckversicherungs-Gesellschaftin Muenchen	29,154
Airbus	9,949	Siemens	29,085
Wirecard	9,917	SAP	27,170
Lanxess	6,584	Continental	18,006
Fresenius	6,539	Airbus	12,152
Muenchener Rueckversicherungs-Gesellschaftin Muenchen	6,298	Deutsche Telekom	12,074
RWE	6,051	Rheinmetall	10,147

Market outlook

Macro-level and political challenges identified at the beginning of the year remain unresolved. While the Sino-U.S. trade war continues it creates significant uncertainty in global markets: an escalation would certainly be negative for equity markets however a de-escalation would provide a significant boost. In the U.K., there is still little clarity on Britain's future trading relationship with the European Union, with Britain's major political parties in disagreement on how best to withdraw. A no-deal "Brexit" is likely to have a significant negative impact on markets due to its implications on trade; on the other hand, if a deal is reached or the UK reverses course and decides to stay in the European Union, disruption would be limited which would be positive for markets. If we see progress in US-China trade negotiations in the coming months this should, we believe, lead to a resurgence in earnings momentum. In this scenario, given the cyclicality of the German equity market, we believe earnings in Germany will grow at a faster rate than elsewhere. Additionally, further progress in Brexit negotiations should alleviate pressures on the trading environment for German exporters and lead to positive earnings revisions, in our view.

Report of the Investment Manager (continued)

Market outlook (continued)

Overall, we continue to believe in the positive stock selection opportunities among German equities over the medium to long-term, as the underlying business fundamentals enjoyed by German companies continue to look strong.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings German Growth Trust

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings German Growth Trust (the "Trust") and of its net revenue and net capital gains for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Barings German Growth Trust

Directors' statement

The financial statements on pages 143 to 160 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings German Growth Trust

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Investment Funds: 6.01% (2.15%)		
27,630,010	Northern Trust Global Funds - Euro Liquidity Fund†	26,919,918	6.01
4,000	Northern Trust Global Funds - US Dollar Fund†	3,623	–
		26,923,541	**6.01**
	Equities: 94.28% (98.13%)		
	Consumer Discretionary: 10.60% (11.69%)		
304,989	Adler Modemaerkte	936,316	0.21
157,258	EDAG Engineering	1,610,322	0.36
56,698	Einhell	2,993,654	0.67
100,149	Grammer	3,505,215	0.78
81,018	HELMA Eigenheimbau	3,167,804	0.71
333,580	Polytec	2,748,699	0.61
284,597	SAF-Holland	2,382,077	0.53
352,225	Schaeffler	2,129,552	0.48
526,738	Sporttotal	584,679	0.13
78,810	Stroeer	5,418,188	1.21
747,170	TUI	6,820,168	1.52
86,569	Wirecard	12,634,746	2.82
145,920	Zeal Network	2,553,600	0.57
		47,485,020	**10.60**
	Financials: 7.20% (12.08%)		
154,077	Allianz	31,000,292	6.92
119,135	DFV Deutsche Familienversicherung	1,257,113	0.28
		32,257,405	**7.20**
	Health Care: 6.92% (13.01%)		
933,368	AAP Implantate	841,898	0.19
89,678	CompuGroup Medical	4,717,063	1.05
52,001	Dermapharm	1,645,312	0.37
23,292	Eckert & Ziegler	3,670,819	0.82
330,880	Evotec	6,596,093	1.47
168,705	Haemato	497,680	0.11
304,989	M1 Kliniken	3,705,616	0.83
343,110	MagForce	1,526,839	0.34
144,821	Medios	2,440,234	0.55
743,306	MPH Mittelstaendische Pharma	2,884,027	0.64
548,024	Paion	1,271,416	0.28
98,986	Vita 34	1,227,426	0.27
		31,024,423	**6.92**
	Industrials: 28.17% (25.45%)		
309,133	Airbus	38,950,758	8.69
48,084	Akasol	1,971,684	0.44
104,840	Bauer	2,096,800	0.47
137,530	Befesa	4,208,418	0.94
597,707	Deutsche Post	17,946,153	4.00
399,995	Deutz	2,151,973	0.48
42,824	Dr Hoenle	2,044,846	0.46
595,566	Francotyp-Postalia	2,054,703	0.46
57,323	Frequentis	923,015	0.21
31,625	Hochtief	3,162,500	0.71
83,390	JOST Werke	2,218,174	0.49

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Equities: 94.28% (98.13%) (continued)		
	Industrials: 28.17% (25.45%) (continued)		
69,888	KION	3,088,351	0.69
47,653	Koenig & Bauer	1,492,492	0.33
80,241	Rheinmetall	8,653,992	1.93
287,810	Siemens	26,164,807	5.84
209,678	Singulus Technologies	1,113,390	0.25
33,838	Sixt	2,020,129	0.45
137,105	Steico	3,167,125	0.71
136,810	Technotrans	2,797,764	0.62
		126,227,074	**28.17**
	Information Technology: 21.22% (18.58%)		
26,076	Adesso	1,295,977	0.29
103,665	Allgeier	2,228,797	0.50
65,038	Cancom	3,521,808	0.79
118,613	Cyan	2,514,596	0.56
52,788	DataSE	2,388,657	0.53
110,518	Elmos Semiconductor	2,718,743	0.61
204,913	GFT Technologies	1,313,492	0.29
2,478,025	Gigaset	889,611	0.20
23,829	GK Software	1,410,677	0.31
623,702	Infineon Technologies	9,814,575	2.19
67,762	Jenoptik	1,480,600	0.33
338,867	LPKF Laser & Electronics	2,900,701	0.65
254,258	Mobotix	2,072,203	0.46
79,818	NorCom Information Technology	1,270,703	0.28
142,961	PSI Software	2,466,077	0.55
166,789	PVA TePla	1,888,051	0.42
317,541	S&T	6,039,630	1.35
388,225	SAP	42,448,521	9.47
66,636	Siltronic	3,931,524	0.88
142,961	Softing	1,003,586	0.22
42,928	Traffic Systems	841,389	0.19
76,544	Viscom	669,760	0.15
		95,109,678	**21.22**
	Materials: 11.88% (15.75%)		
95,308	AlzChem	1,810,852	0.40
87,385	Aurubis	3,470,058	0.78
170,907	BASF	10,322,783	2.30
184,435	BRAIN Biotechnology Research & Information Network	1,534,499	0.34
157,223	Evonik Industries	3,638,140	0.81
204,933	HeidelbergCement	12,988,654	2.90
94,246	Ibu-Tec Advanced Materials	1,347,718	0.30
231,682	Lanxess	12,751,777	2.85
128,666	Nabaltec	4,361,778	0.97
59,421	Nanogate	1,022,041	0.23
		53,248,300	**11.88**
	Telecommunications: 6.75% (1.57%)		
1,850,761	Deutsche Telekom	28,153,776	6.28

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Equities: 94.28% (98.13%) (continued)		
	Telecommunications: 6.75% (1.57%) (continued)		
117,405	Freenet	2,089,809	0.47
		30,243,585	**6.75**
	Utilities: 1.54% (0.00%)		
266,608	RWE	**6,913,146**	**1.54**
	Forward Currency Contracts: 0.06% (-0.02%)		
EUR (17,157,242)	Sold EUR, bought USD 19,246,428 for settlement 16/09/2019 (State Street)	256,003	0.06
EUR (918,172)	Sold EUR, bought GBP 847,242 for settlement 16/09/2019 (State Street)	15,869	–
USD (112,304)	Sold USD, bought EUR 101,618 for settlement 16/09/2019 (State Street)	9,762	–
EUR (768,397)	Sold EUR, bought CNH 6,106,564 for settlement 16/09/2019 (State Street)	4,108	–
EUR (511,993)	Sold EUR, bought USD 568,458 for settlement 16/09/2019 (State Street)	2,321	–
GBP (18,323)	Sold GBP, bought EUR 20,201 for settlement 16/09/2019 (State Street)	1,926	–
EUR (97,573)	Sold EUR, bought USD 109,454 for settlement 16/09/2019 (State Street)	1,456	–
EUR (12,900)	Sold EUR, bought GBP 11,902 for settlement 16/09/2019 (State Street)	222	–
EUR (25,164)	Sold EUR, bought GBP 22,995 for settlement 16/09/2019 (State Street)	186	–
EUR (8,406)	Sold EUR, bought GBP 7,760 for settlement 16/09/2019 (State Street)	149	–
CNH (170,882)	Sold CNH, bought EUR 21,756 for settlement 16/09/2019 (State Street)	139	–
CNH (201,602)	Sold CNH, bought EUR 25,618 for settlement 16/09/2019 (State Street)	114	–
EUR (6,810)	Sold EUR, bought GBP 6,254 for settlement 16/09/2019 (State Street)	85	–
EUR (6,816)	Sold EUR, bought GBP 6,250 for settlement 16/09/2019 (State Street)	75	–
EUR (16,933)	Sold EUR, bought USD 18,795 for settlement 16/09/2019 (State Street)	72	–
EUR (2,118)	Sold EUR, bought USD 2,378 for settlement 16/09/2019 (State Street)	34	–
EUR (2,877)	Sold EUR, bought USD 3,202 for settlement 16/09/2019 (State Street)	20	–
EUR (452)	Sold EUR, bought GBP 420 for settlement 16/09/2019 (State Street)	11	–
EUR (1,081)	Sold EUR, bought USD 1,201 for settlement 16/09/2019 (State Street)	5	–
EUR (59)	Sold EUR, bought GBP 55 for settlement 16/09/2019 (State Street)	1	–
GBP (42)	Sold GBP, bought EUR 46 for settlement 16/09/2019 (State Street)	–	–

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Forward Currency Contracts: 0.06% (-0.02%)		
EUR (8)	Sold EUR, bought GBP 8 for settlement 16/09/2019 (State Street)	–	–
GBP (4,608)	Sold GBP, bought EUR 5,080 for settlement 16/09/2019 (State Street)	–	–
GBP (8,158)	Sold GBP, bought EUR 8,982 for settlement 16/09/2019 (State Street)	(12)	–
USD (3,235)	Sold USD, bought EUR 2,885 for settlement 16/09/2019 (State Street)	(42)	–
GBP (2,007)	Sold GBP, bought EUR 2,164 for settlement 16/09/2019 (State Street)	(48)	–
USD (36,556)	Sold USD, bought EUR 33,022 for settlement 16/09/2019 (State Street)	(52)	–
GBP (13,298)	Sold GBP, bought EUR 14,584 for settlement 16/09/2019 (State Street)	(75)	–
USD (21,341)	Sold USD, bought EUR 19,223 for settlement 16/09/2019 (State Street)	(85)	–
CNH (137,661)	Sold CNH, bought EUR 17,320 for settlement 16/09/2019 (State Street)	(95)	–
USD (45,502)	Sold USD, bought EUR 41,055 for settlement 16/09/2019 (State Street)	(114)	–
USD (24,233)	Sold USD, bought EUR 21,787 for settlement 16/09/2019 (State Street)	(139)	–
EUR (22,499)	Sold EUR, bought CNH 176,625 for settlement 16/09/2019 (State Street)	(155)	–
USD (77,807)	Sold USD, bought EUR 70,201 for settlement 16/09/2019 (State Street)	(195)	–
USD (14,214)	Sold USD, bought EUR 12,664 for settlement 16/09/2019 (State Street)	(196)	–
GBP (22,075)	Sold GBP, bought EUR 24,054 for settlement 16/09/2019 (State Street)	(283)	–
GBP (15,969)	Sold GBP, bought EUR 17,308 for settlement 16/09/2019 (State Street)	(297)	–
USD (81,948)	Sold USD, bought EUR 73,701 for settlement 16/09/2019 (State Street)	(441)	–
GBP (25,849)	Sold GBP, bought EUR 28,012 for settlement 16/09/2019 (State Street)	(485)	–
USD (31,546)	Sold USD, bought EUR 28,057 for settlement 16/09/2019 (State Street)	(485)	–
USD (49,439)	Sold USD, bought EUR 44,230 for settlement 16/09/2019 (State Street)	(500)	–
USD (45,281)	Sold USD, bought EUR 40,415 for settlement 16/09/2019 (State Street)	(553)	–
GBP (26,759)	Sold GBP, bought EUR 28,832 for settlement 16/09/2019 (State Street)	(668)	–
GBP (42,198)	Sold GBP, bought EUR 45,479 for settlement 16/09/2019 (State Street)	(1,042)	–
USD (551,347)	Sold USD, bought EUR 495,165 for settlement 16/09/2019 (State Street)	(3,667)	–

Barings German Growth Trust

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Forward Currency Contracts: 0.06% (-0.02%)		
USD (650,345)	Sold USD, bought EUR 580,357 for settlement 16/09/2019 (State Street)	(8,044)	–
		274,885	**0.06**
	Portfolio of investments: 100.35% (100.26%)	**449,707,057**	**100.35**
	Net other liabilities	(1,553,125)	(0.35)
	Net assets	**448,153,932**	**100.00**

† Units in Investment Funds. Uninvested cash from the Trust is swept into these funds daily.

