



Barings Korea Feeder Fund

(the Fund is constituted as an open-ended unit trust established pursuant to the Units Trust Act 1990)

Annual Report & Audited Financial Statements

For the financial year ended 30 April 2020

Barings Korea Feeder Fund
Annual Report and Audited Financial Statements

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for the financial year ended 30 April 2020

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Barings Korea Feeder Fund

Directors and Other Information

Directors of the AIFM

Alan Behen (Irish)
Peter Clark (British)
James Cleary† (Irish)
David Conway† (Irish)
Barbara Healy† (Irish)
Timothy Schulze (United States)*
Paul Smyth (Irish)
Julian Swayne (British)

* Timothy Schulze resigned as Director of the AIFM with effect from 10 August 2020.

† Non-executive Directors independent of the Investment Manager.

Alternative Investment Fund Manager (“AIFM”)

Baring International Fund Managers (Ireland) Limited
70 Sir John Rogerson’s Quay
Dublin 2
D02 R296
Ireland

Investment Managers to Barings Korea Trust (the “Unit Trust”)

Baring Asset Management Limited
20 Old Bailey
London EC4M 7BF
United Kingdom

Baring Asset Management (Asia) Limited*
35th Floor, Gloucester Tower
15 Queen’s Road Central
Hong Kong

* Baring Asset Management (Asia) Limited is the delegated Sub-Investment Manager of the Unit Trust and is authorised and regulated by the Financial Conduct Authority.

Depositary

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

Administrator and Registrar

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

Company Secretary

Matsack Trust Limited
70 Sir John Rogerson’s Quay
Dublin 2
D02 R296
Ireland

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
D01 X9R7
Ireland

Legal Advisers and Sponsoring Broker

As to Irish Law
Matheson
70 Sir John Rogerson’s Quay
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D02 R296
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As to Hong Kong Law

Deacons
Alexandra House
16-20 Chater Road
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Sub-custodian

The Hong Kong and Shanghai Banking Corporation Limited
35th Floor, HSBC Tower
1000 Lujiazui Ring Road
Pudong
Shanghai 200120
People’s Republic of China

Barings Korea Feeder Fund

Introduction

Barings Korea Feeder Fund (the “Fund”) is a unit trust scheme constituted under the laws of Ireland and has been authorised as a feeder fund into Barings Korea Trust (the “Unit Trust”). The Manager, Baring International Fund Managers (Ireland) Limited, is authorised by the Central Bank of Ireland (the “CBI”) as an Alternative Investment Fund Manager (“AIFM”) pursuant to the European Union (“EU”) Regulations 2013, and therefore the Fund is classified as a Retail Investor Alternative Investment Fund (“RIAIF”) in accordance with the Alternative Investment Fund Rulebook (the “AIF Rulebook”) issued by the CBI. The Unit Trust is authorised and regulated by the Financial Conduct Authority. The Unit Trust is managed by Baring Fund Managers Limited. The Fund is also listed on the Euronext Dublin Global Exchange Market.

As an investor in the Unit Trust, the Fund’s money is pooled with that of other investors in the Unit Trust and invested in the securities of South Korean companies listed on the Korean Stock Exchange. The Unit Trust will also participate in investments such as convertible bonds, fixed-interest stocks and mutual funds. As with all Unit Trusts managed by Baring Fund Managers Limited, the risk assumed in this portfolio is carefully monitored.

As at 30 April 2020, the Fund had one class of units on offer. The Fund held 13,851,957 units (30 April 2019: 11,224,544) in the Unit Trust, which represents approximately 57.89% (30 April 2019: 53.26%) of the authorised units in the Unit Trust. The performance of the Fund is directly dependent on the performance of the Unit Trust. The financial statements of the Unit Trust should be read in conjunction with the Fund's financial statements.

The financial statements include all the trades received up until 12.00p.m. (Irish time) on 30 April 2020, the valuation point of the Fund.

Barings Korea Feeder Fund

Investment Objective and Policy

The investment objective of Barings Korea Feeder Fund (the “Fund”) is to achieve long-term growth in the value of assets by investing in units of Barings Korea Trust (the “Unit Trust”), which is a unit trust constituted in the United Kingdom and authorised by the Financial Conduct Authority (“FCA”). The investment objective of the Unit Trust is to achieve long-term capital growth by investing in Korea.

The Unit 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, Korea and quoted or traded on the stock exchanges in Korea.

How the Unit Trust is managed

Baring Asset Management Limited, in its capacity as investment manager to the Unit Trust (the “Investment Manager”), invests the Unit Trust in the South Korean equity market, and manages it 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 of a company as is placed on the unit price valuation before deciding whether to invest or not. This approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors. A significant emphasis is placed on fundamental research, looking for companies which have the potential to deliver better-than-expected earnings growth. Over the long term, the Investment Manager aims to deliver the majority of returns through active stock picking and expects to achieve most of the added value from stock selection.

The Investment Manager has further appointed Baring Asset Management (Asia) Limited as Sub-Investment Manager to the Unit Trust.

Please refer to the Prospectus for the full risk profile. Investors should read the Prospectus and carefully consider the potential risk factors as well reward factors before investing.

Barings Korea Feeder Fund

Report of the Alternative Investment Fund Manager

For the financial year ended 30 April 2020

Statement of the Alternative Investment Fund Manager's responsibilities

Baring International Fund Managers (Ireland) Limited (the "Alternative Investment Fund Manager ("AIFM")) is required by the Alternative Investment Fund Managers Directive (the "AIFMD") to prepare financial statements for each financial year. These financial statements are prepared in accordance with applicable Irish Law and Financial Reporting Standard 102 ("FRS 102"), "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council, to give a true and fair view of the state of affairs of the Barings Currency Umbrella Fund (the "Unit Trust") at the year-end and the Unit Trust's results for the year then ended. In preparing these financial statements, the AIFM must:

- select and consistently apply suitable accounting policies;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Unit Trust will continue in operation.

The AIFM is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the position of the Unit Trust and enable it to ensure that the financial statements are prepared in accordance with FRS 102 and comply with the provisions of the Trust Deed and the Unit Trusts Act, 1990. The AIFM is also responsible for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

Under the Central Bank of Ireland (the "CBI") Alternative Investment Fund ("AIF") Rulebook, the assets of the Unit Trust shall be entrusted to Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") for safekeeping, and therefore custody of the Fund's assets rests with Northern Trust Fiduciary Services (Ireland) Limited.

The financial statements are published at www.barings.com. The AIFM and Baring Asset Management Limited (the "Investment Manager") are responsible for the maintenance and integrity of the website as far as it relates to Barings funds. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Transactions with connected parties

The CBI's AIF Rulebook requires that any transaction carried out with Barings Korea Feeder Fund (the "Fund") by a Promoter, the AIFM, Depositary, and/or Investment Manager and/or an associate of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the unitholders.

The Directors of the AIFM are satisfied that there are arrangements in place to ensure that this requirement is applied to all transactions with connected parties, and that all transactions with connected parties during the year complied with this requirement.

Remuneration policy

As part of its authorisation as an AIFM, the AIFM has implemented a remuneration policy consistent with the European Securities and Markets Authority's ("ESMA's") remuneration guidelines and, in particular, the provisions of Annex II of Directive 2011/61/EU. Details of which are available on the Barings website at <http://www.barings.com/investment-policies>.

Please refer to Appendix 2 for the remuneration disclosure of the AIFM.

Barings Korea Feeder Fund

Report of the Alternative Investment Fund Manager (continued)

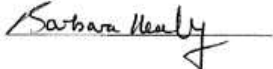
For the financial year ended 30 April 2020

Conflicts of interest

The Directors of the AIFM, the AIFM, the Investment Manager, Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and the Depositary and their respective affiliates, officers, directors and unitholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Unit Trust and/or their respective roles with respect to the Unit Trust. These activities may include managing or advising other funds (including other Investment Funds), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Unit Trust may invest. In particular, the AIFM and other companies within the Barings LLC Group may be involved in advising or managing other Investment Funds which have similar or overlapping investment objectives to or with the Unit Trust. Each of the Parties will use their reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of unitholders.

