



# Interim Report & Unaudited Financial Statements

for the six months ended 8 February 2014

Baring Korea Feeder  
Fund



# Contents

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Management and Administration	1
Introduction	2
Investment Manager's Report (Unaudited)	3
Portfolio Statement (Unaudited)	6
Balance Sheet (Unaudited)	7
Statement of Changes in Equity (Unaudited)	7
Profit and Loss Account (Unaudited)	8
Notes to the Financial Statements	9
General Information (Unaudited)	12
Appendix 1- Additional Information Hong Kong Code (Unaudited)	13

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## Management and Administration

### Managers

Baring International Fund Managers (Ireland) Limited  
Registered Office  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland  
Telephone: + 353 1 542 2930  
Facsimile: + 353 1 542 2920

### Investment Manager of the Fund and the Trust

Baring Asset Management Limited  
155 Bishopsgate  
London EC2M 3XY  
United Kingdom  
Telephone: + 44 207 628 6000  
Facsimile: + 44 207 638 7928

Baring Asset Management (Asia) Limited\*  
19th Floor, Edinburgh Tower  
15 Queen's Road Central  
Hong Kong  
Telephone: + 852 2 841 1411  
Facsimile: + 852 2 526 7129

\*Baring Asset Management (Asia) Limited is delegated Sub-Investment Manager for the Trust as detailed in the Investment Manager's Report.

### Trustee

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

### Administrator and Registrar

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

### Independent Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Sponsoring Broker

Investec Capital & Investments (Ireland)  
The Harcourt Building  
Harcourt Street  
Dublin 2  
Ireland

### Legal Advisers

*As to Irish Law*  
Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### *As to Hong Kong Law*

Deacons Graham & James  
Alexandra House  
16-20 Chater Road  
Central Hong Kong

### Directors of the Managers

John Burns (British)  
David Conway\*\* (Irish)  
Nicola Hayes (British)  
Michel Schulz\*\*\* (German) (appointed 25 February 2014)  
Mark Thorne\*\* (Irish)

\*\*Non-executive Directors independent of the Investment Manager.

\*\*\*Non-executive Director.

## Introduction

Baring Korea Feeder Fund (the “Fund”) is a unit trust scheme constituted under the laws of Ireland and authorised as a feeder Fund into Baring Korea Trust (the “Trust”) under the Central Bank of Ireland’s Non-UCITS notices (NU 22). The Trust is authorised and regulated by the Financial Conduct Authority (“FCA”). The Fund is managed by Baring International Fund Managers (Ireland) Limited (the “Managers”) and the Trust is managed by Baring Fund Managers Limited.

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

As at 8 February 2014, the Fund held 25,608,234 units (8 August 2013: 26,418,575) in the Trust which represents approximately 51.76% (8 August 2013: 43.63%) of the authorised units in the Trust. The performance of the Fund is directly dependent on the performance of the Trust. The Unaudited Financial Statements of the Trust are attached and should be read in conjunction with the Fund’s Unaudited Financial Statements.

Fund and Class	Unit Type (Acc/Inc)	Base Currency	Unit Denomination	Share Class Launch Date	ISIN
Baring Korea Feeder Fund					
Class A	Acc	US\$	USD	4 November 1992	IE0000838189

# Baring Korea Feeder Fund - Investment Manager's Report (Unaudited)

## Investment Objective and Policy

The investment objective of the Fund is to achieve long-term growth in the value of assets by investing in Units of Baring Korea Trust, a unit trust constituted in the United Kingdom and authorised by the Financial Conduct Authority ("FCA"). The investment objective of Baring Korea Trust is to achieve capital growth by investing directly or indirectly in securities of Korean companies or other entities or subsidiaries of Korean companies and securities listed on the Korean securities markets. Please refer to the Prospectus for the full investment objective and policy of the Fund and the Trust.

## How the Trust is Managed

Baring Asset Management Limited ("BAML") invest the Trust in the South Korean equity market, and manage it using a Growth at a Reasonable Price, or 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 on the share 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. 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 expect to achieve most of the added value from stock selection.