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 15 May 2018.

Independent auditors' report to the unitholders of Barings German Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, Barings German Growth Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 31 August 2019 and of the net revenue and the net capital losses on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 144); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 143); the distribution tables (pages 158 to 160); and the notes to the financial statements (pages 145 to 157), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Trust's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than each of the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of this other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings German Growth Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 132, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings German Growth Trust

Statement of total return

for the period from 16 May 2018 to 31 August 2019

	Notes	16/05/2018 to 31/08/2019* €'000	€'000	16/05/2017 to 15/05/2018 €'000	€'000
Income					
Net capital (losses)/gains	2		**(107,159)**		35,267
Revenue	3	**16,529**		15,216	
Expenses	4	**(9,305)**		(9,012)	
Interest payable and other similar charges	5	**(27)**		(1)	
Net revenue before taxation		**7,197**		6,203	
Taxation	6	**(2,240)**		(1,900)	
Net revenue after taxation			**4,957**		4,303
Total return before distributions			**(102,202)**		39,570
Distributions	7		**(4,962)**		(4,304)
Change in net assets attributable to unitholders from investment activities			**(107,164)**		35,266

Statement of change in net assets attributable to unitholders

for the period from 16 May 2018 to 31 August 2019

		16/05/2018 to 31/08/2019* €'000	€'000	16/05/2017 to 15/05/2018 €'000	€'000
Opening net assets attributable to unitholders			**790,575**		582,495
Amounts receivable on issue of units		**116,641**		483,255	
Amounts payable on cancellation of units		**(330,047)**		(314,172)	
Amounts payable on in-specie transactions		**(25,453)**		**–**	
			(238,859)		169,083
Dilution adjustment			**75**		–
Changes in net assets attributable to unitholders from investment activities			**(107,164)**		35,266
Retained distribution on accumulation units	7		**3,527**		3,731
Closing net assets attributable to unitholders			**448,154**		790,575

* The accounting year end date was changed from 15 May to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings German Growth Trust

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* €'000	15/05/2018 €'000
Assets			
Investment assets		**449,725**	792,819
Current assets:			
Debtors	9	**627**	6,678
Cash and bank balances	10	**24**	48
Total assets		**450,376**	799,545
Liabilities			
Creditors:			
Investment liabilities		**(18)**	(173)
Distribution payable on income units	7	**(359)**	(713)
Other creditors	11	**(1,845)**	(8,084)
Total liabilities		**(2,222)**	(8,970)
Net assets attributable to unitholders		**448,154**	790,575

* The accounting year end date was changed from 15 May to 31 August.

Notes to the financial statements

for the period from 16 May 2018 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2019, there were no stock dividends on the Trust.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

2. Net capital (losses)/gains

The net capital (losses)/gains during the period comprise:

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Non-derivative securities	**(110,664)**	36,785
Currency gains	**182**	47
Forward currency contracts	**3,351**	(1,544)
Transaction charges	**(28)**	(21)
Net capital (losses)/gains on investments	**(107,159)**	35,267

3. Revenue

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Bank interest	**26**	1
Offshore CIS interest revenue	**23**	–
Overseas dividends	**16,480**	15,193
	16,529	15,216

4. Expenses

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**8,896**	8,634
	8,896	8,634
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**135**	127
Safe custody charges	**57**	61
	192	188
Other expenses:		
Administration fees	**4**	–
Audit fees	**10**	10
Professional fees	**25**	29
PRS fees	**21**	–
Registrar and transfer agency fees	**145**	147
Standing charges	**4**	3
Taxation fees*	**8**	1
	217	190
Total expenses	**9,305**	9,012

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Interest expenses	**27**	1
	27	1

6. Taxation

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
a) Analysis of tax charges for the period/year:		
Overseas withholding tax	**2,240**	1,900
Current tax charge (note 6b)	**2,240**	1,900

6. Taxation (continued)

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is higher (15 May 2018: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (15 May 2018: 20%). The differences are explained below:

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Net revenue before taxation	**7,197**	6,203
Corporation tax at 20%	**1,439**	1,241
Effects of:		
Overseas withholding tax	**2,240**	1,900
Excess management expenses not utilised	**1,857**	1,798
Non taxable overseas dividends	**(3,296)**	(3,327)
Taxation due to timing difference	**–**	288
Total tax charge for the period/year (note 6a)	**2,240**	1,900

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of €15,507,175 (15 May 2018: €13,650,546) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Final Distribution	**359**	713
Final Accumulation	**3,527**	3,731
	3,886	4,444
Add: Revenue deducted on cancellation of units	**1,530**	148
Add: Revenue deducted on in-specie transactions	**44**	–
Deduct: Revenue received on issue of units	**(498)**	(288)
Total distributions	**4,962**	4,304

Details of the distributions per unit are set out in the Distribution Tables on pages 158 to 160.

Distributions payable at the period end of €359,047 (15 May 2018: €712,550) are disclosed in the Balance Sheet on page 144.

8. Movement between net revenue and distributions

	16/05/2018 to 31/08/2019 €'000	16/05/2017 to 15/05/2018 €'000
Net revenue after taxation	**4,957**	4,303
Equalisation on conversions	**5**	1
	4,962	4,304

9. Debtors

	31/08/2019 €'000	15/05/2018 €'000
Accrued revenue	**–**	75
Amount receivable for creation of units	**284**	4,133
Currency deals awaiting settlement	**10**	1
Overseas tax recoverable	**187**	2,252
Sales awaiting settlement	**146**	217
	627	6,678

10. Cash and bank balances

	31/08/2019 €'000	15/05/2018 €'000
Bank overdraft	**(4,287)**	(18,338)
Cash and bank balances	**4,311**	18,386
	24	48

11. Other creditors

	31/08/2019 €'000	15/05/2018 €'000
Accrued expenses	**591**	1,321
Amounts payable for cancellation of units	**1,254**	6,191
Purchases awaiting settlement	**–**	572
	1,845	8,084

12. Contingent liabilities

There were no contingent liabilities at the period-end date (15 May 2018: £nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

14. Financial instruments

In pursuing its investment objective set out on page 124, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (15 May 2018: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €22.485 million (15 May 2018: €39.640 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than euro, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into euro on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Trust. This increases the exposure of the Trust to exchange rate movements and may significantly affect the returns of the Trust.

15. Risks of financial instruments (continued)

At the period-end date, a proportion of the net assets of the Trust were denominated in currencies other than euro with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments €'000	**Net other assets €'000**	**Total €'000**
Chinese yuan renminbi	**730**	**–**	**730**
Swiss franc	**–**	**2**	**2**
US dollar	**16,483**	**10**	**16,493**
Sterling	**800**	**(1,760)**	**(960)**
	18,013	**(1,748)**	**16,265**

Currency exposure for the year ended 15 May 2018:

	Portfolio of investments €'000	Net other assets €'000	Total €'000
US dollar	5,451	10	5,461
Sterling	549	4,361	4,910
	6,000	4,371	10,371

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of the euro increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €0.163 million (15 May 2018: €0.104 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

15. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2019 €'000	**Fixed rate 31/08/2019 €'000**	**Non-interest bearing 31/08/2019 €'000**	**Total 31/08/2019 €'000**
Portfolio of investments	**27,217**	**–**	**422,508**	**449,725**
Cash at bank	**24**	**–**	**–**	**24**
Other assets	**–**	**–**	**627**	**627**
Liabilities	**(18)**	**–**	**(2,204)**	**(2,222)**
	27,223	**–**	**420,931**	**448,154**

	Floating rate 15/05/2018 €'000	Fixed rate 15/05/2018 €'000	Non-interest bearing 15/05/2018 €'000	Total 15/05/2018 €'000
Portfolio of investments	16,977	–	775,842	792,819
Cash at bank	48	–	–	48
Other assets	–	–	6,678	6,678
Liabilities	(173)	–	(8,797)	(8,970)
	16,852	–	773,723	790,575

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2019 (15 May 2018: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. All currency contracts are held with State Street.

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets	**€'000**	**€'000**	**€'000**	**€'000**
Equities	**422,509**	**–**	**–**	**422,509**
Forward Currency Contracts	**–**	**293**	**–**	**293**
Investment Funds	**–**	**26,923**	**–**	**26,923**
	422,509	**27,216**	**–**	**449,725**
Financial Liabilities				
Forward Currency Contracts	**–**	**(18)**	**–**	**(18)**
	–	**(18)**	**–**	**(18)**

Valuation technique for the year ended 15 May 2018:

	Level 1	Level 2	Level 3	Total
Financial Assets	€'000	€'000	€'000	€'000
Equities	775,843	–	–	775,843
Forward Currency Contracts	–	6	–	6
Investment Funds	–	16,970	–	16,970
	775,843	16,976	–	792,819
Financial Liabilities				
Forward Currency Contracts	–	(173)	–	(173)
	–	(173)	–	(173)

17. Portfolio transaction costs

Analysis of total purchase costs:	**16/05/2018 to 31/08/2019 €'000**	16/05/2017 to 15/05/2018 €'000
Purchases before transaction costs*	**186,247**	367,940
Corporate Actions	**15,630**	–
Commissions:		
Equities total value paid	**95**	283
Taxes:		
Equities total value paid	**–**	–
Total transaction costs	**95**	283
Gross purchases total	**201,972**	368,223

Analysis of total sale costs:	**16/05/2018 to 31/08/2019 €'000**	16/05/2017 to 15/05/2018 €'000
Sales before transaction costs*	**402,500**	180,049
Corporate Actions	**12,827**	–
In-specie transactions	**25,046**	–
Commissions:		
Equities total value paid	**(206)**	(131)
Taxes:		
Equities total value paid	**(1)**	–
Total transaction costs	**(207)**	(131)
Total sales net of transaction costs	**440,166**	179,918

* Not included in 2019 figures are purchases and sales in cash funds totalling €285.59 million and €275.65 million, respectively, where there are no transaction costs applicable. In 2018, purchases and sales in cash funds totalled €399 million and €413.1 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

17. Portfolio transaction costs (continued)

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Analysis of total purchase costs:	**16/05/2018 to 31/08/2019 %**	16/05/2017 to 15/05/2018 %
Commissions:		
Equities percentage of total purchases costs	**0.05**	0.08
Equities percentage of average NAV	**0.02**	–
Taxes:		
Equities percentage of total purchases costs	**0.00**	–
Equities percentage of average NAV	**–**	0.04

Analysis of total sale costs:	**16/05/2018 to 31/08/2019 %**	16/05/2017 to 15/05/2018 %
Commissions:		
Equities percentage of total sales costs	**(0.05)**	(0.07)
Equities percentage of average NAV	**(0.04)**	–
Taxes:		
Equities percentage of total sales costs	**–**	–
Equities percentage of average NAV	**–**	(0.02)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.31% (15 May 2018: 0.16%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has thirteen unit classes: A GBP Inc, A EUR Inc, I EUR Inc, A GBP Acc, I GBP Acc, A USD Acc, A EUR Acc, I EUR Acc, A USD Hedged Acc, A RMB Hedged Acc, I USD Acc, I GBP Hedged Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 125. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 127 to 130. The distribution per unit class is given in the distribution tables on pages 158 to 160. All classes have the same rights on winding up.