Alternative Investment Fund Manager's statement

These financial statements were approved by the Directors of the Alternative Investment Fund Manager ("AIFM"), Baring International Fund Managers (Ireland) Limited, on 20 August 2020 and signed by on its behalf by:

Director: 

Director: 

20 August 2020

Barings Korea Feeder Fund

Annual Depositary Report to Unitholders

For the financial year ended 30 April 2020

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Barings Korea Feeder Fund (the "Fund") provide this report solely in favour of the unitholders of the Fund for the year ended 30 April 2020 (the "Annual Accounting Period"). This report is provided in accordance with the current Depositary obligation under the Central Bank of Ireland Alternative Investment Fund Rulebook (the "AIF Rulebook"), Chapter 5 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rulebook, we have enquired into the conduct of the Alternative Investment Fund Manager (the "AIFM") for this Annual Accounting Period and we hereby report thereon to the unitholders of the Fund as follows:

Opinion

We are of the opinion that the Fund has been managed by the AIFM during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



For and behalf of

Northern Trust Fiduciary Services (Ireland) Limited

Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

20 August 2020



Independent auditors' report to the unitholders of Barings Korea Feeder Fund

Report on the audit of the financial statements

Opinion

In our opinion, Barings Korea Feeder Fund's financial statements:

- give a true and fair view of the Trust's assets, liabilities and financial position as at 30 April 2020 and of its results for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law).

We have audited the financial statements, included within the Annual Report & Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 30 April 2020;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year then ended;
- the Schedule of Investments as at 30 April 2020; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) 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 Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Our audit approach

Overview



Materiality

- Overall materiality: 50 basis points of Net Assets Value ("NAV") at 30 April 2020.

Audit scope

- The Fund is an open-ended investment trust. We tailored the scope of our audit taking into account the types of investments within the Fund, the involvement of the third parties referred to overleaf, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

- Valuation and existence of financial assets at fair value through profit or loss.
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Alternative Investment Fund Manager ("AIFM") made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the AIFM that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter

Valuation and existence of financial assets at fair value through profit or loss

Refer to note 2 for the accounting policies of Financial assets at fair value through profit or loss on pages 17 and 18 and the Schedule of Investments in the financial statements on page 30.

The financial assets at fair value through profit or loss included in the Statement of Financial Position as at 30 April 2020 are valued in line with Generally Accepted Accounting Practice in Ireland.

This is considered a key audit matter as it represents the principal element of the financial statements.

How our audit addressed the key audit matter

We tested the valuation and existence of the investment into the Barings Korea Trust (the "Trust") as follows:

- We obtained independent confirmation from the administrator of the Trust to confirm valuation and existence, and reconciled the confirmation to the underlying accounting records of the Fund. We compared the shares and net asset value per share used by the Fund to the independently obtained confirmation from the Trust's administrator. We also considered the reliability of the provider of the information;
 - We obtained independent confirmation from the Depositary of the shares held in the Trust, agreeing the amounts to the accounting records;
 - We also obtained the most recent set of audited financial statements for the Trust. We agreed the net asset value per share as stated within the co-terminus audited financial statements of the Trust to the net asset value per share used in the
-



Key audit matter

How our audit addressed the key audit matter

- valuation of that investment in the accounting records of the Fund;
- We read the independent auditors' report included within the audited financial statements of the Trust to ensure there were no modifications in the report. We also considered whether the audit had been completed by a reputable auditor, whether the opinion was unqualified and whether the basis of preparation was appropriate.

No material misstatements were identified as a result of the procedures performed.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the industry in which it operates.

The AIFM controls the affairs of the Fund and is responsible for the overall investment policy which is determined by them. The AIFM has delegated certain responsibilities to Baring Asset Management Limited (the 'Investment Manager') and to Northern Trust International Fund Administration Service (Ireland) Limited (the 'Administrator'). The financial statements, which remain the responsibility of the AIFM, are prepared on their behalf by the Administrator. The Fund has appointed Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") to act as Depositary of the Fund's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Fund's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality as follows:

| | |
|---|--|
| Overall materiality and how we determined it | 50 basis points (2019: 50 basis points) of Net Assets Value ("NAV") at 30 April 2020. |
| Rationale for benchmark applied | We have applied this benchmark because the main objective of the Trust is to provide investors with a total return taking account of the capital and income returns. |

We agreed with the Directors of the AIFM that we would report to them misstatements identified during our audit above 5 basis points of the Fund's NAV, for NAV per share impacting differences (2019: 5 basis points of the Fund's NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the AIFM's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the AIFM 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.



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.

Reporting on other information

The other information comprises all of the information in the Annual Report & Audited Financial Statements other than the financial statements and our auditors' report thereon. The AIFM 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.

Responsibilities for the financial statements and the audit

Responsibilities of the AIFM for the financial statements

As explained more fully in the Statement of the Alternative Investment Fund Manager's responsibilities set out on page 4, the AIFM is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view.

The AIFM is also responsible for such internal control as the manager determines 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 AIFM 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 AIFM intends to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 (Ireland) 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 IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the unitholders as a body in accordance with the European Union (Alternative Investment Fund Managers) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.

A handwritten signature in black ink, appearing to read 'Pat Candon', with a horizontal line underneath.

Pat Candon
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
20 August 2020

Barings Korea Feeder Fund

Investment Managers' Report

For the financial year ended 30 April 2020

Performance

Barings Korea Feeder Fund (the "Fund") registered a gross return of -13.9% on the Class A USD Acc share class and outperformed the performance comparator with a return of -15.3%* during the reporting period. The Fund generated a net return of -16.1% on the Class A USD Acc share class. The decline in Korean equities during the year was sparked by the global outbreak of the Coronavirus. Stocks globally plunged during the month of February and March in the year 2020 as investors were faced with global recessionary pressure triggered by the pandemic. Industrial shutdowns wreaked havoc on supply chains, while social distancing also further depressed consumption. In addition, the escalated trade frictions between the US and China alongside geopolitical incidents marked the year of 2018 and 2019 with heightened volatilities, not only among Korea equities but also across global markets. Industrial shutdowns wreaked havoc on supply chains, while social distancing also further depressed consumption.

During the year, the Trust has increased exposure in selective semiconductor names, reflecting our positive bias towards the sector. These names include SK Hynix and LG Innotek. We also started to add exposure to smartphone component supplier Samsung Electro-Mechanics after the US-China trade dispute eased at the end of 2018, as the company showed improving market positions and better executions on cost management, while later we took partial profit as valuation reached market consensus. That said, we continued to hold the stock as we remain positive on the stock's strong leadership in highend MLCC (multi-layer ceramic capacitor) market. Meanwhile, the Trust increased its exposure over the year in Internet/online gaming companies such as NAVER, Kakao and NCSOFT as these companies are set to benefit from the secular shift to online activity. These companies can further strengthen their positions based on healthy cash flows and balance sheets. We have reduced positions in retail travel channels and China consumption centric companies, such as Shinsegae and F&F, as the epidemic spread is expected to weigh on their earnings outlook.

On the stock level, NAVER, a leading online search portal, and Kakao, a dominant mobile messenger platform provider, contributed positively to the Trust over the past year thanks to growing internet traffic and increased transaction volume for online purchases and activities, a secular trend which further accelerated due to social distancing measures amid the coronavirus epidemic. Leeno Industrial, a semiconductor testing pin and socket producer, also added value to relative performance as the company is well-positioned to benefit from structural demand growth for new chip development in the wake of 5G and Internet of Things ("IoT").

On the other hand, our structural underweight in Samsung Electronics was the main drag to relative performance over the past year, as the share price rose on growing expectations for improvement in memory chip supply-demand dynamics and recovery in company's earnings outlook.

Market outlook

The outbreak of the Coronavirus has overshadowed the positive momentum in Korea equity market set for 2020. It is difficult to gauge the actual direct impact from the epidemic and volatility could continue in the near-term. However, it is undoubtedly positive to see that central banks around the world are being proactive with quantitative easing and fiscal measures rekindled. In Korea, the BoK (Bank of Korea) cut the base rate to release liquidity, while large scale of fiscal packages as well as supplementary budgets were passed by the parliament to support the economy. While corporate earnings in the near-term will be challenged, markets are expected to look forward to the recovery in latter part of 2020 and 2021. Tailwinds from low oil price, low cost of funds and massive stimulus are expected to help boost earnings recovery in a post Coronavirus world.