BAML has further appointed Baring Asset Management (Asia) Limited as sub investment manager to the Trust.

## Performance

### Summary of Fund Performance (excluding distribution payments where applicable)

	Net asset value as at 08/02/2014 (US\$ per unit)	Net asset value as at 08/08/2013 (US\$ per unit)	Net asset value % change
Baring Korea Feeder Fund – Class A USD Acc	21.95	20.73	5.89

### Performance Record to 8 February 2014 (including distribution payments where applicable)

	09/08/2013 - 08/02/2014 %	09/08/2012 - 08/08/2013 %	09/08/2011 - 08/08/2012 %	09/08/2010 - 08/08/2011 %	09/08/2009 - 08/08/2010 %
Baring Korea Feeder Fund – Class A USD Acc (USD Terms)	5.89	(1.33)	(7.61)	16.62	20.82
Korea SE Composite Index (KOSPI) (USD Terms)	5.75	0.34	(2.31)	12.47	19.32

Performance figures are shown net of fees and charges, on an NAV per unit basis, with gross income reinvested. Source: Morningstar/Barings/KOSPI.

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**Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units. Please note, changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.**

**Please note that the use of an index is for comparative purposes only.**

# Baring Korea Feeder Fund - Investment Manager's Report (Unaudited) (continued)

## Risk Profile

The Fund is a Feeder Fund for Baring Korea Trust. As the Baring Korea Trust is invested in equities, the Trust and therefore the Fund is exposed to the volatility which can characterise company share prices from time to time. In addition, as a single-country trust, the Baring Korea Trust is generally riskier than trusts which invest more broadly across a range of global equity markets. Among the chief risk factors normally associated with South Korean investments is the proximity to North Korea and the possibility of increased geopolitical risk. Although the volatility of the South Korean market has come down in recent years, South Korea remains an emerging equity market, and investors should expect high levels of share price volatility from time to time.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of investment returns for investors. Please refer to the Prospectus for the full risk profile.

## Strategy

As global financial markets work through short-term risk factors such as currency risks in certain emerging markets, slower China growth and the pace at which the US Federal Reserve ("Fed") scales back the liquidity it has been providing to the market, Korea should continue to be on a solid footing fundamentally. While a sharp decline in the Japanese yen amidst a stronger Korean won could dampen the sentiment on the key exporting sectors such as automobiles, we remain confident that the recovery in the pace of growth in the global economy will work in the favour of the Korean equity market.

The Fund is positioned to favour Korean companies which we believe are likely to benefit from a benign economic environment and where we see potential for earnings to exceed expectations in terms of magnitude or duration. While we continue to favour Korean exporters such as auto manufacturers and technology leaders we have become more constructive in the prospects for domestic consumer spending. Despite a generally cautious outlook on property investment over the longer term, as Korea's population continues to age, housing prices in Korea now look undervalued compared with other countries. Key indicators such as housing transaction volumes and transaction prices are signalling a stabilisation of housing prices which we believe will lead to consumption, loan growth and better asset quality. In this respect, we believe we are well-positioned in both domestic housing-related companies and domestic-oriented banks.

We have also become more constructive on companies that are set to benefit from key global themes such as clean-energy, mobile internet, e-commerce, and the growing numbers of Chinese travellers. We believe that in the benign yet volatile economic environment to come, our focus on well managed individual companies will prove successful over the long term.

## Performance

The Korea Composite Stock Price Index, or KOSPI, returned 5.75% in US dollar terms during the reporting period. Although lower than the return from many developed markets, for example, the UK equity market where the FTSE All-Share Index rose by more than 14% during the same period, the Korean market did better than many other emerging peers.

The key factor behind the disappointing performance of emerging markets, including Korea, during the period was concern on the part of investors about the prospect of the US Federal Reserve beginning the process of reducing its programme of bond buying – the process known as "tapering". This could reduce the level of liquidity and appetite for risk in the market, and provide something of a headwind for many emerging markets in the short term. Slower growth outlook for China has also put pressure on the market. However, the Korean equity market relatively outperformed the other emerging markets as Korea was considered a "safe haven" against economic headwinds thanks to strong fundamentals such as a current account surplus and solid export data.