	Class A GBP Acc	Class A GBP Inc	Class A EUR Acc
Opening units	11,727,727	92,232	25,024,307
Units created	968,199	5,202	4,104,034
Units liquidated	(3,952,305)	(16,518)	(8,292,537)
Units converted	(73,829)	(15,355)	–
Closing units	**8,669,792**	**65,561**	**20,835,804**

	Class A EUR Inc	Class A USD Acc	Class A USD Hedged Acc
Opening units	309,265	1,946,941	4,884,747
Units created	221,577	412,566	1,078,041
Units liquidated	(233,648)	(1,597,757)	(4,206,442)
Units converted	–	–	–
Closing units	**297,194**	**761,750**	**1,756,346**

	Class A RMB Hedged Acc	Class I GBP Acc	Class I GBP Inc
Opening units	79,211	20,311,551	7,492,734
Units created	31,264	4,106,439	403,342
Units liquidated	(28,102)	(11,996,166)	(5,175,644)
Units converted	–	60,853	26,592
Closing units	**82,373**	**12,482,677**	**2,747,024**

	Class I GBP Hedged Acc	Class I EUR Acc	Class I EUR Inc
Opening units	196,485	2,968,601	2,710
Units created	116,842	771,304	4,410
Units liquidated	(224,785)	(2,310,261)	(2,700)
Units converted	–	–	–
Closing units	**88,542**	**1,429,644**	**4,420**

	Class I USD Acc
Opening units	9,428
Units created	–
Units liquidated	(9,418)
Units converted	–
Closing units	**10**

19. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (15 May 2018: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings German Growth Trust

Distribution tables

Group 1: Units purchased prior to 16 May 2018*

Group 2: Units purchased between 16 May 2018 and 31 August 2019

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	4.2076	0.0000	4.2076	1.9619
2	1.4735	2.7341	4.2076	1.9619

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	3.8872	0.0000	3.8872	1.9666
2	1.5388	2.3484	3.8872	1.9666

Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	4.7100	0.0000	4.7100	2.6776
2	2.2297	2.4803	4.7100	2.6776

Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	4.2486	0.0000	4.2486	3.9300
2	2.0083	2.2403	4.2486	3.9300

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	5.0727	0.0000	5.0727	5.3861
2	2.9424	2.1303	5.0727	5.3861

Distribution tables (continued)

Final accumulation - Class A USD Hedged Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	4.6929	0.0000	4.6929	4.4733
2	1.8913	2.8016	4.6929	4.4733

Final accumulation - Class A RMB Hedged Acc (in RMB per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	0.4184	0.0000	0.4184	0.5139
2	0.1298	0.2886	0.4184	0.5139

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	13.1427	0.0000	13.1427	9.4281
2	8.0592	5.0835	13.1427	9.4281

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	11.3319	0.0000	11.3319	8.2014
2	6.0127	5.3192	11.3319	8.2014

Final accumulation - Class I GBP Hedged Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	13.3540	0.0000	13.3540	9.6580
2	8.5130	4.8410	13.3540	9.6580

Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	14.4812	0.0000	14.4812	10.9331
2	9.0275	5.4537	14.4812	10.9331

Barings German Growth Trust

Distribution tables (continued)

Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	6.3043	0.0000	6.3043	9.0227
2	3.0902	3.2141	6.3043	9.0227

Final accumulation - Class I USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Accumulation Paid	2018 Accumulation Paid
1	15.8997	0.0000	15.8997	12.6725
2	15.8997	0.0000	15.8997	12.6725

* The accounting year end date was changed from 15 May to 31 August.

Barings Japan Growth Trust

Investment objective and policy

The investment objective of Barings Japan Growth Trust (the "Trust") is to achieve capital growth by investing in Japan.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Japan, or quoted or traded on the stock exchanges in Japan.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Japan as well as in fixed-income and cash.

In order to implement the investment policy, the Trust may gain exposure through American depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the Japan (TSE) First Section (Total Gross Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the largest companies in the Japanese stock market.

How the Trust is managed

Baring Asset Management Limited's (the "Investment Manager's") equity investment teams share the philosophy of quality Growth at a Reasonable Price ("GARP"). The Investment Manager considers that long-term earnings growth is the driver of stock market performance and that structured fundamental research and a disciplined investment process combining growth, upside/valuation and quality disciplines can identify attractively priced, growth companies. The Investment Manager also considers that the best way of finding unrecognised growth is to identify quality companies with visibility of earnings over a longer time period of three to five years, especially as market consensus data tends to be only available for shorter term periods. In determining upside, the Investment Manager uses consistent and transparent methods to place emphasis on discounted earnings models.

Risk profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Japan Growth Trust

The Trust at a glance on 31 August 2019

Total Trust size		£22.94 million
OCF*	**31/08/2019**	**31/01/2019**
Class A GBP Acc	1.72%	1.71%
Class I GBP Acc	0.97%	0.96%
Class I GBP Inc	0.97%	0.96%
	Initial charge	**Annual charge**
Class A GBP Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Acc	£1,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges.

Price per unit	(pence per unit)
Class A GBP Acc	220.20p
Class I GBP Acc	228.50p
Class I GBP Inc	221.00p

Barings Japan Growth Trust

Trust information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2019 (p)	31/01/2019 (p)	31/01/2018 (p)	31/08/2019 (p)	31/01/2019 (p)	31/01/2018 (p)
Change in net assets per unit						
Opening net asset value per unit	195.72	215.16	179.31	202.10	220.51	182.36
Return before operating charges	26.40	(15.89)	39.26	27.42	(16.35)	40.15
Operating charges	(2.07)	(3.55)	(3.41)	(1.22)	(2.06)	(2.00)
Return after operating charges	24.33	(19.44)	35.85	26.20	(18.41)	38.15
Distributions	(0.24)	(0.64)	(0.17)	(1.24)	(2.28)	(1.75)
Retained distributions on accumulation units	0.24	0.64	0.17	1.24	2.28	1.75
Closing net asset value per unit	220.05	195.72	215.16	228.30	202.10	220.51
after direct transaction costs of*	–	0.09	0.14	–	0.09	0.14
Performance						
Return after charges	12.43%	(9.04)%	20.00%	12.96%	(8.35)%	20.92%
Other information						
Closing net asset value ('000)	£16,716	£17,475	£20,672	£3,369	£983	£2,004
Closing number of units	7,596,426	8,928,844	9,608,009	1,475,868	486,435	908,697
Operating charges	1.72%	1.71%	1.72%	0.97%	0.96%	0.97%
Direct transaction costs	0.00%	0.04%	0.07%	0.00%	0.04%	0.07%
Prices**						
Highest unit price	224.40	220.50	225.90	232.70	226.90	231.50
Lowest unit price	192.90	182.60	192.80	199.40	188.40	197.00

	Class I GBP Inc - Distribution units		
	31/08/2019 (p)	31/01/2019 (p)	31/01/2018 (p)
Change in net assets per unit			
Opening net asset value per unit	195.52	215.73	179.88
Return before operating charges	26.51	(15.97)	39.51
Operating charges	(1.19)	(2.01)	(1.95)
Return after operating charges	25.32	(17.98)	37.56
Distributions	(1.19)	(2.23)	(1.71)
Closing net asset value per unit	219.65	195.52	215.73
after direct transaction costs of*	–	0.09	0.14
Performance			
Return after charges	12.95%	(8.33)%	19.93%
Other information			
Closing net asset value ('000)	£2,855	£1,002	£1,103
Closing number of units	1,299,604	512,263	511,384
Operating charges	0.97%	0.96%	0.97%
Direct transaction costs	0.00%	0.04%	0.07%
Prices**			
Highest unit price	225.10	222.00	228.20
Lowest unit price	192.90	184.30	194.30

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting period are from 1 February to 31 August. For previous periods, they relate to the accounting period from 1 February to 31 January.

Barings Japan Growth Trust

Report of the Investment Manager

Investment Report

Performance

During the reporting period from 1 February 2019 to 31 August 2019 the Barings Japan Growth Trust ("the Trust") produced an absolute net return for Class A GBP Acc of 12.35% compared with a return of 8.28% for the performance comparator. Over three years and five years to 31 August 2019, the returns on the Class A GBP Acc were 34.35% and 76.49% respectively compared with the return of the performance comparator over the same periods of 27.35% and 75.56% respectively.

The Japanese equity market traded down very slightly in local currency terms during the period in question with company earnings showing weakness on the back of a slowdown in global manufacturing trends and a decline in technology demand. At the same time we saw concerns over trade issues with both the US-China negotiations and the Japan-Korea dispute impacting market sentiment. Against this however we saw further progress in terms of corporate governance and rising shareholder returns, whilst relatively attractive valuations for the market as a whole also supported the market.

The return to sterling based investors from Japanese equities was significantly enhanced though as the yen moved meaningfully stronger. This strong performance was achieved partly from good sector allocation, such as our large exposure to the Service sector, although the majority of the excess return came from good stock selection. In this regard we had a number of companies make meaningful positive contributions to the fund in the period. IT Services company Nomura Research Institute appreciated strongly on the back of high quality earnings growth as they take advantage of Japan's need to invest to catch up with technology developments in other developed economies. Corporate training specialist Insource benefitted from the trend for companies to offer more opportunities to employees, whilst Katitas continued to grow strongly on the back of the increased emergence of a second hand housing market in Japan. Yamaha Motor was our largest detractor to performance as they continue to see weakness in the earnings from their motorcycle operation, although their marine operation remains strong. We have disposed of our position in Yamaha Motor on the basis that we thought the company would struggle to overcome demand weakness in their motorcycle division.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Paltac	427	TechnoPro	455
Jafco	389	Net One System	351
Insource	378	ABC-Mart	336
Nitori	364	Marui	279
MEIJI	336	Hikari Tsushin	278
Nakanishi	305	Kanamoto	273
Pigeon	304	Okamoto Industries	264
Daiichi Sankyo	301	Sanwa	256
Persol	284	Shimadzu	248
Ichikoh Industries	283	East Japan Railway	246

Market outlook

The outlook for the Japanese equity market remains mixed. The global manufacturing downturn continues to weigh on Japan's industrial sector, whilst the upcoming consumption tax rise presents some additional risk to the domestic economy. Japan will also remain exposed to a number of geo-political risks currently facing global markets.

Report of the Investment Manager (continued)

Market outlook (continued)

Despite these headwinds we continue to feel that there are considerable investment opportunities currently available in Japan, especially as valuations on the whole remain relative attractive and corporate governance continues to improve. As a result we feel that our company-focused investment approach is well placed to identify quality growth companies that have the ability to deliver multi-year earnings expansion, offering strong returns to shareholders as a result.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Japan Growth Trust

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Japan Growth Trust (the "Trust") and of its net revenue and net capital gains for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings UK Unit Trusts (the "Trust") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings UK Unit Trusts (the "Trust") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Directors' statement

The financial statements on pages 174 to 186 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings Japan Growth Trust

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Investment Funds: 4.01% (0.06%)		
921,000	Northern Trust Global Funds - Sterling Fund†	**921,000**	**4.01**
	Equities: 95.44% (98.61%)		
	Auto Manufacturers: 5.32% (5.21%)		
22,700	Toyota Motor	**1,219,259**	**5.32**
	Auto Parts & Equipment: 3.89% (3.84%)		
17,100	Bridgestone	534,797	2.33
19,000	Nifco	357,968	1.56
		892,765	**3.89**
	Banks: 4.56% (6.84%)		
144,200	Mitsubishi UFJ Financial	567,955	2.47
17,800	Sumitomo Mitsui Financial	478,516	2.09
		1,046,471	**4.56**
	Basic Materials: 0.48% (0.00%)		
3,200	Nissan Chemical	**110,897**	**0.48**
	Building Materials: 1.50% (2.40%)		
3,400	Daikin Industries	**344,955**	**1.50**
	Chemicals: 5.60% (5.09%)		
17,200	NOF	456,678	1.99
10,000	Shin-Etsu Chemical	826,633	3.61
		1,283,311	**5.60**
	Commercial Services: 3.09% (7.12%)		
17,500	Nihon M&A Center	418,044	1.82
11,700	Recruit	290,600	1.27
		708,644	**3.09**
	Computers: 3.72% (4.88%)		
27,300	Nomura Research Institute	444,599	1.94
10,100	SCSK	407,705	1.78
		852,304	**3.72**
	Consumer, Cyclical: 4.87% (0.00%)		
65,400	Ichikoh Industries	362,936	1.58
3,300	Nitori	390,208	1.70
9,000	Paltac	363,996	1.59
		1,117,140	**4.87**
	Consumer, Non-cyclical: 6.60% (0.00%)		
6,600	Daiichi Sankyo	357,402	1.56
16,000	Insource	297,248	1.29
21,000	Nakanishi	282,838	1.23
16,500	Persol	274,444	1.20
10,200	Pigeon	303,492	1.32
		1,515,424	**6.60**
	Diversified Financial Services: 2.77% (2.50%)		
24,700	Aruhi	369,656	1.61

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Equities: 95.44% (98.61%) (continued)		
	Diversified Financial Services: 2.77% (2.50%) (continued)		
19,400	Premium	265,182	1.16
		634,838	**2.77**
	Electronics: 3.05% (2.43%)		
700	Keyence	339,352	1.48
10,500	Murata Manufacturing	361,287	1.57
		700,639	**3.05**
	Engineering & Construction: 3.89% (4.01%)		
31,000	Kyowa Exeo	612,287	2.67
21,100	Toshiba Plant Systems & Services	281,090	1.22
		893,377	**3.89**
	Financial: 1.70% (0.00%)		
13,551	Jafco	**389,079**	**1.70**
	Food: 2.98% (2.15%)		
12,000	MEIJI	**682,609**	**2.98**
	Hand/Machine Tools: 2.94% (3.11%)		
24,200	OSG	375,435	1.64
15,700	THK	298,824	1.30
		674,259	**2.94**
	Healthcare Products: 1.72% (2.09%)		
19,400	Shimadzu	**395,452**	**1.72**
	Home Builders: 1.71% (1.18%)		
26,900	Sekisui House	**391,265**	**1.71**
	Home Furnishings: 3.25% (3.99%)		
16,000	Sony	**745,529**	**3.25**
	Industrial: 1.23% (0.00%)		
9,800	Sho-Bond	**282,136**	**1.23**
	Insurance: 2.49% (2.26%)		
13,500	Tokio Marine	**569,960**	**2.49**
	Leisure Time: 1.86% (3.14%)		
31,900	Yamaha Motor	**427,675**	**1.86**
	Machinery-Construction & Mining: 1.40% (1.81%)		
18,500	Komatsu	**322,061**	**1.40**
	Machinery-Diversified: 3.08% (3.06%)		
8,400	Daifuku	324,818	1.42
34,600	Fuji	380,552	1.66
		705,370	**3.08**
	Miscellaneous Manufacturing: 0.00% (1.35%)		
	Pharmaceuticals: 1.84% (2.92%)		
15,300	Takeda Pharmaceutical	**423,590**	**1.84**

Barings Japan Growth Trust

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Equities: 95.44% (98.61%) (continued)		
	Real Estate: 4.18% (5.48%)		
21,500	Mitsui Fudosan	422,161	1.84
12,900	Relo	267,834	1.17
8,600	Katitas	269,493	1.17
		959,488	**4.18**
	Retail: 1.39% (5.93%)		
1,900	Cosmos Pharmaceutical	**317,786**	**1.39**
	Semiconductors: 3.62% (3.69%)		
6,700	Rohm	390,949	1.70
3,000	Tokyo Electron	440,060	1.92
		831,009	**3.62**
	Technology: 1.08% (0.00%)		
7,700	Elecom	**248,125**	**1.08**
	Telecommunications: 4.53% (5.40%)		
19,200	Nippon Telegraph & Telephone	755,186	3.29
7,600	Softbank	282,972	1.24
		1,038,158	**4.53**
	Toys/Games/Hobbies: 2.17% (2.92%)		
1,600	Nintendo	**496,937**	**2.17**
	Transportation: 2.93% (3.81%)		
8,600	East Japan Railway	**671,078**	**2.93**
	Portfolio of investments: 99.45% (98.67%)	**22,812,590**	**99.45**
	Net other assets	127,287	0.55
	Net assets	**22,939,877**	**100.00**

† Units in Investment Funds. Uninvested cash from the Trust is swept into this fund daily.