We believe that near-term market volatility often provides a favourable window for investors with a long-term, fundamental perspective and extensive research capabilities to successfully identify and exploit attractive opportunities. Furthermore, it's worth highlighting that Korea market is well positioned in terms of its long-term growth outlook and to benefit from the gradual recovery in global demand that is in progress. Our fund strategy and allocation is well-suited to favour Korean companies with attractive fundamentals, strong and sustainable long-term earnings profile and those that are likely to benefit from a benign economic environment. Key themes driven by our bottom-up investment process include: (1) beneficiaries of changing growth dynamics of the technology and mobile internet; (2) beneficiaries of new structural trends in the automobile sector such as Advanced Drive Assistance System and electrical vehicle; (3) beneficiaries of novel technologies, growth segments or niches, and leading edge R&D; (4) beneficiaries of benign input costs and superior manufacturing process/competitiveness; (5) improving corporate governance and improving capital management.

Barings Korea Feeder Fund

Investment Managers' Report (continued)

For the financial year ended 30 April 2020

Market outlook (continued)

We remain disciplined and anchored by our bottom-up investment process. Outlook for Korean equities remains rosy, supported by positive global growth recovery momentum, structurally and fundamentally solid technology sector, signs of improving domestic demand, and favourable fiscal policies supported by the government. In addition to the uniform pace in global growth recovery, Korea is in a key position in terms of economic development and technological level. Korea usually stands at the top of the list of R&D investment versus GDP as investment in new technologies and manufacturing areas always stays in the spotlight for pioneering Korean enterprises. It is in these leading edge sectors and companies where most of Korea's growth will come through. The near-term market volatility should provide a favourable window for getting exposure to investment opportunities with long-term attractive fundamentals. We continue to favour companies with sustainable long-term earnings growth profile, strong franchise and good balance sheet quality which prove to be fundamentally crucial during the current times, and are constructive in selective companies linked to the 5G and memory thematic, and those that are well positioned to benefit from the structural consumption upgrade trend with product and services quality boosts in both Korea and Asia/globally.

* The Fund return uses the midday prices, whereas the return of the comparator is calculated using global close prices.

**Baring Asset Management (Asia) Limited,
appointed as Sub-Investment Manager of Baring Korea Trust by
Baring Asset Management Limited.
May 2020**

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 Korea Feeder Fund

Statement of Financial Position

As at 30 April 2020

| | | Barings Korea Feeder Fund 30 April 2020 | Barings Korea Feeder Fund 30 April 2019 |
|---|--------------|--|--|
| | Notes | US\$ | US\$ |
| Assets | | | |
| Financial assets at fair value through profit or loss | 2 | 47,255,634 | 45,373,678 |
| Cash and cash equivalents | 3 | 72,192 | 58,828 |
| Funds due from the Barings Korea Trust | | 38,043 | 155,250 |
| Receivable for units sold | | 104,169 | 34,763 |
| Other assets | | 3,827 | 1,197 |
| Total assets | | <u>47,473,865</u> | <u>45,623,716</u> |
| Liabilities | | | |
| Payable for units redeemed | | (79,122) | (178,876) |
| Securities purchased payable | 2 | (65,482) | – |
| Other payables and accrued expenses | 5 | <u>(42,564)</u> | <u>(164,179)</u> |
| Total liabilities (excluding net assets attributable to holders of redeemable participating units) | | <u>(187,168)</u> | <u>(343,055)</u> |
| Net assets attributable to holders of redeemable participating units | | <u>47,286,697</u> | <u>45,280,661</u> |

The accompanying notes form an integral part of these financial statements.

BARINGS

Barings Korea Feeder Fund

Statement of Comprehensive Income

For the financial year ended 30 April 2020

| | Notes | Barings Korea Feeder Fund 30 April 2020 US\$ | Barings Korea Feeder Fund 30 April 2019 US\$ |
|---|-------|---|---|
| Income | | | |
| Net fair value loss on financial assets at fair value through profit or loss | 7 | <u>(8,304,687)</u> | <u>(14,387,893)</u> |
| Total expense | | <u>(8,304,687)</u> | <u>(14,387,893)</u> |
| Expenses | | | |
| Management fees | 9 | (32,233) | (54,129) |
| Administration fees | 9 | (144,461) | (148,854) |
| Depositary fees | 9 | (12,345) | (12,720) |
| Operating expenses | 6 | <u>(60,617)</u> | <u>(210,566)</u> |
| Total operating expenses | | <u>(249,656)</u> | <u>(426,269)</u> |
| Net loss before finance costs | | (8,554,343) | (14,814,162) |
| Finance costs | | | |
| Bank interest expense | 2 | <u>(1,005)</u> | <u>(197)</u> |
| Total finance costs | | <u>(1,005)</u> | <u>(197)</u> |
| Decrease in net assets attributable to holders of redeemable participating units | | <u>(8,555,348)</u> | <u>(14,814,359)</u> |

Gains and losses arose solely from continuing activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

BARINGS

Barings Korea Feeder Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

For the financial year ended 30 April 2020

| | Notes | Barings Korea Feeder Fund 30 April 2020 US\$ | Barings Korea Feeder Fund 30 April 2019 US\$ |
|--|-------|---|---|
| Net assets attributable to holders of redeemable participating units at the beginning of the financial year | | 45,280,661 | 72,979,140 |
| Decrease in net assets attributable to holders of redeemable participating units | | (8,555,348) | (14,814,359) |
| Issue of redeemable participating units during the financial year | 4 | 43,336,593 | 12,287,218 |
| Redemption of redeemable participating units during the financial year | 4 | <u>(32,775,209)</u> | <u>(25,171,338)</u> |
| Net assets attributable to holders of redeemable participating units at the end of the financial year | | <u>47,286,697</u> | <u>45,280,661</u> |

The accompanying notes form an integral part of these financial statements.

BARINGS

Barings Korea Feeder Fund

Notes to the financial statements

For the financial year ended 30 April 2020

1. Basis of measurement

In preparing the financial statements for the financial year ended 30 April 2020, Baring International Fund Managers (Ireland) Limited (the "Alternative Investment Fund Manager ("AIFM")) has applied 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), and these financial statements comply with that standard.

The Fund has been authorised by the Central Bank of Ireland (the "CBI") and the Hong Kong Securities and Futures Commission pursuant to the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed, supplemented or consolidated from time to time.

The annual report has been prepared on a going concern basis and in accordance with FRS 102 and Irish Statute comprising the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council ("FRC").

The Fund meets all the conditions set out in FRS 102, Section 7, and consequently has availed of the exemption available to certain funds not to prepare a statement of cash flows.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements made about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. Significant accounting policies

(a) Fair value measurement

By fully adopting FRS 102, in accounting for its financial instruments, a reporting entity is required to apply either a) the full requirements of FRS 102 relating to Basic Financial Instruments and other Financial instruments, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial instruments and other Financial instruments, or c) the recognition and measurement provisions of IFRS 9 Financial instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other financial instruments. The Unit Trust has chosen to implement (b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

The use of IAS 39 recognition and measurement provisions is in line with the pricing policy, which outlines that the fair value of financial assets and financial liabilities be valued at the last traded prices of all trades received up until 12p.m. (Irish time), the valuation point for the Fund.

(b) Foreign exchange translation

Functional and presentation currency

The Fund's financial statements are presented in US dollars which is the functional currency (the "functional currency"). The functional currency is the currency of the primary economic environment in which the entity operates. The presentation currency of the Barings Korea Trust (the "Unit Trust") is sterling.

Transactions and balances

Foreign currency transactions are translated into the functional and presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

2. Significant accounting policies (continued)

(b) Foreign exchange translation (continued)

Proceeds from subscriptions and amounts paid on redemption of redeemable participating units are translated into the functional and presentation currency using the exchange rates prevailing at the dates of the transactions.

(c) Financial assets at fair value through profit or loss

Classification

The Fund classified its investments in the Unit Trust as financial assets at fair value through profit or loss. These financial assets are classified as held for trading or designated by the Board of Directors of the AIFM at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that were managed and whose performance was evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Directors of the AIFM to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. The financial statements include all the trades received up until the valuation point for the Fund as disclosed on page 2. Any trades received subsequent to this point are not reflected in the financial statements. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Realised gains and losses on disposals of financial assets and liabilities classified as 'at fair value through profit or loss' are calculated using the First In First Out ("FIFO") method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value at the relevant valuation point of the Fund as disclosed on page 2. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the financial year in which they arise.