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 January 2019.

Independent auditors' report to the unitholders of Barings Japan Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, Barings Japan Growth Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 31 August 2019 and of the net revenue and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 175); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 174); the distribution tables (page 186); and the notes to the financial statements (page 176 to 185), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Trust's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than each of the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings Japan Growth Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements is prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 166 the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings Japan Growth Trust

Statement of total return

for the period from 01 February 2019 to 31 August 2019

	Notes	01/02/2019 to 31/08/2019* £'000	£'000	01/02/2018 to 31/01/2019 £'000	£'000
Income					
Net capital gains/(losses)	2		**2,357**		(2,101)
Revenue	3	**231**		497	
Expenses	4	**(179)**		(355)	
Net revenue before taxation		**52**		142	
Taxation	5	**(23)**		(50)	
Net revenue after taxation			**29**		92
Total return before distributions			**2,386**		(2,009)
Distributions	6		**(29)**		(92)
Change in net assets attributable to unitholders from investment activities			**2,357**		(2,101)

Statement of change in net assets attributable to unitholders

for the period from 01 February 2019 to 31 August 2019

		01/02/2019 to 31/08/2019* £'000	£'000	01/02/2018 to 31/01/2019 £'000	£'000
Opening net assets attributable to unitholders			**19,460**		23,779
Amounts receivable on issue of units		**6,542**		1,409	
Amounts payable on cancellation of units		**(5,462)**		(3,697)	
			1,080		(2,288)
Dilution adjustment			**6**		1
Changes in net assets attributable to unitholders from investment activities			**2,357**		(2,101)
Retained distribution on accumulation units	6		**37**		69
Closing net assets attributable to unitholders			**22,940**		19,460

* The accounting year end date was changed from 31 January to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings Japan Growth Trust

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	31/01/2019 £'000
Assets			
Investment assets		**22,813**	19,201
Current assets:			
Debtors	7	**388**	48
Cash and bank balances	8	**11**	285
Total assets		**23,212**	19,534
Liabilities			
Creditors:			
Distribution payable on income units	6	**(15)**	(11)
Other creditors	9	**(257)**	(63)
Total liabilities		**(272)**	(74)
Net assets attributable to unitholders		**22,940**	19,460

* The accounting year end date was changed from 31 January to 31 August.

Notes to the financial statements

for the period from 01 February 2019 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcosts of the investments.

Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

2. Net capital gains/(losses)

The net capital gains/(losses) during the period comprise:

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
Non-derivative securities	**2,374**	(2,104)
Currency (losses)/gains	**(10)**	7
Transaction charges	**(7)**	(4)
Net capital gains/(losses) on investments	**2,357**	(2,101)

3. Revenue

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
Offshore CIS interest revenue	**1**	–
Overseas dividends	**230**	497
	231	497

4. Expenses

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**157**	313
	157	313
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**3**	5
Safe custody charges	**1**	4
	4	9
Other expenses:		
Administration fees	**1**	3
Audit fees	**8**	13
Professional fees	**1**	2
Registrar and transfer agency fees	**6**	7
Regulatory fees	**–**	1
Standing charges	**2**	3
Taxation fees*	**–**	4
	18	33
Total expenses	**179**	355

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Taxation

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
a) Analysis of tax charges for the period/year:		
Overseas withholding tax	**23**	50
Current tax charge (note 5b)	**23**	50

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is higher (31 January 2019: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 January 2019: 20%). The differences are explained below:

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
Net revenue before taxation	**52**	142
Corporation tax at 20%	**10**	28
Effects of:		
Overseas withholding tax	**23**	50
Excess management expenses not utilised	**36**	71
Non taxable overseas dividends	**(46)**	(99)
Total tax charge for the period/year (note 5a)	**23**	50

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £1,475,174 (31 January 2019: £1,439,378) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/02/2019 to 31/08/2019 £'000	01/02/2018 to 31/01/2019 £'000
Final Distribution	**15**	11
Final Accumulation	**37**	69
	52	80
Add: Revenue deducted on cancellation of units	**14**	17
Deduct: Revenue received on issue of units	**(37)**	(5)
Total distributions	**29**	92

Details of the distributions per unit are set out in the Distribution Tables on page 186.

Distributions payable at the period end of £15,481 (31 January 2019: £11,424) are disclosed in the Balance Sheet on page 175.

7. Debtors

	31/08/2019 £'000	31/01/2019 £'000
Accrued revenue	**40**	40
Amount receivable for creation of units	**348**	8
	388	48

8. Cash and bank balances

	31/08/2019 £'000	31/01/2019 £'000
Bank overdraft	**(72)**	–
Cash and bank balances	**83**	285
	11	285

9. Other creditors

	31/08/2019 £'000	31/01/2019 £'000
Accrued expenses	**76**	63
Amounts payable for cancellation of units	**19**	–
Purchases awaiting settlement	**162**	–
	257	63

10. Contingent liabilities

There were no contingent liabilities at the period-end date (31 January 2019: £nil).

11. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

12. Financial instruments

In pursuing its investment objective set out on page 161, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

13. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (31 January 2019: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.141 million (31 January 2019: £0.960 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

13. Risks of financial instruments (continued)

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the period-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	**Net other assets £'000**	**Total £'000**
Japanese yen	**21,892**	**40**	**21,932**
	21,892	**40**	**21,932**

Currency exposure for the year ended 31 January 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Japanese yen	19,189	274	19,463
	19,189	274	19,463

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.219 million (31 January 2019: £0.195 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

13. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**921**	**–**	**21,892**	**22,813**
Cash at bank	**11**	**–**	**–**	**11**
Other assets	**–**	**–**	**388**	**388**
Liabilities	**–**	**–**	**(272)**	**(272)**
	932	**–**	**22,008**	**22,940**

	Floating rate 31/01/2019 £'000	Fixed rate 31/01/2019 £'000	Non-interest bearing 31/01/2019 £'000	Total 31/01/2019 £'000
Portfolio of investments	12	–	19,189	19,201
Cash at bank	285	–	–	285
Other assets	–	–	48	48
Liabilities	–	–	(74)	(74)
	297	–	19,163	19,460

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2019 (31 January 2019: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2019, the Trust did not hold any open forward currency contracts with any counterparty (31 January 2019: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the period, the Trust made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

14. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the period ended 31 August 2019:

Financial Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equities	**21,892**	**–**	**–**	**21,892**
Investment Funds	**–**	**921**	**–**	**921**
	21,892	**921**	**–**	**22,813**

Valuation technique for the year ended 31 January 2019:

Financial Assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	19,189	–	–	19,189
Investment Funds	–	12	–	12
	19,189	12	–	19,201

15. Portfolio transaction costs

Analysis of total purchase costs:	**01/02/2019 to 31/08/2019 £'000**	01/02/2018 to 31/01/2019 £'000
Purchases before transaction costs*	**7,285**	10,885
Commissions:		
Equities total value paid	**3**	4
Total transaction costs	**3**	4
Gross purchases total	**7,288**	10,889

15. Portfolio transaction costs (continued)

Analysis of total sale costs:	**01/02/2019 to 31/08/2019 £'000**	01/02/2018 to 31/01/2019 £'000
Sales before transaction costs*	**6,962**	13,145
Commissions:		
Equities total value paid	**(2)**	(6)
Total transaction costs	**(2)**	(6)
Total sales net of transaction costs	**6,960**	13,139

* Not included in 31 August 2019 figures are purchases and sales in cash funds totalling £4.527 million and £3.618 million, respectively, where there are no transaction costs applicable. In 31 January 2019, purchases and sales in cash funds totalled £1.589 million and £1.800 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Analysis of total purchase costs:	**01/02/2019 to 31/08/2019 %**	01/02/2018 to 31/01/2019 %
Commissions:		
Equities percentage of total purchases costs	**0.04**	–
Equities percentage of average NAV	**0.01**	0.02

Analysis of total sale costs:	**01/02/2019 to 31/08/2019 %**	01/02/2018 to 31/01/2019 %
Commissions:		
Equities percentage of total sales costs	**(0.03)**	–
Equities percentage of average NAV	**(0.01)**	(0.03)

15. Portfolio transaction costs (continued)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.19% (31 January 2019: 0.18%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

16. Unit classes

The Trust currently has three unit classes: A GBP Acc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 162. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 163. The distribution per unit class is given in the distribution tables on page 186. All classes have the same rights on winding up.

	Class A GBP Acc	Class I GBP Acc	Class I GBP Inc
Opening units	8,928,844	486,435	512,263
Units created	554,568	1,550,619	969,403
Units liquidated	(1,886,986)	(561,186)	(182,062)
Closing units	**7,596,426**	**1,475,868**	**1,299,604**

17. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (31 January 2019: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Japan Growth Trust

Distribution tables

Group 1: Units purchased prior to 1 February 2019*

Group 2: Units purchased between 1 February 2019 and 31 August 2019

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 11)	31 October 2019 Accumulation Paid	10 April 2019 Accumulation Paid
1	0.2401	0.0000	0.2401	0.6417
2	0.0000	0.2401	0.2401	0.6417

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 11)	31 October 2019 Accumulation Paid	10 April 2019 Accumulation Paid
1	1.2405	0.0000	1.2405	2.2810
2	0.0000	1.2405	1.2405	2.2810

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 11)	31 October 2019 Distribution Paid	10 April 2019 Distribution Paid
1	1.1912	0.0000	1.1912	2.2301
2	0.0000	1.1912	1.1912	2.2301

* The accounting year end date was changed from 31 January to 31 August.

Barings Strategic Bond Fund

Investment objective and policy

The investment objective of Barings Strategic Bond Fund (the "Fund") is to achieve capital growth together with income by investing globally.

The Fund will seek to achieve its investment objective by investing directly and indirectly in fixed income securities globally, as well as cash, near cash and money market instruments.

The Fund may invest directly and indirectly in investment grade, sub-investment grade and unrated bonds issued by governments, sovereigns, supranationals and corporates in developed and emerging markets. The Investment Manager has the ability to invest directly or indirectly in debt securities of any maturity, duration or credit rating (including unrated).

In order to implement the investment policy, the Fund may gain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also obtain indirect exposure through derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management and for investment purposes. Forward currency transactions will be used to gain exposure to currencies and may be used to manage currency risk when considered appropriate.

Please refer to the Prospectus for the full investment objective and policy.

Performance Assessment

The Fund is not managed to a benchmark, nor does the Manager use a benchmark in assessing the Fund's performance, Investors may however refer to the information in Morningstar's Global Bond Category, which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

How the Fund is managed

The Fund invests in corporate and government bond markets where it is believed that yields are likely to fall and avoids those which are more expensive.

The overall duration, or interest rate sensitivity, of the Fund will fluctuate as expectations for economic developments change, relative to the market. The Manager will also look to add value through foreign exchange management, identifying those markets where currencies are attractive, for example, due to sound economic fundamentals or rising interest rates.