The Fund invests primarily in the Unit Trust. The quoted market price used for the Unit Trust is the last traded price where the last traded price falls within the bid-ask spread.

Fair value estimation

The investments in the Unit Trust are valued as at the year-end date using the unaudited Net Asset Value price of the Unit Trust. The fair value of financial instruments is based on quoted market prices at the Statement of Financial Position date. By fully adopting FRS 102, in accounting for its financial instruments, a reporting entity is required to apply either: a) the full requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, or c) the recognition and measurement provisions of IFRS 9 Financial Instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments. The Unit Trust has chosen to implement (b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

As a result of the Fund's decision to implement the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement, the fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at 12.00p.m. on the reporting date.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

2. Significant accounting policies (continued)

(c) Financial assets at fair value through profit or loss (continued)

Subsidiaries

The Unit Trust, which is the only holding on the Fund's investment portfolio, is considered a subsidiary of the Fund.

Any subsidiary that is held as part of an investment portfolio is required to be measured at fair value with changes in fair value recognised in the profit or loss. All financial instruments held by the Fund are held as part of an investment portfolio and are measured at fair value with changes in fair value recognised in the profit and loss account.

(d) Interest income and interest expense

Interest income and interest expense were recognised in the Statement of Comprehensive Income for cash using the effective interest method. The effective interest method was a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate was the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets had been written down as a result of an impairment loss, interest income was recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(e) Operating expenses

The Fund's AIFM is responsible for all normal operating expenses, including audit fees, stamp and other duties, and charges incurred on the acquisition and realisation of investments. Operating expenses are accounted for on an accruals basis. The AIFM meets all other expenses incurred by the Fund in connection with its services.

(f) Distribution policy

It is not intended to distribute to unitholders any income, all such income being accumulated within the Fund.

(g) Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost less provision for impairment.

(h) Payables

Payables are initially recognised at fair value plus transaction costs and subsequently stated at fair value. The difference between the proceeds and the amount payable is recognised over the settlement year of the payables using the effective interest method.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Equity

Equity units are redeemable at the unitholder's option. The Fund's Net Asset Value per unit is calculated by dividing the net assets attributable to the holders of equity units by the total number of outstanding redeemable participating units.

In accordance with the provisions of the Trust Deed, the fair value of the investment in the Unit Trust is calculated by reference to the last traded market price of the Unit Trust where the last traded price falls within the bid-ask spread. This is consistent with the accounting policy of the Fund for the purpose of compliance with FRS 102.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

2. Significant accounting policies (continued)

(k) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. They include fees and commissions paid to agents, advisers, brokers or dealers. See note 9, 'Significant agreements and fees', for further information on transaction costs.

3. Cash and cash equivalents

Cash and cash equivalents are valued at fair value with interest accrued, where applicable. Cash deposits of US\$72,192 (30 April 2019: US\$58,828) are maintained with Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary"). Restricted cash of US\$Nil (30 April 2019: US\$Nil) was held with the Central Depositary Shenzhen and the Central Depositary Shanghai. This cash serves to pay a minimum clearing reserve payment to the exchange when the Fund started trading. This cash is not available for immediate use.

4. Redeemable units

Financial year ended 30 April 2020

| | Class A USD Acc No. of Units |
|-----------------------------|---|
| Balance as at 1 May 2019 | 2,142,079 |
| Issued | 2,311,958 |
| Redeemed | (1,787,933) |
| Balance as at 30 April 2020 | 2,666,104 |

Financial year ended 30 April 2019

| | Class A USD Acc No. of Units |
|-----------------------------|---|
| Balance as at 1 May 2018 | 2,684,928 |
| Issued | 510,597 |
| Redeemed | (1,053,446) |
| Balance as at 30 April 2019 | 2,142,079 |

5. Other payables and accrued expenses

| | 30 April 2020 US\$ | 30 April 2019 US\$ |
|----------------------------------|-------------------------------|-------------------------------|
| Management fees payable | – | (3,801) |
| Administration fees payable | (9,938) | (10,454) |
| Depositary fees payable | (2,781) | (7,662) |
| Audit fees payable | (10,310) | (13,357) |
| Legal fees payable | – | (28,776) |
| Professional fees payable | (14,136) | (15,479) |
| Other operating expenses payable | (5,399) | (84,650) |
| | (42,564) | (164,179) |

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

6. Operating expenses

| | 30 April 2020 | 30 April 2019 |
|--------------------------|-----------------|------------------|
| | US\$ | US\$ |
| Audit fees | (9,759) | (13,125) |
| Legal fees | (91,224) | (156,992) |
| Professional services | (6,305) | (8,042) |
| Other operating expenses | 46,671 | (32,407) |
| | <u>(60,617)</u> | <u>(210,566)</u> |

7. Net Fair value loss on Financial Assets and Liabilities at fair value through profit or loss

The following table analyses the realised and unrealised gains and losses on investments and currencies from the Statement of Comprehensive Income on page 14. This requirement complies with the CBI's AIF Rulebook.

| | 30 April 2020 | 30 April 2019 |
|--|--------------------|---------------------|
| | US\$ | US\$ |
| Realised gains on sale of investments | 115,579 | 2,198,534 |
| Realised losses on sale of investments | (3,759,702) | (792,786) |
| Realised currency gains | 556,869 | 269,298 |
| Realised currency losses | (588,093) | (299,866) |
| Unrealised losses on investments | (4,629,395) | (15,762,945) |
| Unrealised currency gains | 1,775 | 269 |
| Unrealised currency losses | (1,720) | (397) |
| | <u>(8,304,687)</u> | <u>(14,387,893)</u> |

8. Distributions

It is not intended to distribute to unitholders any income, all such income being accumulated within the Fund.

9. Significant agreement and fees

Management fees

The Alternative Investment Fund Manager ("AIFM") is entitled under the Trust Deed to charge a management fee at a rate not exceeding 0.5% per annum (or such higher percentage per annum as may be approved by an Extraordinary Resolution of unitholders) of the value of the net assets of the Fund (the "Management Charge"). The Management Charge is payable monthly in arrears and is calculated by reference to the value of the net assets of the Fund as at each day on which the value of the net assets of the Fund is calculated. A new prospectus was issued on 9 December 2019. Up until that date, the AIFM made a charge at the rate of 0.1% per annum, which may have been increased to an amount not exceeding 0.5% per annum on giving not less than three months' notice to the unitholders. As of 9 December 2019, this management fee has been removed.

The Fund is managed by the AIFM, who has delegated investment responsibility to Baring Asset Management Limited an investment management company incorporated in London on 6 April 1994. The Investment Manager is part of the Barings LLC group and is a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"). The outstanding amount payable at the financial year-end for management fees was US\$Nil (30 April 2019: US\$3,801).

The management fee is payable monthly in arrears and will be calculated by reference to the value of the Net Asset Value of the Fund as at each business day ("valuation day")

The fees of the Baring Asset Management Limited (the "Investment Manager") will be met by the AIFM out of their own fee.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

9. Significant agreement and fees (continued)

Administration fees

The AIFM shall be entitled to receive an administration fee out of the assets of the Fund at the rate of 0.275% per annum of the Net Asset Value of the Fund calculated by reference to the daily calculation of asset values and paid monthly in arrears. The fee will be subject to a minimum of £12,000 per annum. The AIFM will pay the fees of Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and the Registrar out of the administration fee. The Administrator and Registrar are entitled to be reimbursed certain out-of-pocket expenses out of the assets of the Fund. Administration fees of US\$144,461 have been charged for the financial year 30 April 2020 (30 April 2019: US\$148,854) of which US\$9,938 (30 April 2019: US\$10,454) was outstanding at the financial year-end.

Depositary fees

The Depositary is entitled under the Trust Deed to receive out of the assets of the Fund a Trustee fee at the rate of up to 0.025% per annum of the value of the net assets of the Fund, payable monthly in arrears.

In addition, the Depositary will also charge transaction fees, safekeeping fees and account maintenance charges out of the assets of the Fund, which shall be at normal commercial rates. The Depositary is entitled to be reimbursed all fees and charges of sub-custodians appointed by it and all other out-of-pocket expenses incurred by it. Any sub-custodian fees will be charged at normal commercial fees. Depositary fees of US\$12,345 have been charged for the financial year 30 April 2020 (30 April 2019: US\$12,720) of which US\$2,781 (30 April 2019: US\$7,662) was outstanding at the financial year-end.

Transaction cost

There were no transaction costs incurred by the Fund for the year ended 30 April 2020 (30 April 2019: US\$ Nil).

Legal fee

The fees paid to Deacons during the financial year amounted to US\$85,008 (30 April 2019: US\$81,306). The fees paid to Matheson during the year amounted to US\$37,803 (30 April 2019: US\$53,960). The fees paid to Lexcel Partners during the year amounted to US\$534 (30 April 2019: US\$Nil).

10. Related party transactions

Julian Swayne and Peter Clark are employed by Barings Investment Services Limited. Timothy Schulze is connected to the AIFM through employment with Barings LLC. Alan Behen and Paul Smyth are employees of the AIFM. Jim Cleary, David Conway and Barbara Healy are all non-executive Directors, independent of the Investment Manager. The AIFM will discharge the fees and expenses of the Investment Manager out of its own fee. The Investment Manager is part of the Barings LLC group and is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"). Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Significant unitholdings

The following table details significant concentrations in unitholdings of the Fund or instances where the units are beneficially held by other Investment Funds managed by the Investment Manager or one of its affiliates. As at 30 April 2020, the following had significant unitholdings in the Fund:

| Fund name | Number of unitholders with beneficial interest greater than 20% of the units in issue | Total % of unitholders with beneficial interest greater than 20% of the units in issue | Total % of units held by Investment Funds managed by Baring International Fund Managers (Ireland) Limited or affiliates |
|---------------------------|--|---|--|
| Barings Korea-Feeder Fund | 1 (30 April 2019: 2) | 28.48% (30 April 2019: 42.76%) | -% (30 April 2019: -%) |

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management

In accordance with FRS 102: Disclosure, this note details the way in which the Unit Trust managed risks associated with the use of financial instruments.

The Fund is exposed to a variety of financial risks in pursuing its stated investment objectives and policies. These risks include, but are not limited to, credit risk, liquidity risk and market risk (which in turn includes foreign currency risk, interest rate risk and market price risk). The Fund assumes exposure to these risks to generate investment returns on its portfolios, although these risks can also potentially result in a reduction in the Fund's net assets.

The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Fund's performance where it can do so while still managing the investments of the Fund in a way that is consistent with the Fund's investment objectives and policies.

In accordance with the investment objectives and policies of the Fund, it may only invest in redeemable participating units in the Unit Trust. The Fund may hold ancillary liquid assets in order to cover the ongoing costs and expenses of the Fund. Liquid assets in this context include bank deposits, commercial paper and treasury bills.

A review of the performance for the year is available on page 11.

The underlying investments in the Unit Trust are subject to normal market fluctuations and other risks inherent in investing in securities, and there can be no assurance that any appreciation in value will occur. The value of investments, and therefore the value of the units relating to them, can go down as well as up, and an investor may not realise the amount originally invested.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below. These policies have remained substantially unchanged since the beginning of the financial year to which these financial statements relate.

Market risk

Market risk embodies the potential for both losses and gains and included foreign currency risk, interest rate risk and price risk, which are discussed in detail under separate headings within this note.

The Fund's exposure to market risk is that the value of assets will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry that the Fund invested in.

The Fund's market risk is managed on a daily basis by the Investment Managers in accordance with policy and procedures in place. The Fund's overall market positions are reported to the Directors of the AIFM on a monthly basis.

As the majority of the financial instruments are carried at fair value through the profit or loss, all changes in market conditions directly impact the net assets of the Fund.

Foreign currency risk

Foreign currency risk is defined in FRS 102 as "the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates". The Fund is exposed to foreign currency risk as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Fund, which is the US dollar. It is also exposed to the foreign currency risk via holdings in Baring Korea Trust.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of those assets and liabilities. The Investment Manager may attempt to mitigate this risk by using financial derivative instruments.

In accordance with the Fund's policy, the Investment Manager of the Unit Trust monitors the Unit Trust's currency exposures on a daily basis and reports regularly to the Directors of the AIFM, which reviews the information provided by the Investment Manager on any significant exposures at its periodic meetings.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management (continued)

Foreign currency risk (continued)

The Investment Manager may have used forward foreign currency contracts on the Unit Trust as a tool and technique to hedge the Unit Trust's currency exposure.

The table below represents the Unit Trust's exposure to foreign currency as at 30 April 2019 and 30 April 2020. All amounts are stated in the functional currency of the Unit Trust.

30 April 2020

| | Financial assets at fair value through profit or loss US\$ | Cash and cash equivalents US\$ | Other assets and liabilities US\$ | Derivatives US\$ | Net exposure US\$ | % of Net Assets |
|-----|---|---|---|---------------------|----------------------|--------------------|
| EUR | – | 29 | – | – | 29 | – |
| GBP | 47,255,634 | 213 | (27,439) | 27,439 | 47,255,847 | 100 |

30 April 2019

| | Financial assets at fair value through profit or loss US\$ | Cash and cash equivalents US\$ | Other assets and liabilities US\$ | Derivatives US\$ | Net exposure US\$ | % of Net Assets |
|-----|---|---|---|---------------------|----------------------|--------------------|
| EUR | – | 30 | – | – | 30 | – |
| GBP | 45,373,678 | (48,836) | 155,085 | (185,255) | 45,294,672 | 100 |

Sensitivity analysis

The below currency sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future rate movements and correlations between currencies could vary significantly from those experienced in the past.

At 30 April 2020, had the exchange rate between the US Dollar and other currencies increased or decreased by 5% (30 April 2019: 5%) with all other variables held constant, the increase or decrease in the value of the Net Assets attributable to holders of redeemable participating units would be US\$2,362,794 (30 April 2019 US\$2,268,684).

Interest rate risk

Interest rate risk is defined in FRS 102 as “the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates”.

As the Fund invests substantially all of its assets into the Unit Trust and has a relatively small cash/overdraft balance, it has an insignificant level of direct exposure to interest rate risk. The Fund would, however, be indirectly subject to fluctuations in the prevailing levels of market interest rates impacting on the underlying investments of the Unit Trust.

Sensitivity Analysis

The below investment sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future price movements could vary significantly from those experienced in the past.

If the price of the underlying investments held by the Fund had increased or decreased by 5% at 30 April 2020 (30 April 2019: 5%), with all other variables held constant, this would have increased or decreased the Net Asset Attributable to Holders of redeemable participating units by US\$2,362,782 (30 April 2019: US\$2,268,684).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management (continued)

Market price risk

Market price risk is defined in FRS 102 as “the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices”.

The Fund invests solely in the Unit Trust and is therefore impacted by the inherent risks of the Unit Trust’s investments. The AIFM monitors the Unit Trust’s positions on a monthly basis and reviews the information on the Unit Trust’s overall market exposures provided by the Investment Manager of the Unit Trust at its periodic meetings.

The Investment Manager uses three techniques to help in the risk management process: monitoring compliance with quantitative limits, prevention of limit breaches, and trade monitoring. These techniques allow the Investment Manager to ensure that the Fund remains in compliance with the restrictions in the Prospectus and the AIF Rulebook which the Fund is governed by.

In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices, as determined by market forces, through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis. Such market forces include the impact of Covid-19, the duration and full effects of which are still uncertain. The Investment manager now includes a Covid-19 stress test on a daily basis. This scenario test takes risk factor levels at 31 December 2019 and shocks them to levels observed on 31 March 2020 and re-values the position.

The maximum risk arising from an investment is determined by the fair value of the financial instruments. The overall market exposures and concentration of risk can be seen on the Schedule of Investments and Statement of Financial Position of the Fund. The Fund’s market price risk is affected by two components: changes in market prices and currency exchange rates..

Sensitivity Analysis

The below price sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data.

If the price of the underlying Investment Fund held by the Fund had increased or decreased by 5% at 30 April 2020 (30 April 2019: 5%) with all other variables held constant, this would have increased or decreased the Net Assets Attributable to equity holders by US\$2,362,782 (30 April 2019 by US\$2,268,684).