Risk profile

Please see detailed below the key risks applicable to the Fund:

- There is no guarantee that a bond issuer will pay the interest due or repay the loan. Bond values are likely to fall if interest rates rise.
- Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell fund investments at an anticipated price or in a timely manner. This could have a negative impact on the value of your investment. In extreme conditions, this could affect the Fund's ability to meet investors' redemption requests.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Strategic Bond Fund

The Fund at a glance on 31 August 2019

Total Fund size		£39.03 million
OCF*	**31/08/2019**	**12/07/2018**
Class A GBP Inc**	1.44%	1.38%
Class I GBP Inc	0.84%	0.78%
	Initial charge	**Annual charge**
Class A GBP Inc**	up to 5.00%	1.25%
Class I GBP Inc	Nil	0.65%
	Minimum initial investment	**Minimum subsequent investment**
Class A GBP Inc**	£1,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Fund and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges. The OCF figures for the current period have increased due to the increase in 'Other expenses' as per note 4 on page 204 and the fall in the 'Net assets attributable to unitholders' as shown on the Balance sheet on page 201.

** Calculation based on mid-price.

Price per unit	(pence per unit)
Class A GBP Inc	122.50p
Class I GBP Inc	123.20p

Barings Strategic Bond Fund

Fund information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2019 (p)	12/07/2018 (p)	12/07/2017 (p)	31/08/2019 (p)	12/07/2018 (p)	12/07/2017 (p)
Change in net assets per unit						
Opening net asset value per unit	115.24	116.98	117.21	115.38	117.13	117.36
Return before operating charges	9.47	0.89	1.94	9.52	0.89	1.90
Operating charges	(1.90)	(1.62)	(1.62)	(1.11)	(0.92)	(0.93)
Return after operating charges	7.57	(0.73)	0.32	8.41	(0.03)	0.97
Distributions	(2.88)	(1.01)	(0.55)	(3.69)	(1.72)	(1.20)
Closing net asset value per unit	119.93	115.24	116.98	120.10	115.38	117.13
after direct transaction costs of*	0.03	–	–	0.03	–	–
Performance						
Return after charges	6.57%	(0.62)%	0.27%	7.29%	(0.03)%	0.83%
Other information						
Closing net asset value ('000)	£18,357	£21,098	£25,615	£20,678	£22,341	£25,328
Closing number of units	15,306,845	18,308,693	21,896,411	17,216,975	19,363,550	21,623,982
Operating charges	1.44%	1.38%	1.39%	0.84%	0.78%	0.79%
Direct transaction costs	0.03%	0.00%	0.00%	0.03%	0.00%	0.00%
Prices**						
Highest unit price	122.50	118.10	124.00	123.20	118.50	114.83
Lowest unit price	112.00	115.40	115.28	112.90	115.90	118.41

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

** High/low prices included in the table above are for the accounting period from 13 July to 31 August. For previous periods, they relate to the accounting period from 13 July to 12 July.

Barings Strategic Bond Fund

Report of the Investment Manager

Investment Report

Performance

During the reporting period from 13 July 2018 to 31 August 2019, the Barings Strategic Bond Fund ("the Fund") produced an absolute net return for Class A GBP Inc of 6.79%. Over three years and five years to 31 August 2019, the returns on the Class A GBP Inc were 6.19% and 7.94% respectively.

The Fund has been positioned for a slowing global economic growth environment. Worsening business and consumer sentiment coupled with slowing inflation has also seen investor sentiment move towards less risky assets. We have long believed that central banks would be forced to ease monetary policy, and that view has been playing out, including at the US Federal Reserve and European Central Bank. On this premise, we have continued to favour core developed market bonds particularly US, Germany and the UK. The Fund has been invested in Eurozone periphery where we expect loosening monetary policy to further support bond rallies. We have also maintained our allocation in Emerging Market hard currency bonds, which have continued to benefit from declining US interest rates. Finally, we have a modest allocation to a selection of Emerging Market local currency bonds, in regions where we are expecting central banks to cut interest rates in response to weakening growth and inflation.

The Fund has taken advantage of flexibility to leverage via interest and currency futures. In addition, we have also adopted a tactical approach to investing in developed market interest rates via bond futures. This has enabled us to navigate rising volatility in bonds, and manage downside risks as bond yields rose from record lows. Overall, this would have reflected as high portfolio turnover even though portfolio risk has remained quite low.

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Hellenic Republic 3.875% 12/03/2029	8,717	United Kingdom Gilt 4.50% 7/03/2019	10,646
Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15/04/2023	8,579	Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15/04/2023	8,365
United Kingdom Gilt 4.50% 7/03/2019	6,069	Hellenic Republic 3.875% 12/03/2029	6,548
Portugal Government International Bond 4.10% 15/02/2045	4,926	United States Treasury Note/Bond 1.75% 30/11/2021	5,260
United States Treasury Bill 0.00% 23/05/2019	4,133	Portugal Government International Bond 4.10% 15/02/2045	5,166
United States Treasury Bill 3.625% 15/02/2020	3,936	United States Treasury Bill 0.00%% 23/05/2019	4,126
Italy Buoni Poliennali Del Tesoro 3.75% 1/08/2021	3,453	United States Treasury Bill 3.625% 15/02/2020	3,945
Republic of Italy Government International Bond 6.00% 4/08/2028	3,297	United States Treasury Inflation Indexed Bonds 2.375% 15/01/2025	3,364
Indonesia Government International Bond 3.75% 14/06/2028	3,103	United Kingdom Gilt 1.25% 22/07/2018	3,300
Republic of Italy Government International Bond 6.875% 27/09/2023	2,992	Italy Buoni Poliennali Del Tesoro 3.75% 01/08/2021	3,290

Report of the Investment Manager (continued)

Market outlook

The US trade war with China continues to develop more rapidly and the dimming economic outlook will weigh on company earnings and expansion plans. The recent downgrade in US corporate earnings reflects the pessimism around growth in the global economy and the falling bond yields signal towards a slowdown and often point towards a recession. We do not expect a full economic recession although under the current conditions, our view is that an earnings recession is likely. Therefore, we remain engaged with risky assets but have turned our attention to investments which would provide a decent level of stability through defensive characteristics, quality or through higher income.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Strategic Bond Fund

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Strategic Bond Fund (the "Fund") and of its net revenue and net capital losses for the period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Fund in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the "Fund") for the period ended 31 August 2019

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Manager are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the "Fund") for the period ended 31 August 2019 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 12 December 2019

Barings Strategic Bond Fund

Directors' statement

The financial statements on pages 200 to 216 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING Director

J. SWAYNE Director London 12 December 2019

Barings Strategic Bond Fund

Portfolio statement

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Bonds: 87.50% (96.23%)		
	Brazilian real: 1.86% (3.91%)		
BRL 3,385,000	Brazil Notas do Tesouro Nacional Serie F 10.00% 01/01/2023*	**726,660**	**1.86**
	Colombian peso: 0.00% (1.58%)		
	Euro: 36.56% (20.31%)		
EUR 1,000,000	Egypt Government International Bond 6.375% 11/04/2031	950,024	2.43
EUR 2,564,000	Hellenic Republic 3.875% 12/03/2029	2,789,498	7.15
EUR 2,691,706	Hellenic Republic Government Bond 3.9% 30/01/2033	2,992,108	7.66
EUR 770,000	Indonesia Government International Bond 3.75% 14/06/2028	864,822	2.22
EUR 2,038,000	Italy Buoni Poliennali Del Tesoro 2.8% 01/03/2067	2,163,311	5.54
EUR 1,526,000	Italy Buoni Poliennali Del Tesoro 5% 01/09/2040	2,152,826	5.51
EUR 1,600,000	Russian Foreign Bond - Eurobond 2.875% 04/12/2025	1,602,585	4.11
EUR 821,000	Turkey Government International Bond 5.2% 16/02/2026	752,919	1.93
		14,268,093	**36.55**
	Indonesian rupiah: 1.98% (0.98%)		
IDR 12,589,000,000	Indonesia Treasury Bond 8.375% 15/03/2024	**772,262**	**1.98**
	Mexican peso: 2.52% (0.00%)		
MXN 21,650,000	Mexican Bonos 8.5% 18/11/2038	**982,290**	**2.52**
	Philippine peso: 2.24% (0.00%)		
PHP 53,020,000	Philippine Government Bond 5.5% 08/03/2023	**875,148**	**2.24**
	Polish new zloty: 0.00% (3.60%)		
	Pound sterling: 11.31% (18.22%)		
GBP 136,000	AA Bond 5.5% 31/07/2043	111,493	0.28
GBP 1,000,000	Petroleos Mexicanos 8.25% 02/06/2022	1,095,802	2.81
GBP 2,508,000	Republic of Italy Government International Bond 6% 04/08/2028	3,209,686	8.22
		4,416,981	**11.31**
	Russian ruble: 2.44% (2.79%)		
RUB 76,362,000	Russian Federal Bond - OFZ 7% 16/08/2023	**954,146**	**2.44**
	South African rand: 0.00% (6.42%)		
	US dollar: 28.60% (38.42%)		
USD 1,350,000	Brazilian Government International Bond 12.25% 06/03/2030	1,845,746	4.73
USD 1,730,000	Indonesia Government International Bond 5.875% 15/01/2024	1,607,114	4.12
USD 1,000,000	Kaisa Group 11.25% 09/04/2022	792,524	2.03
USD 2,357,000	Mexico Government International Bond 3.6% 30/01/2025	2,012,876	5.16
USD 1,168,000	Mexico Government International Bond 6.05% 11/01/2040	1,222,870	3.13
USD 1,000,000	Petrobras Global Finance 6.9% 19/03/2049	927,082	2.38

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Bonds: 87.50% (96.23%) (continued)		
	US dollar: 28.60% (38.42%) (continued)		
USD 666,700	Provincia de Buenos Aires/Government Bonds 10.875% 26/01/2021	279,211	0.72
USD 1,717,000	Republic of Italy Government International Bond 6.875% 27/09/2023	1,629,038	4.17
USD 932,000	Republic of South Africa Government International Bond 5.875% 16/09/2025	843,722	2.16
		11,160,182	**28.60**
	Collective Investment Schemes: 7.78% (0.00%)		
	US dollar: 7.78% (0.00%)		
113,863	Invesco AT1 Capital Bond UCITS ETF†	2,069,598	5.30
47,423	Invesco US High Yield Fallen Angels UCITS ETF†	965,945	2.48
		3,035,543	**7.78**
	Credit Default Swaps: 1.01% (0.00%)		
	Euro: 0.83% (0.00%)		
(1,200,000)	CDX Citigroup 5.00% 20/06/2024	120,685	0.31
(2,000,000)	CDX Citigroup 5.00% 20/06/2024	201,142	0.52
		321,827	**0.83**
	US dollar: 0.18% (0.00%)		
(1,287,000)	CDX Citigroup 5.00% 20/06/2024	**71,104**	**0.18**
	Futures Contracts: -0.23% (0.00%)		
	Euro: -0.19% (-0.10%)		
30	Future Euro BTP Long-Term September 2019	(32,368)	(0.08)
(12)	Future Euro Buxl Eux September 2019	(40,257)	(0.11)
		(72,625)	**(0.19)**
	Pound sterling: 0.47% (0.00%)		
(180)	Future Euro/Gbp CME September 2019	187,100	0.48
6	Future Long Gilt December 2019	(2,340)	(0.01)
		184,760	**0.47**
	US dollar: -0.51% (0.10%)		
252	Future British Pound CME September 2019	(94,165)	(0.24)
(18)	Future iBoxx iShares Cbf October 2019	(739)	–
41	Future Japanese Yen CME September 2019	(21,488)	(0.06)
33	Future South African Rand CME September 2019	(339)	–
(38)	Future Swiss Franc CME September 2019	18,722	0.05
14	Future Turkey Lira/US Dollar September 2019	(51,503)	(0.13)
25	Future US Ultra CBT December 2019	(50,360)	(0.13)
		(199,872)	**(0.51)**
	Forward Currency Contracts: 0.08% (-0.20%)		
EUR (1,290,396)	Sold EUR, bought RUB 95,900,000 for settlement 13/09/2019 (Standard Chartered Bank)	13,583	0.03
USD (1,239,265)	Sold USD, bought EGP 20,776,278 for settlement 10/09/2019 (Standard Chartered Bank)	10,964	0.03

Barings Strategic Bond Fund

Portfolio statement (continued)

as at 31 August 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Forward Currency Contracts: 0.08% (-0.20%) (continued)		
USD (1,316,577)	Sold USD, bought EGP 22,000,000 for settlement 10/09/2019 (Standard Chartered Bank)	8,065	0.02
		32,612	**0.08**
	Portfolio of investments: 96.14% (96.03%)	**37,529,111**	**96.14**
	Net other assets	1,505,397	3.86
	Net assets	**39,034,508**	**100.00**

Comparative figures shown in brackets relate to 12 July 2018.