Liquidity risk

Liquidity risk is defined in FRS 102 as “the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset”.

The Fund and the Unit Trust are exposed to daily cash redemptions of units. However, the AIFM is entitled, with the approval of the Depositary, to limit the number of units of any class realised on any dealing day to 10% of the total number of units of that class in issue. There are also a number of circumstances when the AIFM may, with the approval of the Depositary, temporarily suspend the right of unitholders to require the realisation of units of any class and/or may delay the payment of any monies in respect of any such realisation. The Fund invests the majority of its assets in the Unit Trust, which is considered to be liquid, as these can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with the Fund’s policy, the AIFM monitors the Fund’s liquidity on a daily basis and reviews any significant exposures at its periodic meetings. At 30 April 2020 and 30 April 2019, the Fund’s financial liabilities, as disclosed on the Statement of Financial Position were all due within one month.

There is a bank overdraft facility in place with The Northern Trust Company (“TNTC”). An “uncommitted” multi-currency loan facility has been made available by TNTC to the Fund. As at 30 April 2020, there was no amount drawn down on this facility (30 April 2019: same).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management (continued)

Credit risk

Credit risk is defined in FRS 102 as “the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation”. The Fund is indirectly exposed to credit risk due to its investment in the Unit Trust.

Credit risk statement

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depository of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at the year-end date of 30 April 2020, NTC had a long-term credit rating from Standard & Poor’s (“S&P’s”) of A+.

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the US, the UK, Ireland and Canada. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depository duties, verifies the Fund’s ownership of Other Assets, (as defined under Other Assets, Art 21(8)(b) of Directive 2011/61/EU), by assessing whether the Funds hold the ownership, based on information or documents provided by the Fund or, where available, on external evidence.

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separate from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Funds on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of the insolvency of TNTC, in accordance with standard banking practice, the Funds will rank as an unsecured creditor of TNTC in respect of any cash deposits.

The insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund’s rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depository, and such risk is further managed by the Depository monitoring the credit quality and financial positions of subcustodian appointments.

Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market.

The Investment Manager of the Unit Trust reviews concentrations of credit risk on a fortnightly basis. All exposures to counterparty credit risk are monitored by Baring Asset Management Limited’s Counterparty Credit Committee and are subject to Baring Asset Management Limited’s Counterparty Credit Policy (“CCP”). Baring Asset Management Limited requires a minimum credit rating of Dunn and Bradstreet (“D&B”) 3, but also actively avoids exposure to entities having an S&P rating of less than AA-, even where the D&B rating is 3 or better. Adherence to the CCP is very rigidly enforced. Any changes to ratings which cause divergence from the CCP are acted on immediately without exception. Application for Initial Public Offerings (“IPOs”), for example, is subject to the credit rating of the entity to whose Statement of Financial Position the application will expose the investing fund. Where no satisfactory rating is applied, the Investment Manager insists that monies are paid into a ring-fenced ‘Client Money’ account, hence avoiding exposure not permitted by the CCP.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management (continued)

Credit risk (continued)

The Unit 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; these limits are reviewed regularly.

- Fair value – there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet of the Unit Trust, and their fair value.
- Derivatives and other financial instruments – transactions in derivatives, warrants and forward currency contracts may be used for the purpose of hedging and meeting the investment objective of the Unit Trust. In pursuing the Unit Trust's objectives, Baring Fund Managers Limited may make use of a variety of instruments in accordance with the rules.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement year involved. The maximum exposure related to unsettled trades equals the amounts shown on the Statement of Financial Position. There were no past due or impaired assets as of 30 April 2020 and 30 April 2019.

The Fund invests solely into the Unit Trust and is therefore indirectly exposed to the Unit Trust's investments. The net assets (fair value of investments, cash and receivables relating to securities) exposed to credit risk at year-end amounted to:

| Fund | 30/04/2020 | 30/04/2019 |
|---------------------------|------------|------------|
| | US\$ | US\$ |
| Barings Korea Feeder Fund | 47,365,869 | 45,587,756 |

Fair value hierarchy

FRS 102 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the AIFM. The AIFM considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

11. Financial risk management (continued)

Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities measured at fair value.

As at 30 April 2020

| Barings Korea Feeder Fund Financial assets | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total US\$ |
|---|-----------------|-------------------|-----------------|-------------------|
| Investment Funds | – | 47,255,634 | – | 47,255,634 |
| Total | – | 47,255,634 | – | 47,255,634 |

As at 30 April 2019

| Barings Korea Feeder Fund Financial assets | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total US\$ |
|---|-----------------|-------------------|-----------------|-------------------|
| Investment Funds | – | 45,373,678 | – | 45,373,678 |
| Total | – | 45,373,678 | – | 45,373,678 |

12. Efficient portfolio management

During the financial year ended 30 April 2020, the Fund did not engage in any efficient portfolio management techniques (30 April 2019: same).

13. NAV per redeemable participating units

| Net assets attributable to holders of redeemable participating units | 30 April 2020 | 30 April 2019 | 30 April 2018 |
|---|----------------|----------------|----------------|
| Barings Korea Feeder Fund | US\$47,286,697 | US\$45,280,661 | US\$72,979,140 |

| NAV per redeemable participating units | | | |
|--|-----------|-----------|-----------|
| Class A USD Acc | US\$17.74 | US\$21.14 | US\$27.18 |

14. Exchange rates

| | As at 30 April 2020 | As at 30 April 2019 |
|----------------|------------------------|------------------------|
| Euro | 0.9194 | 0.8919 |
| Pound sterling | 0.7994 | 0.7686 |

15. Soft commission arrangements

The Investment Manager will pay for research from their own books, as commission paid on trades will be "execution only", which is the agreed cost for the broker to settle the trade (30 April 2019: same).

16. Contingent liabilities

There are no contingent liabilities at financial year-end 30 April 2020 and financial year-end 30 April 2019.

17. Taxation

Under current Irish law and practice, the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, it is not chargeable to Irish tax on its income or gains.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

17. Taxation (continued)

However, Irish tax may arise if a "chargeable event" occurs. A chargeable event includes any distribution payments to unitholders or any encashment, redemption, cancellation, transfer or deemed disposal of units for Irish tax purposes arising as a result of holding units in the Fund for a period of eight years or more, or the appropriation or cancellation of units of a unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No Irish tax will arise on the Unit Trust in respect of chargeable events due to:

(a) a unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided that a relevant declaration is in place (in accordance with Schedule 2b of the TCA) and the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or

(b) a unitholder who is an exempt Irish investor (as defined in Section 739D TCA).

Dividends, interest and capital gains (if any) received on investments made by the Fund may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its unitholders.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for Unit Trust Investment Undertakings marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting "equivalent measures". An Investment Fund wishing to receive approval must apply in writing to the Revenue Commissioners, confirming compliance with the relevant conditions.

18. Bank Facilities

There is a bank overdraft facility in place with The Northern Trust Fund ("TNTC"). An "uncommitted" multi-currency loan facility has been made available by TNTC to the Fund. During the financial year ended 30 April 2020 and during the financial year ended 30 April 2019, the Fund has drawn down on this facility.

19. Material changes to the Prospectus

An updated Prospectus of the Fund was issued on 9 December 2019. The following are the material changes made:

- Introduction of a performance comparator which is a requirement due to recent FCA regulations.
- Removal of statement on diversification of investments to certain sectors being more than 30% as not longer a regulatory requirement.
- An administrative update to clarify that BIFMI can delegate distribution arrangements to a Sub-distributor (BAML or Barings UK).
- Incorporation of subscriptions as well as redemptions in the section on "In Specie distribution".
- Removal of the 10bps Management fee.
- Clarification on the payment of Administrative fees.
- Updates to comply with Hong Kong revised Code on Unit Trusts and Mutual Funds.

There are other immaterial changes to the Prospectus that are not listed above.

20. Significant events

The Prospectus of the Fund has been updated with an effective date of 9 December 2019. The material changes to the Prospectus are outlined in note 19.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial year ended 30 April 2020

20. Significant events (continued)

COVID-19

The spread of Covid-19 around the world in the first half of 2020 has caused significant volatility in international markets. There is still uncertainty around the breadth and duration of business disruptions related to Covid-19, as well as its impact on international economies and, as such, the Unit Trust is actively monitoring the extent of the impact to its operations, financial accounting and reporting.