Debt security allocation is as follows:

Percentage of debt securities above investment grade	59.34%
Percentage of debt securities below investment grade (sub BBB - or unrated)	40.66%
	100.00%

Barings Strategic Bond Fund

Independent auditors' report to the unitholders of Barings Strategic Bond Fund

Report on the audit of the financial statements

Opinion

In our opinion, Barings Strategic Bond Fund's (the "Fund") financial statements:

- give a true and fair view of the financial position of the Fund as at 31 August 2019 and of the net revenue and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019 (page 201); the statement of total return and the statement of change in net assets attributable to unitholders for the period then ended (page 200); the distribution tables (page 216); and the notes to the financial statements (pages 202 to 215), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Fund's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than each of the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the unitholders of Barings Strategic Bond Fund (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the 'Responsibilities of the Manager' set out on page 192, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 December 2019

Barings Strategic Bond Fund

Statement of total return

for the period from 13 July 2018 to 31 August 2019

	Notes	13/07/2018 to 31/08/2019* £'000	£'000	13/07/2017 to 12/07/2018 £'000	£'000
Income					
Net capital gains/(losses)	2		**1,521**		(708)
Revenue	3	**1,660**		1,157	
Expenses	4	**(505)**		(517)	
Interest payable and other similar charges	5	**(3)**		(75)	
Net revenue before taxation		**1,152**		565	
Taxation	6	**–**		–	
Net revenue after taxation			**1,152**		565
Total return before distributions			**2,673**		(143)
Distributions	7		**(1,153)**		(565)
Change in net assets attributable to unitholders from investment activities			**1,520**		(708)

Statement of change in net assets attributable to unitholders

for the period from 13 July 2018 to 31 August 2019

	13/07/2018 to 31/08/2019* £'000	£'000	13/07/2017 to 12/07/2018 £'000	£'000
Opening net assets attributable to unitholders		**43,439**		50,943
Amounts receivable on issue of units	**1,944**		4,262	
Amounts payable on cancellation of units	**(7,871)**		(11,062)	
		(5,927)		(6,800)
Dilution adjustment		**–**		1
Changes in net assets attributable to unitholders from investment activities		**1,520**		(708)
Unclaimed distributions		**3**		3
Closing net assets attributable to unitholders		**39,035**		43,439

* The accounting year end date was changed from 12 July to 31 August, therefore the comparative figures for the previous financial year do not represent a period of similar length.

Barings Strategic Bond Fund

Balance sheet

as at 31 August 2019

	Notes	31/08/2019* £'000	12/07/2018 £'000
Assets			
Investment assets		**37,823**	41,946
Current assets:			
Debtors	9	**4,006**	1,989
Cash and bank balances	10	**2,362**	2,917
Total assets		**44,191**	46,852
Liabilities			
Creditors:			
Investment liabilities		**(294)**	(230)
Distribution payable on income units	7	**(826)**	(369)
Other creditors	11	**(4,036)**	(2,814)
Total liabilities		**(5,156)**	(3,413)
Net assets attributable to unitholders		**39,035**	43,439

* The accounting year end date was changed from 12 July to 31 August.

Notes to the financial statements

for the period from 13 July 2018 to 31 August 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 30 August 2019. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

Revenue Recognition

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment, and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase or an investment over its remaining life based on contractual cash flows. Any adjustments resulting from changes in actual cash flows are treated as capital.

Bank interest is recognised on an accrual basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Fund's distribution.

Derivative financial instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts are accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance is to protect or enhance capital return, gains or losses are recognised in net capital gains/(losses) in the statement of total return; Where the motive and circumstance is to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the year-end are reflected in the balance sheet at their marked to market value.

Distribution Policy

Where applicable, for the income ("Inc") units, the Fund will pay any surplus revenue as a distribution.

Treatment of expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the period on an accruals basis.

1. Accounting policies (continued)

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution adjustment

The Fund is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Unclaimed distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Fund.

2. Net capital gains/(losses)

The net capital gains/(losses) during the period comprise:

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Non-derivative securities	**4,556**	(1,703)
Derivative securities	**350**	93
Currency gains/(losses)	**553**	(563)
Forward currency contracts	**(3,932)**	1,468
Transaction charges	**(5)**	(1)
Derivative charges	**(1)**	(2)
Net capital gains/(losses) on investments	**1,521**	(708)

3. Revenue

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Bank interest	**7**	5
Futures Income	**60**	–
Interest on debt securities	**1,555**	1,152
Offshore CIS interest revenue	**38**	–
	1,660	1,157

4. Expenses

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	**437**	455
	437	455
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	**10**	10
Safe custody charges	**7**	9
	17	19
Other expenses:		
Administration fees	**2**	1
Audit fees	**13**	13
Professional fees	**3**	2
Registrar and transfer agency fees	**19**	19
Regulatory fees	**3**	–
Standing charges	**3**	3
Taxation fees*	**8**	5
	51	43
Total expenses	**505**	517

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Derivative expenses	**–**	66
Interest expenses	**3**	9
	3	75

6. Taxation

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
a) Analysis of tax charges for the period/year:		
Corporation tax	**–**	–
Current tax charge (note 6b)	**–**	–

6. Taxation (continued)

b) Factors affecting taxation charge for the period/year:

The tax assessed for the period is higher (12 July 2018: higher) than the standard rate of corporation tax in the UK for an authorised unit fund, which is 20% (12 July 2018: 20%). The differences are explained below:

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Net revenue before taxation	**1,152**	565
Corporation tax at 20%	**230**	113
Effects of:		
Interest distributions	**(230)**	(113)
Total tax charge for the period/year (note 6a)	**–**	1

c) Provision for the deferred tax

At the period end, there was an unrecognised potential tax asset of £Nil (12 July 2018: £Nil) in relation to unutilised management expenses.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Interim Distribution	**274**	161
Final Distribution	**826**	369
	1,100	530
Add: Revenue deducted on cancellation of units	**66**	54
Deduct: Revenue received on issue of units	**(13)**	(19)
Total distributions	**1,153**	565

Details of the distributions per unit are set out in the Distribution Tables on page 216.

Distributions payable at the period end of £825,619 (12 July 2018: £368,802) are disclosed in the Balance Sheet on page 201.

8. Movement between net revenue and distributions

	13/07/2018 to 31/08/2019 £'000	13/07/2017 to 12/07/2018 £'000
Net revenue after taxation	**1,152**	565
Equalisation on conversions	**1**	–
	1,153	565

9. Debtors

	31/08/2019 £'000	12/07/2018 £'000
Accrued revenue	**575**	485
Amount receivable for creation of units	**38**	4
Credit default swap receivable	**40**	–
Overseas tax recoverable	**6**	–
Sales awaiting settlement	**3,347**	1,500
	4,006	1,989

10. Cash and bank balances

	31/08/2019 £'000	12/07/2018 £'000
Bank overdraft	**–**	(23,387)
Cash and bank balances	**777**	26,129
Cash due to the broker	**–**	(19)
Cash held by the broker	**1,585**	194
	2,362	2,917

11. Other creditors

	31/08/2019 £'000	12/07/2018 £'000
Accrued expenses	**71**	93
Amounts payable for cancellation of units	**61**	2,721
Purchases awaiting settlement	**3,904**	–
	4,036	2,814

12. Contingent liabilities

There were no contingent liabilities at the period-end date (12 July 2018: £Nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units and is refunded as part of a unitholder's first distribution. Being a capital payment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

14. Financial instruments

In pursuing its investment objective set out on page 187, the Fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Fund's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Fund's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (12 July 2018: same):

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

Baring Asset Management Limited (the "Investment Manager") meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.876 million (12 July 2018: £2.086 million).

Foreign currency risk

The revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as the majority of the Fund's assets and revenue are denominated in currencies other than sterling, which is the Fund's functional currency.

15. Risks of financial instruments (continued)

The Investment Manager has identified three principal areas where foreign currency risk could impact the Fund. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Fund. The Fund converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Fund. This increases the exposure of the Fund to exchange rate movements and may significantly affect the returns of the Fund.

At the period-end date, a proportion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	–	9	9
Brazilian real	727	2	729
Egyptian pound	2,117	–	2,117
Euro	13,347	133	13,480
Indonesian rupiah	772	–	772
Japanese yen	–	1	1
Mexican peso	982	–	982
Philippine peso	875	–	875
Polish zloty	–	6	6
Russian ruble	2,138	34	2,172
US dollar	11,969	1,052	13,021
	32,927	1,237	34,164

15. Risks of financial instruments (continued)

Currency exposure for the year ended 12 July 2018:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	1,430	22	1,452
Brazilian real	715	90	805
Canadian dollar	(1,388)	–	(1,388)
Chilean peso	451	–	451
Colombian peso	688	13	701
Euro	(6,485)	327	(6,158)
Indian rupee	–	5	5
Indonesian rupiah	425	–	425
Japanese yen	5	–	5
Malaysian ringgit	727	–	727
Norwegian krone	2,427	–	2,427
Polish zloty	1,441	39	1,480
Russian ruble	1,213	76	1,289
South African rand	103	29	132
Swedish krona	1,844	–	1,844
Swiss franc	(1,856)	–	(1,856)
US dollar	(5,171)	563	(4,608)
	(3,431)	1,164	(2,267)

Foreign currency risk sensitivity analysis

At 31 August 2019, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.342 million (12 July 2018: £0.023 million).

Interest rate risk

The Fund may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Fund also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

15. Risks of financial instruments (continued)

	Floating rate 31/08/2019 £'000	**Fixed rate 31/08/2019 £'000**	**Non-interest bearing 31/08/2019 £'000**	**Total 31/08/2019 £'000**
Portfolio of investments	**82**	**32,553**	**5,235**	**37,870**
Cash at bank	**2,362**	**–**	**–**	**2,362**
Other assets	**–**	**–**	**4,005**	**4,005**
Liabilities	**(49)**	**–**	**(5,153)**	**(5,202)**
	2,395	**32,553**	**4,087**	**39,035**

	Floating rate 12/07/2018 £'000	Fixed rate 12/07/2018 £'000	Non-interest bearing 12/07/2018 £'000	Total 12/07/2018 £'000
Portfolio of investments	102	41,799	45	41,946
Cash at bank	2,917	–	–	2,917
Other assets	–	–	1,989	1,989
Liabilities	(186)	–	(3,227)	(3,413)
	2,833	41,799	(1,193)	43,439

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

As at 31 August 2019, if the interest rate increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would decrease or increase by approximately £2.657 million (12 July 2018: £0.618 million).

Liquidity risk

The Fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. All currency contracts are held with Standard Chartered Bank; please see below for details of the notional exposure.

The Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the period, the Fund made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Fund's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Fund.

15. Risks of financial instruments (continued)

Derivatives and other financial instruments

Transactions in derivatives, warrants, forward contracts and futures may be used for the purpose of hedging and meeting the investment objectives of the Fund. In pursuing the Fund's objectives, the Manager may make use of a variety of instruments in accordance with the rules. The Fund's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts, while for interest rate swaps and credit default swaps, it is the market value of these instruments as shown in the portfolio statement. This is reflected in the tables below:

Counterparty exposure for the period ended 31 August 2019:

	Credit default swaps	**Forward contracts**
	£	**£**
Citigroup	**392,931**	**–**
Standard Chartered Bank	**–**	**32,612**

Counterparty exposure for the year ended 12 July 2018:

	Credit default swaps	Forward contracts
	£	£
Northern Trust	–	40,559
Standard Chartered Bank	–	536
State Street	–	(124,583)

Counterparty exposure has not been disclosed for exchange-traded derivatives (such as futures) as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated. In respect of derivative assets, the Fund is exposed to counterparty risk from the counterparty, whereas in respect of derivative liabilities, the counterparty is exposed to counterparty risk from the Fund.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Fund to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

16. Fair value (continued)

Valuation technique for the period ended 31 August 2019:

Financial assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Bonds	**31,228**	**2,927**	**–**	**34,155**
Credit default swaps	**–**	**393**	**–**	**393**
Collective investment schemes	**3,036**	**–**	**–**	**3,036**
Derivatives	**206**	**–**	**–**	**206**
Forward currency contracts	**–**	**33**	**–**	**33**
	34,470	**3,353**	**–**	**37,823**
Financial liabilities				
Derivatives	**(294)**	**–**	**–**	**(294)**
	(294)	**–**	**–**	**(294)**

Valuation technique for the year ended 12 July 2018:

Financial assets	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	37,140	4,659	–	41,799
Derivatives	44	–	–	44
Forward currency contracts	–	103	–	103
	37,184	4,762	–	41,946
Financial liabilities				
Derivatives	(44)	–	–	(44)
Forward currency contracts	–	(186)	–	(186)
	(44)	(186)	–	(230)

17. Portfolio transaction costs

Analysis of total purchase costs:	**13/07/2018 to 31/08/2019 £'000**	13/07/2017 to 12/07/2018 £'000
Purchases before transaction costs	**139,449**	50,445
Commissions:		
Collective investment schemes total value paid	**6**	–
Taxes:		
Bonds total value paid	**1**	–
Total transaction costs	**7**	–
Gross purchases total	**139,456**	50,445

Analysis of total sale costs:	**13/07/2018 to 31/08/2019 £'000**	13/07/2017 to 12/07/2018 £'000
Sales before transaction costs	**147,902**	56,420
Commissions:		
Collective investment schemes total value paid	**(4)**	–
Total transaction costs	**(4)**	–
Total sales net of transaction costs	**147,898**	56,420

The above analysis covers any direct transaction costs suffered by the Fund during the period.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

17. Portfolio transaction costs (continued)

Analysis of total purchase costs:	**13/07/2018 to 31/08/2019 %**	13/07/2017 to 12/07/2018 %
Commissions:		
Collective investment schemes percentage of total purchases costs	**0.05**	–
Collective investment schemes percentage of average NAV	**0.01**	–
Taxes:		

Analysis of total sale costs:	**13/07/2018 to 31/08/2019 %**	13/07/2017 to 12/07/2018 %
Taxes:		
Collective investment schemes percentage of total sales costs	**(0.05)**	–
Collective investment schemes percentage of average NAV	**(0.01)**	–

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (12 July 2018: 0.14%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Fund currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Fund management fee can be found on page 188. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 189. The distribution per unit class is given in the distribution tables on page 216. All classes have the same rights on winding up.