Brexit

The United Kingdom (the "UK") held a referendum on 23 June 2016 on whether to leave or remain in the European Union (the "EU"). The outcome of the referendum was in favour of leaving the EU. The UK officially withdrew from the EU on 31 January 2020 but will continue to follow all of the EU rules and its trading relationship will remain the same until the end of the transitional period ending on 31 December 2020.

There are a number of uncertainties in connection with the future of the UK and its relationship with the EU, including the terms of the agreement it reaches in relation to its withdrawal from the EU and any agreements it reaches in relation to its future relationship with the EU and Barings continues to plan for a number of possible scenarios. Barings is committed to ensuring continuity of service for its investors and protecting its business against potential regulatory or other market access barriers related to Brexit. In this regard, Baring International Fund Managers (Ireland) Limited ("BIFMI"), will continue as the AIFM of the Unit Trust and the Fund will continue to be registered for distribution into relevant jurisdictions in the EU and elsewhere. Portfolio management in respect of European investments will continue to be delegated to Baring Asset Management Limited, a UK entity and portfolio management of US investments will continue to be conducted by Barings LLC, a US entity. The custodians and administrators of the Fund are also EU entities. In addition, BIFMI has enhanced its presence in Dublin and recruited locally at all levels to staff its new office, reflecting the increased significance of BIFMI's role within the Barings business.

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain in any scenario, there could be short-term volatility which could have a negative impact on general economic conditions, business and consumer confidence in both the UK and EU, which may in turn have negative political, economic and market impacts more widely. The longer-term consequences may be affected by the terms of any future arrangements the UK has with the EU. Among other things, the UK's decision to leave the EU could lead to changes in the law and tax treatment of funds, instability in the equity, debt and foreign exchange markets, including volatility in the value of sterling or the euro.

There have been no other significant events to the financial year-end which, in the opinion of the Directors of the AIFM, that may have had an impact on the financial statements for the financial year ended 30 April 2020.

21. Subsequent events

Mr. Timothy Schulze resigned as Director of the AIFM with effect from 10 August 2020.

There has been no other events subsequent to the year-end which, in the opinion of the Directors of the AIFM may have a material impact on the financial statements for the financial year ended 30 April 2020.

22. Approval of financial statements

The financial statements were approved by the Directors of the AIFM on 20 August 2020.

Barings Korea Feeder Fund

Schedule of Investments

As at 30 April 2020

As at 30 April 2020

| Investment Unit Trust | Holding as at 30/04/2019 | Nominal purchases | Nominal sales | Holding as at 30/04/2020 | Fair value in US\$ as at 30/04/2020 | % of Net Assets |
|---|--------------------------|-------------------|---------------|--------------------------|-------------------------------------|-----------------|
| Barings Korea Trust (cost US\$54,245,411.36) | 11,224,544 | 9,864,234 | (7,236,821) | 13,851,957 | 47,255,634 | 99.93 |
| Cash and cash equivalents | | | | | 72,192 | 0.15 |
| Other net liabilities | | | | | (41,129) | (0.08) |
| Total net assets attributable to holders of redeemable participating units | | | | | 47,286,697 | 100.00 |

As at 30 April 2019

| Investment Unit Trust | Holding as at 30/04/2018 | Nominal purchases | Nominal sales | Holding as at 30/04/2019 | Fair value in US\$ as at 30/04/2019 | % of Net Assets |
|---|--------------------------|-------------------|---------------|--------------------------|-------------------------------------|-----------------|
| Barings Korea Trust (cost US\$47,734,059.37) | 14,171,816 | 1,665,526 | (4,612,798) | 11,224,544 | 45,373,678 | 100.21 |
| Cash and cash equivalents | | | | | 58,828 | 0.13 |
| Other net liabilities | | | | | (151,845) | (0.34) |
| Total net assets attributable to holders of redeemable participating units | | | | | 45,280,661 | 100.00 |

Barings Korea Feeder Fund

General Information (Unaudited)

General information

Barings Korea Feeder Fund (the “Fund”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited (“the Alternative Investment Fund Manager (“AIFM”). The Fund is a feeder fund investing solely in the units of Barings Korea Trust (the “Unit Trust”), a United Kingdom authorised unit trust scheme, which has also been authorised by the Securities and Futures Commission in Hong Kong.

Each redeemable participating unit in the Fund represents one undivided unit in the property of the Fund.

The Fund is valued on each dealing day following the initial issue of units of the relevant class, and such units may normally be purchased or realised by application to the AIFM c/o the Administrator on a dealing day. Dealing days are every business day and/or such other day or days as the AIFM may, with the approval of Northern Trust Fiduciary Services (Ireland) Limited (the “Depositary”), determine (as will be notified in advance to unitholders), provided that such day is also a dealing day in respect of the Unit Trust and provided further that there shall be at least two dealing days in each month. A business day is any day, other than a Saturday or Sunday, on which banks in both Dublin and London are open for business.

The AIFM may decline any application for redeemable participating units in whole or in part and will not accept subscriptions for units of an amount (inclusive of the preliminary charge) which is less than US\$5,000. A preliminary charge of up to 6% (or such higher amounts as may be approved by an extraordinary resolution) of the amount invested may be made and retained by the AIFM, but it is the intention of the AIFM that such charge should not, until further notice, exceed 5%. Redeemable participating units in the Unit Trust will, however, be acquired by the Fund at the creation price, the effect of which is that there will be no initial charge made on the acquisition of units in the Unit Trust.

The Fund is constituted under the laws of Ireland by a Trust Deed dated 2 October 1992, (such deed as amended from time to time being hereinafter referred to as the “Trust Deed”) made between the AIFM and the Depositary.

All unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed.

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

Market timing

Repeatedly purchasing and selling redeemable participating units in the Fund in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the AIFM’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 AIFM may refuse to accept an application for redeemable participating units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Fund.

The AIFM reserves the right to redeem redeemable participating units from a unitholder on the basis of the circumstances of the unitholder concerned, or if it has reasonable grounds to believe that the unitholders are engaging in any activity which might result in the Fund or its unitholders as a whole suffering any legal, regulatory, reputational or other material disadvantage which the Fund or its unitholders as a whole might not otherwise have suffered.

Particulars relating to the Fund

Particulars relating to the Fund are contained in the Prospectus, copies of which, together with the latest published AIFM’s report, can be obtained, free of charge, from Baring Asset Management Limited at 20 Old Bailey, London EC4M 7BF, United Kingdom.

Barings Korea Feeder Fund

Appendix 1 – Additional information Hong Kong Code (Unaudited)

For the financial year ended 30 April 2020

Highest issue and lowest redemption prices

Highest issue price during the year/period

| | 30 April 2020 | 30 April 2019 | 30 April 2018 | 08 August 2017 | 08 August 2016 |
|-----------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Class A USD Acc | 21.24 | 27.61 | 28.19 | 24.16 | 24.27 |

| | 08 August 2015 | 08 August 2014 | 08 August 2013 | 08 August 2012 | 08 August 2011 |
|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Class A USD Acc | 25.95 | 24.69 | 24.05 | 23.50 | 27.66 |

Lowest redemption price during the year/period

| | 30 April 2020 | 30 April 2019 | 30 April 2018 | 08 August 2017 | 08 August 2016 |
|-----------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Class A USD Acc | 12.69 | 20.18 | 22.15 | 18.54 | 18.87 |

| | 08 August 2015 | 08 August 2014 | 08 August 2013 | 08 August 2012 | 08 August 2011 |
|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Class A USD Acc | 20.63 | 20.12 | 19.13 | 19.01 | 18.56 |

Barings Korea Feeder Fund

Appendix 2 – Disclosure of Remuneration (Unaudited)

For the financial year ended 30 April 2020

Baring International Fund Managers (Ireland) Limited's (the "Alternative Investment Fund Manager ("AIFM")) remuneration policy ensures the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policy under the 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 constitution of the AIFM or the Fund; and
- (ii) consistent with the AIFM's business strategy, objectives, values and interests and include measures to avoid conflicts of interest.