	Class A GBP Inc	**Class I GBP Inc**
Opening units	18,308,693	19,363,550
Units created	437,684	1,245,187
Units liquidated	(3,062,537)	(3,767,252)
Units converted	(376,995)	375,490
Closing units	**15,306,845**	**17,216,975**

19. Related party transactions

Baring Asset Management Limited (the “Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Fund. As at 31 August 2019, no amounts due from or to the Investment Manager in respect of unit transactions (12 July 2018: nil).

The Manager exercises control over the Fund and is therefore a related party by virtue of its controlling influence.

Amounts paid during the period or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Strategic Bond Fund

Distribution tables

Group 1: Units purchased prior to 13 July 2018

Group 2: Units purchased between 13 July 2018 and 12 January 2019

Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	0.6229	0.0000	0.6229	0.2535
2	0.3010	0.3219	0.6229	0.2535

Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	0.9009	0.0000	0.9009	0.5397
2	0.3791	0.5218	0.9009	0.5397

Group 1: Units purchased prior to 13 January 2019*

Group 2: Units purchased between 13 January 2019 and 31 August 2019

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	2.2599	0.0000	2.2599	0.7614
2	1.5561	0.7038	2.2599	0.7614

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2019 Distribution Paid	2018 Distribution Paid
1	2.7862	0.0000	2.7862	1.1847
2	1.6179	1.1683	2.7862	1.1847

*The accounting year end date was changed from 12 July to 31 August.

The Risk and Reward profile

	SRRI risk category* 31/08/2019	SRRI risk category* 15/02/2019
Barings Dynamic Capital Growth Fund - Class A GBP Acc	4	4
Barings Dynamic Capital Growth Fund - Class A GBP Inc	4	4
Barings Dynamic Capital Growth Fund - Class D GBP Acc	4	4
Barings Dynamic Capital Growth Fund - Class I GBP Acc	4	4
Barings Dynamic Capital Growth Fund - Class I GBP Inc	4	4

	SRRI risk category* 31/08/2019	SRRI risk category* 28/02/2018
Barings Eastern Trust - Class A GBP Acc	6	5
Barings Eastern Trust - Class A GBP Inc	5	6
Barings Eastern Trust - Class A USD Acc	6	5
Barings Eastern Trust - Class D GBP Inc	6	6
Barings Eastern Trust - Class I GBP Acc	6	5
Barings Eastern Trust - Class I GBP Inc	6	6

	SRRI risk category* 31/08/2019	SRRI risk category* 30/04/2018
Barings European Growth - Class A GBP Inc	6	6
Barings European Growth - Class I GBP Inc	6	6

	SRRI risk category* 31/08/2019	SRRI risk category* 31/05/2018
Barings Europe Select - Class A GBP Inc	5	5
Barings Europe Select - Class A EUR Acc	5	5
Barings Europe Select - Class A EUR Inc	5	5
Barings Europe Select - Class A USD Acc	5	5
Barings Europe Select - Class I GBP Inc	5	5
Barings Europe Select - Class I EUR Acc	5	5
Barings Europe Select - Class I EUR Inc	5	5

The Risk and Reward profile (continued)

	SRRI risk category* 31/08/2019	SRRI risk category* 15/05/2018
Barings German Growth - Class A GBP Acc	6	6
Barings German Growth - Class A GBP Inc	5	6
Barings German Growth - Class A EUR Acc	6	6
Barings German Growth - Class A EUR Inc	6	6
Barings German Growth - Class A USD Acc	6	6
Barings German Growth - Class A USD Hedged Acc	6	6
Barings German Growth - Class A CHF Hedged Acc	6	6
Barings German Growth - Class A RMB Hedged Acc	6	6
Barings German Growth - Class I GBP Acc	6	6
Barings German Growth - Class I GBP Inc	6	6
Barings German Growth - Class I GBP Hedged Acc	5	6
Barings German Growth - Class I EUR Acc	6	6
Barings German Growth - Class I EUR Inc	6	6
Barings German Growth - Class I USD Acc	6	6

	SRRI risk category* 31/08/2019	SRRI risk category* 31/01/2019
Barings Japan Growth Trust - Class A GBP Acc	5	5
Barings Japan Growth Trust - Class I GBP Acc	6	6
Barings Japan Growth Trust - Class I GBP Inc	6	6

	SRRI risk category* 31/08/2019	SRRI risk category* 12/07/2018
Barings Strategic Bond - Class A GBP Inc	3	3
Barings Strategic Bond - Class I GBP Inc	3	3

* The Synthetic Risk and Reward Indicator ("SRRI") is not a measure of the risk of capital loss, but a measure of the Fund's price movement over time; the higher the number, the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Fund. The risk category shown is in line with the Key Investor Information Document ("KIID") at year-end, is not guaranteed, and may change over time. The risk categories are measured from 1 to 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Fund is classified in the category indicated due to past movements in the Fund's price. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest. The SRRI figures for some share classes shown have changed during the year, while for some, these remain unchanged.

Important Information

Constitution

The Trusts were constituted by a Trust Deed between Baring Fund Managers Limited (‘the Manager”) and NatWest Trustee and Depositary Services Limited.

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

The Trusts are authorised unit trust schemes as defined in section 243 of the Financial Services and Markets Act 2000 and have been established as Undertakings for Collective Investments in Transferable Securities ("UCITS") schemes.

Performance

Past performance is no indication of current or future performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Any reference in the Investment Manager reports for any of the Trusts should not be read as recommendations to investors to buy or sell the same but are included as illustrations only.

Key changes during the year

- With effect from 8 October 2018, the name of the Administrator changed from Northern Trust Global Services Limited to Northern Trust Global Services SE UK Branch. The Administrator re-domiciled its headquarters to Luxembourg in March 2019. The administrators name is now Northern Trust Global Services SE based in Luxembourg while the Administrator’s principal place of business in the United Kingdom is Northern Trust Global Services SE UK Branch.
- With effect from 15 October 2018, the registered address for Baring Fund Managers Limited and Baring Asset Management Limited changed from:

  155 Bishopsgate
  London, EC2M 3XY
  United Kingdom
  to:
  20 Old Bailey
  London, EC4M 7BF
  United Kingdom
- With effect from 28 November 2018, the Trustee changed from National Westminster Bank plc to NatWest Trustee and Depositary Services Limited.
- C. Biggins resigned as a Director of the Manager on 11 January 2019.
- E. Browning was appointed as a Director of the Manager on 22 January 2019.
- R. Kent was appointed as a Director of the Manager on 9 April 2019.
- B. Greene resigned as a Director of the Manager on 23 May 2019
- J. Amstrong was appointed as a non-executive Director of the Manager on 22 May 2019
- K. Troup was appointed as a non-executive Director of the Manager on 22 May 2019.
- With effect from 31 August 2019, the annual accounting date of the Funds changed to 31 August of each year, and subsequent interim period ends are changed to the last day of February of each year.
- The FCA has issued a guideline for asset managers to have a provision for the compulsory conversion of unit classes when the conversion is in the best interest of investors. This flexibility is included in the Prospectus. Any such conversion will require a 60 days’ notice to investors before the conversion takes place.

Market timing

Repeatedly purchasing and selling units in the Fund in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the Manager's investment strategy and increase the Fund’s expenses to the prejudice of all unitholders.

The Fund is not intended for market timing or excessive trading. To deter these activities, the Manager may refuse to accept an application for units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Fund.

The Manager also reserves the right to redeem units which it reasonably believes have been purchased by unitholders engaged in market timing.

Important Information (continued)

Publication of prices

The prices of units are published on the Barings website at www.barings.com. You can also obtain prices by telephone by calling +44 (0) 333 300 0372.

Dealing basis

The Manager's basis for dealing in purchases and sales of the Fund's units is "forward". This means that the price used for any deal will be calculated at the next valuation point following receipt of the investor's instruction.

Fees and expenses

The Manager's periodic charge is calculated on each business day, based on the value of the property of the Fund on the immediately preceding business day, and is paid to the Manager monthly, in arrears, on the first business day of the calendar month immediately following. The current annual management fees charged to the Fund are shown on pages 5, 36, 66, 92, 125, 162 and 188

Revenue allocations and reports

Revenue allocations are be made in April (interim) and October (final) of each year, where applicable, and forwarded to unitholders together with tax vouchers. The most recent annual report and audited financial statements and interim report and unaudited financial statements will be available on the Barings website at www.barings.com.

Prospectus and Manager's reports

Copies of the Prospectus, the Key Investor Information Document(s) ("KIID(s)"), and the most recent annual or interim report and financial statements are available to all persons free of charge from the Manager upon request.

The annual or interim report and financial statements are also available in French, where applicable.

PricewaterhouseCoopers LLP (the "Independent Auditor") expresses its opinion on the English version of the annual report and financial statements, and accepts no responsibility for any translations of those financial statements.

Remuneration (unaudited)

The Manager's Remuneration Policy ensures that the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policies under the UCITS directive and AIFMD" (ESMA 2016/411) (the "ESMA Guidelines"), (as amended) are:

(i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or the Fund; and

(ii) consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is also subject to the Financial Conduct Authority's ("FCA's") UCITS and AIFM Remuneration Codes (SYSC 19B and 19E) and must comply with the remuneration principles in a way and to the extent that is appropriate to its size and business.

Remuneration Committee

Due to the size and nature of the Manager, the Board of Directors considers it appropriate not to apply the requirement to appoint a remuneration committee.

The Manager forms part of the Barings Europe Limited (UK) group of companies ("Barings"). Barings has two remuneration committees to take remuneration decisions, namely the Remunerations Committee and the Senior Compensation Committee. The remuneration committee ensures the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

Remuneration Identified Staff

The Manager has determined its Remuneration Identified Staff as the following:

1. Senior Management

   Senior Management comprises of Directors and all members of the European Management Team ("EMT").

   All control functions detailed in section 2 below are also senior managers.

Important Information (continued)

Remuneration Identified Staff (continued)

2. Control Functions

   The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

3. Risk takers

   Risk takers are defined as the investment managers of the Fund. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to Baring Asset Management Limited ("BAML"). Accordingly, the Manager currently has no risk takers outside of the senior management.

   BAML is a BIPRU firm and subject to the Capital Requirements Directive ("CRD") which has equivalent remuneration rules.

4. Employees in the same remuneration bracket as risk takers

   The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Fund. Accordingly, the Manager currently has no staff in this category.

5. Staff responsible for heading the investment management, administration, marketing and human resources

   To the extent that the Manager's staff fall within this category, they are also control function staff falling within section 2 above.

Remuneration Disclosure

The disclosure below details fixed and variable remuneration paid to Baring Fund Managers ("BFM") Staff and BFM Remuneration Code Staff.

Barings Dynamic Capital Growth Fund

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£1,123	£4,035	£5,158
Total Senior Management Remuneration paid by BFM**	16	£124,321	£450,642	£574,963

Barings Eastern Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£13,873	£50,289	£64,162
Total Senior Management Remuneration paid by BFM**	16	£344,275	£1,247,933	£1,592,208

Important Information (continued)

Remuneration Disclosure (continued)

Barings European Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£8,221	£29,801	£38,022
Total Senior Management Remuneration paid by BFM**	16	£306,022	£1,109,274	£1,415,296

Barings Europe Select Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£162,289	£588,267	£750,556
Total Senior Management Remuneration paid by BFM**	16	£286,896	£1,039,944	£1,326,840

Barings German Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£43,362	£157,181	£200,543
Total Senior Management Remuneration paid by BFM**	16	£296,459	£1,074,609	£1,371,068

Important Information (continued)

Remuneration Disclosure (continued)

Barings Japan Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£1,198	£4,346	£5,544
Total Senior Management Remuneration paid by BFM**	16	£133,884	£485,307	£619,191

Barings Strategic Bond Fund

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£3,468	£12,572	£16,040
Total Senior Management Remuneration paid by BFM**	16	£258,206	£935,950	£1,194,156

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. The 2019 review did not result in any material changes.

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Barings fund disclosures in that same year.