The AIFM complies 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 AIFM, the Board of Directors of the AIFM (the "AIFM Board") considers it appropriate to dis-apply the requirement to appoint a remuneration committee.

The AIFM 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 committees ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

Remuneration Code Staff

The AIFM has determined its Remuneration Code Staff as the following:

a) Senior Management

Senior Management comprises the Board of Directors

b) Control Functions

All CBI Pre Approved Control Functions ("PCFs") are included within the definition of Remuneration Code Staff.

c) Risk takers

Risk Takers are defined as the investment managers of the AIFs. Investment management is delegated to firms' subject to an equivalent remuneration regime and therefore the AIFM currently has no risk takers outside of senior management.

d) Employees in the same remuneration bracket as risk takers

The AIFM 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 Funds.

e) Staff responsible for heading the investment management, administration, marketing and human resources

There are no staff in this category that are not captured in other categories.

Barings Korea Feeder Fund

Appendix 2 – Disclosure of Remuneration (Unaudited) (continued)

For the financial year ended 30 April 2020

Remuneration disclosure:

The disclosure below details fixed and variable remuneration paid to the AIFM's Remuneration Code Staff.

| | Total Remuneration | Total Remuneration | Total Fixed Remuneration | Total Variable remuneration |
|---|--------------------|--------------------|--------------------------|-----------------------------|
| Total remuneration paid by BIFMI in relation to the Fund* | 11 | €3,058 | €1,725 | €1,333 |
| Total Senior Management Remuneration paid by BIFMI** | 11 | €1,245,900 | €702,692 | €543,208 |
| Risk Takers remuneration | 0 | €0 | €0 | €0 |
| Employees in the same remuneration bracket a risk takers | 0 | €0 | €0 | €0 |

The AIFM's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation.

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 the Fund not being comparable to the disclosures made in the prior financial year, or in relation to other Barings fund disclosures in that same financial year.

Notes:

*The AIFM does not make any direct payments to staff who are paid by other Barings Group entities. Figures are apportioned on a fund Assets Under Management ("AUM") basis as a proportion of Barings' total AUM as at 30 April 2020. Accordingly the figures are not representative of any individual's actual remuneration.

**Senior management remuneration is apportioned on the basis of the AIFM'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 payment including benefits in kind and discretionary pension awards.

The Fund does not pay performance fees or award carried interest.

Barings Korea Feeder Fund

Appendix 3 – AIFMD Related Periodic Investor Reporting (Unaudited)

For the financial year ended 30 April 2020

Introduction

Pursuant to the European Alternative Investment Fund Managers Directive (Directive 2011/61/EU of the European Parliament and the Council of the European Union, or “AIFMD”) Baring International Fund Managers (Ireland) Limited (“BIFMI”), as an Alternative Investment Fund Manager (“AIFM”), is required to periodically disclose certain information to investors in the Alternative Investment Funds (“AIFs”) for which it acts as the AIFM. This impacts Barings Korea Feeder Fund as a RIAIF managed by BIFMI and all Funds of this umbrella entity.

Periodic Reporting

In accordance with Article 23(4) of AIFMD and Articles 108 of Delegated Regulation (EU) No 231/2013, BIFMI is required to disclose to investors the following information for the financial year ended 30 April 2020, at the same time as the annual report is made available to investors of the Fund:

- There were no assets held that are subject to special arrangements arising from their illiquid nature.
- There were no new arrangements for managing the liquidity of the Fund.
- The current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks are included on pages 36 to 37 .

There have been no changes to the risk profiles or risk management systems for the Fund in the financial year ended 30 April 2020.

Barings Korea Feeder Fund

Appendix 4 – Risk Management Systems and Risk Profile Summary (Unaudited)

For the financial year ended 30 April 2020

Overview of Risk Management Systems

Summary Organisational Features

The AIFMD related risk management Barings Korea Feeder Fund (the “Fund”) is carried out by the Designated Person for Risk of Baring International Fund Managers (Ireland) Limited (the “AIFM”) and risk management team, who form part of the Permanent Risk Management function at the AIFM. The AIFM risk management team is also supported by the AIFM’s intra company delegated risk management functions within Barings Asset Management Limited and Barings LLC. The Risk Management Function within Barings is independent of Barings’ operating units, including the portfolio management teams. The Designated Person for Risk of the AIFM reports to the Chief Executive Officer and Board of the AIFM.

Primary Risk Types

The Fund primarily invests in equities via investing in units of Barings Korea Trust. Examples of the types of risk to which the Fund managed by the AIFM are exposed include:

- Market risks: including sensitivity of NAV to changes in interest rates, credit spreads, price volatility and currency exchange rates, extent of leverage permitted/utilised
- Credit risks: including probability of default and loss on the debt instruments held by each sub-fund. The fund currently holds no debt instruments, but is allowed to do so as per the fund offering documents
- Liquidity risks: including cash requirements for investment and hedging settlements, and cash requirements for servicing redemption requests
- Counterparty risks: including those relating to open unsettled asset trades, and OTC derivative counterparty exposure on currency hedging trades
- Operational risks: including those relating to the volume of trade activity in the assets of a fund and the shares issued by a fund, as well as the complexity of the asset types held by the Fund.

Risk Management Systems and Controls

For the Fund, the Risk Manager works with the portfolio management teams to agree a set of quantitative and qualitative measures and limits which are used to identify, measure, manage and monitor the risks to which the AIFs are exposed. These measures and limits are set to be consistent with the risk profile of the Fund. The risk management team assesses each measure and limit at a prescribed interval based on data sourced independently from the portfolio management teams. The risk measures calculated are evaluated both as point in time data points and also in time series analysis to identify trends and outliers. The risk management team also undertakes periodic stress tests and scenario analysis to evaluate the impact of potential changes in interest rates, credit spreads and currency exchange rates that might adversely impact the Fund.

The performance of the risk management function is reviewed by the AIFM’s board at least annually. Risk management policies and procedures are also updated from time to time to reflect internal or external events (e.g. launching a new Fund) and to reflect any material changes made to the investment strategy and objectives of an existing sub-fund managed by the AIFM.

Barings Korea Feeder Fund

Appendix 4 – Risk Management Systems and Risk Profile Summary (Unaudited) (continued)

For the financial year ended 30 April 2020

Fund Specific Summary Risk Profile

| Fund Name | Barings Korea Feeder Fund |
|---|---|
| As at Date | 30 April 2020 |
| Summary Investment Objective | <p>The investment objective of the Fund is to achieve capital growth by investing in units of Barings Korea Trust (the “Unit Trust”), which is a unit trust constituted in the United Kingdom and authorised by the FCA. The investment objective of the Unit Trust is to achieve long-term capital growth by investing in Korea.</p> <p>The Unit 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 Korea, or quoted or traded on the stock exchanges in Korea.</p> <p>For the remainder of its total assets, the Unit Trust may invest directly or indirectly in equities and equity-related securities outside of Korea as well as in fixed income and cash.</p> |
| Primary Asset Type(s) | Korean equities |
| Degree of diversification | Relatively Concentrated |
| Rating Profile | Large Cap unrated equities |
| Sensitivity of NAV to Price Volatility Risk | High – Majority of the fund is invested in equities, which have large exposure to price volatility by their nature |
| Sensitivity of NAV to Interest Rate Risk | Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of April 30th 2020 |
| Sensitivity of NAV to Credit Spread Risk | Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of April 30th 2020 |
| Sensitivity of NAV to Currency Movements | Medium – investments are primarily denominated in South Korean won dollars but portfolio base currency is USD |
| Extent of Leverage | No leverage for investment purposes |
| Short term liquidity facility in place | Yes |
| Dealing Frequency | Daily |
| Redemption Notice Period | 3 days |

Registered address:

Baring International Fund Managers (Ireland) Limited
70 Sir John Rogerson's Quay
Dublin 2
D02 R296
Ireland

Contact:

Tel: + 353 1 542 2930
Fax: + 353 1 670 1185
www.barings.com

Important information:

This document is approved and issued by Baring International Fund Managers (Ireland) Limited.

Disclosure:

Baring International Fund Managers (Ireland) Limited
Authorised and regulated by the Central Bank of Ireland
70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Ireland

The logo for BARINGS, featuring the word "BARINGS" in a bold, blue, sans-serif font. A horizontal line with a green-to-blue gradient is positioned below the text.