Notes:

*Manager does not make any direct payments to staff who are paid by other Barings Group entities. Figures shown are apportioned on a fund Asset Under Management ("AUM") basis as a proportion of Barings total AUM ast at 31/08/2019. Accordingly, the figures are not representative of any individual's actual remuneration.

**Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind and discretionary pension awards.

The Funds do not pay performance fees.

There has been no award of carry interest in the period.

Disclosure for German and Swiss Investors

Special risks resulting from additional German tax publication requirements in Germany

A foreign investment company such as Baring Fund Managers Limited (the "Manager") must provide documentation to the German fiscal authorities upon request, e.g. in order to verify the accuracy of the additional German published tax information. German investors will use this for their tax returns. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Manager's calculation methodology in every material respect. In addition, you should be aware that if it transpires that these publications are incorrect, any subsequent correction will, as a general rule, not have retrospective effect and will, as a general rule, only take effect during the current financial period. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current financial period.

Information for investors in Switzerland

The Manager has appointed BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. Units are distributed in Switzerland by BNP Paribas (Switzerland) Limited at the above address. Investors can obtain free of charge the Prospectus, KIID(s), the latest annual and interim reports, copies of the Trust Deed (and any amendments thereto) as well as a list of the purchases and sales made on behalf of the Trust, in French, from the representative at the above address. Official publications for the relevant funds are found on the internet at www.fundinfo.com. Unit prices (Net Asset Value with the words "plus commissions") are published daily on the internet at www.fundinfo.com.

Important information to the performance tables on page page 226 to 228

The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units, nor the effect of the Manager's preliminary charge.

In conformity with a Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is providing the below additional information regarding performance.

Total Expense Ratio ("TER")

Following the Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the relevant funds for the 12 months to 31 August 2019. The TER has been established by the Manager and draws upon the data contained in the ''Statement of total return'' (Manager's management fee, registration fees, trustee fees, safe custody charges, audit fees, Financial Conduct Authority ("FCA") and other regulatory fees and taxation fees as well as any further fees and costs listed in the ''Statement of total return'' account which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above guideline.

The TERs for each class for the period ended 31 August 2019 and the year ended 31 May 2018 are as follows:

	TER 31/08/2019 %	TER 31/05/2018 %
Barings Europe Select Trust - Class A GBP Inc	1.56	1.54
Barings Europe Select Trust - Class A EUR Acc	1.56	1.54
Barings Europe Select Trust - Class A EUR Inc	1.56	1.54
Barings Europe Select Trust - Class A USD Acc	1.56	1.54
Barings Europe Select Trust - Class I GBP Inc	0.81	0.79
Barings Europe Select Trust - Class I EUR Acc	0.81	0.80
Barings Europe Select Trust - Class I EUR Inc	0.81	0.79

Disclosure for German and Swiss Investors (continued)

The TERs for each class for the period ended 31 August 2019 and the year ended 15 May 2018 are as follows:

	TER 31/08/2019 %	TER 15/05/2018 %
Barings German Growth Trust - Class A GBP Acc	1.57	1.56
Barings German Growth Trust - Class A GBP Inc	1.57	1.56
Barings German Growth Trust - Class A EUR Acc	1.57	1.56
Barings German Growth Trust - Class A EUR Inc	1.57	1.56
Barings German Growth Trust - Class A USD Acc	1.57	1.56
Barings German Growth Trust - Class A USD Hedged Acc	1.57	1.56
Barings German Growth Trust - Class A CHF Hedged Acc	1.57	1.56
Barings German Growth Trust - Class A RMB Hedged Acc	1.57	1.56
Barings German Growth Trust - Class I GBP Acc	0.82	0.81
Barings German Growth Trust - Class I GBP Inc	0.82	0.81
Barings German Growth Trust - Class I GBP Acc	0.82	0.81
Barings German Growth Trust - Class I GBP Hedged Acc Acc	0.82	0.81
Barings German Growth Trust - Class I EUR Acc	0.82	0.81
Barings German Growth Trust - Class I EUR Inc	0.82	0.81
Barings German Growth Trust - Class I USD Acc	0.82	0.81

The TERs for each class for the period ended 31 August 2019 and the year ended 12 July 2018 are as follows:

	TER 31/08/2019 %	TER 12/07/2018 %
Barings Strategic Bond Fund - Class A GBP Inc	1.44	1.38
Barings Strategic Bond Fund - Class I GBP Inc	0.84	0.78

Trailer fees and reimbursements

Trailer fees (Bestandespflegekommissionen) may only be paid to the sales agents/partners indicated below:

- authorised sales agents (distributors) within the meaning of Article 19, Para 1, Collective Investment Schemes Act ("CISA");
- sales agents (distributors) exempted from the authorisation requirement within the meaning of Article 19, Para 4, CISA;
- sales partners who place fund units exclusively with institutional investors with professional treasury facilities; and/or;

Disclosure for German and Swiss Investors (continued)

Trailer fees and reimbursements (continued)

- sales partners who place fund units with their clients exclusively on the basis of a written commission-based asset management mandate.

Reimbursements (Rückvergütungen) may only be paid to the institutional investors detailed below who from a commercial perspective are holding the fund units for third parties:

- life insurance companies (in respect of fund units held for the account of insured persons or to cover obligations towards insured persons), pension funds and other retirement provision institutions (in respect of fund units held for the account of beneficiaries);
- investment foundations (in respect of fund units held for the account of in-house funds);
- Swiss fund management companies (in respect of fund units held for the account of the funds managed); and
- foreign fund management companies and providers (in respect of fund units held for the account of managed funds and investing unitholders).

Performance record to 31 August 2019

Barings Europe Select Trust

	01/06/2018 - 31/08/2019 %	01/06/2017 - 31/05/2018 %	01/06/2016 - 31/05/2017 %	01/06/2015 - 31/05/2016 %	01/06/2014 - 31/05/2015 %
Class A GBP Inc (GBP terms)*	4.25	5.27	36.09	7.22	11.06
Euromoney Smaller European Companies (ex UK) Index, Total Return (GBP terms)	(0.62)	6.17	39.89	6.27	2.71
Class A EUR Acc (EUR terms)*	1.00	4.91	18.91	1.00	25.73
Class A EUR Inc (EUR terms)*	0.76	4.92	18.91	1.00	25.70
Class A USD Acc (USD terms)	(4.74)	9.27	19.58	2.78	1.24
Class I GBP Inc (GBP terms)	5.22	6.06	37.17	8.08	12.03
Class I EUR Acc (EUR terms)**	1.72	5.72	19.79	2.02	0.03
Class I EUR Inc (EUR terms)**	1.71	5.70	19.82	1.84	26.27

Performance figures are shown net of fees and charges, on a published NAV per unit basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings/Euromoney.

* 'Baring Europe Select Trust - Class GBP Inc' changed its name to 'Barings Europe Select Trust - Class A GBP Inc' on 29 August 2017.
'Baring Europe Select Trust - Class EUR Acc' changed its name to 'Barings Europe Select Trust - Class A EUR Acc' on 29 August 2017.
'Baring Europe Select Trust - Class EUR Inc' changed its name to 'Barings Europe Select Trust - Class A EUR Inc' on 29 August 2017.

** The Class I EUR Inc unit class was launched on 18 December 2014.
The Class I EUR Acc unit class was launched on 22 May 2015.

Disclosure for German and Swiss Investors (continued)

Barings German Growth Trust

	16/05/2018 - 31/08/2019 %	16/05/2017 - 15/05/2018 %	16/05/2016 - 15/05/2017 %	16/05/2015 - 15/05/2016 %	16/05/2014 - 3/505/2015 %
Class A GBP Acc (GBP terms)	(11.92)	9.84	39.62	(0.90)	4.05
Class A GBP Inc (GBP terms)	(11.91)	9.84	39.60	(0.91)	4.04
HDAX @ Total Return (GBP terms)	(5.65)	7.19	38.53	(3.39)	6.50
Class A EUR Acc (EUR terms)	(14.53)	5.94	29.55	(9.09)	17.47
Class A EUR Inc (EUR terms)	(14.49)	5.89	29.57	(9.07)	17.46
Class A USD Acc (USD terms)	(20.80)	14.98	25.36	(9.20)	(2.31)
Class A USD Hedged Acc (USD terms)*	(11.21)	8.14	31.77	(10.45)	N/A
Class A CHF Hedged Acc (CHF terms)*	-	-	28.75	(10.33)	N/A
Class A RMB Hedged Acc (RMB terms)*	-	9.97	36.10	(4.59)	N/A
Class I GBP Acc (GBP terms)	(11.03)	10.67	40.69	(0.08)	4.91
Class I GBP Inc(GBP terms)	(11.03)	10.67	40.65	(0.05)	4.94
Class I GBP Hedged Acc (GBP terms)*	(12.39)	7.26	7.71	N/A	N/A
Class I EUR Acc (EUR terms)*	(13.68)	6.70	30.56	(10.19)	N/A
Class I EUR Inc (EUR terms)*	(17.09)	6.67	30.48	(0.14)	N/A
Class I USD Acc (USD terms)*	(20.03)	15.93	26.42	(0.45)	N/A

Performance figures are shown net of fees and charges, on a published NAV per unit basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings/HDAX.

* The Class I EUR Acc unit class was launched on 26 May 2015.

The Class A CHF Hedged Acc unit class was launched on 29 May 2015 and closed on 17 April 2018.

The Class A USD Hedged Acc unit class was launched on 29 May 2015.

The Class A RMB Hedged Acc unit class was launched on 3 July 2015.

The Class I EUR Inc unit class was launched on 13 October 2015.

The Class I USD Acc unit class was launched on 13 October 2015.

The Class I GBP Hedged Acc unit class was launched on 24 March 2017.

Disclosure for German and Swiss Investors (continued)

Barings Strategic Bond Fund

	13/07/2018 - 31/08/2019 %	13/07/2017 - 12/07/2018 %	13/07/2016 - 12/07/2017 %	13/07/2015 - 12/07/2016 %	13/07/2014 - 12/07/2015 %
Class A GBP Inc (GBP terms)*	6.79	(0.68)	0.48	0.54	4.70
Class I GBP Inc (GBP terms)	7.49	0.00	1.09	1.24	5.21

Performance figures are shown net of fees and charges, on a published NAV per unit basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings

* 'Baring Strategic Bond Fund – Class GBP Inc' changed its name to 'Barings Strategic Bond Fund – Class A GBP Inc' on 29 August 2017.

For data sourced from Morningstar: © Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units. Please note that changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.

Directory

Manager
Baring Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority ("FCA").

Investment Manager*
Baring Asset Management Limited
20 Old Bailey
London, EC4M 7BF
Authorised and regulated by the FCA.

Sub-Investment Manager for Barings Eastern Trust
Barings Asset Management (Asia) Limited
35th Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

Directors
J. Armstrong (non-executive) (Appointed to the Board on 22 May 2019)
C. Biggins (Resigned from the Board on 11 January 2019)
E. Browning (Appointed to the Board on 22 January 2019)
B. Greene (Resigned from the Board on 23 May 2019)
R. Kent (Appointed to the Board on 9 April 2019)
J. Swayne
K. Troup (non-executive) (Appointed to the Board on 22 May 2019)

Registered Office*
20 Old Bailey
London, EC4M 7BF

Trustee*
NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London, EC2M 4AA
Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA.

Administrator & Registrar*
Northern Trust Global Services SE
6 rue Lou Hemmer,
Senningerberg
Luxembourg, L-1748

The Administrator & Registrar's principal place of business in the United Kingdom:
Northern Trust Global Services SE UK Branch
50 Bank Street
London, E14 5NT
Authorised by the PRA and regulated by the FCA and PRA.

Independent Auditors
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh, EH3 8EX

*See key changes during the period on page 219.

Directory (continued)

Austrian paying agent
UniCredit Bank Austria AG
Schottengasse 6-8
1010 Wien
Austria

French paying agent
BNP Paribas Securities Services
9 rue du Débarcadère
93 761 Pantin Cedex
France

German paying and information agent
Deutsche Bank AG
Global Transaction Banking
Issuer Services - Global Securities Services
Post IPO Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

Further German information agent
Baring Asset Management Limited GmbH
Guiollettstraße 54
60325 Frankfurt am Main
Germany

Swedish paying agent
Skandinaviska Enskilda Banken AB (publ)
Merchant Banking
Global Funds, RB6
Rissneleden 110
SE-106 40 Stockholm
Sweden

Swiss paying agent
BNP Paribas Securities Services, Paris
Succursale de Zurich
Selnaustrasse 16
8002 Zurich
Switzerland

The Prospectus, the Key Investor Information Document(s) ("KIID(s)"), a list of portfolio changes, the Instrument of Incorporation as well as the annual and the interim reports and financial statements are available on www.barings.com, or via the office of the Austrian, French, German, Swedish, and Swiss paying agents.

Address:
Baring Asset Management Limited
20 Old Bailey
London, EC4M 7BF

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BARINGS