The Baring Korea Feeder Fund marginally outperformed the relative benchmark index, returning 5.89% in US dollar terms. A large part of positive attribution came from the Trust's strong stock selection in the Information Technology sector, Transportation & Storage and the Industrial sector (these stocks included LG Hausys, Hotel Shilla and SK Hynix). Stock selection within Industrials and materials also contributed strongly to relative outperformance despite the economic downturns these sectors are facing. Despite the fact that new order momentum was resilient in 2013, the shipbuilding sector disappointed as companies continued to report weak earnings due to low-priced orders for ships in the last few years.

# Baring Korea Feeder Fund - Investment Manager's Report (Unaudited) (continued)

## Review of the Market

The period can be summarised as continued volatility in the overall emerging equity markets and Korea was not an exception, trading range bound between index level of 1910 and 2050 during the period. However, the market was one of the better markets in the region in the second half of 2013 as other parts of the Asia ex-Japan region suffered from political unrest or the knock-on effects of the reduced liquidity available in global markets. In particular, concerns over earlier than expected scaling back of the quantitative easing ("QE") policy by the US Federal Reserve loomed over the emerging markets throughout the year and caused market participants to lose confidence in some emerging markets with large current account deficits.

Korea, on the other hand, was seen as relative "safe haven" for foreign investors and saw large foreign inflows that supported the market during the latter part of 2013. The Federal Reserve's actions had a limited impact on South Korea as the sustained current account surplus and sufficient foreign exchange reserve were seen as buffers against external shocks. The continued depreciation of the Japanese yen against major currencies further escalated concerns over the relative competitiveness of exporters that compete against the Japanese exporters, especially the automobile companies of Korea, but the speed of depreciation is slowing down and a large part of the effect of the change in exchange rates is probably behind us now.

## Market Outlook

Equity and emerging markets may remain volatile in the near term. We are focused on factors such as emerging market currency volatility and growth concerns in China. Stresses in Thailand and Turkey continue. Brazil is also suffering from pre-election volatility. Market participants will likely stay cautious until slower regional economic growth and continuing financial market volatility appear to subside. The major risks facing the region are a sharper-than-expected slowdown in China, the U.S. fiscal policy shock and uncertainty, and a disorderly market response if market participants lose confidence in the pace or extent of quantitative easing in the US.

While the risk of a significant sell-off in emerging markets has eased, the road may still be rocky in the near term, particularly for countries with more vulnerable fundamentals. However, the Korea market is expected to stay relatively resilient thanks to abundant liquidity and solid economic fundamentals. Korea has sufficient buffers against the consequences of rising U.S. yields and the US Federal Reserve's tapering of quantitative easing, as seen in record-high current account surpluses. Korea is relatively well positioned against other emerging markets thanks to more favourable inflation data, fund flows and trade figures. It could also benefit relatively more from an economic recovery led by developed economies such as the US, Europe and Japan.

The recovery currently underway in developed markets and improving global trade figures should boost the Korean economy. Economically-sensitive sectors such as chemicals, materials, metals and mining are likely to stay under pressure. However, we believe the economic backdrop should turn more positive in the medium to long term, with prospects of a more synchronised global economic recovery in 2014. As the global economy is on the path to recovery, Korea's global leaders in the technology sector and leading exporters in autos could be well positioned for future growth.

## Key Changes Since the Last Report

### Alternative Investment Fund Managers Directive ("AIFMD")

AIFMD came into force on 22 July 2011 under EU directive 2011/61/EU. European Member States were required to implement AIFMD into local law by 22 July 2013. The Central Bank of Ireland ("CBI") implemented the European Union Regulations 2013 (the "Regulations") and published the Alternative Investment Fund Rulebook which sets out the AIFMD requirements for Irish domiciled alternative investment funds ("AIFs") and fund managers ("AIFMs") in July 2013.

AIFMs and self-managed AIFs must apply for CBI authorisation under AIFMD no later than 22 July 2014. Documentation including prospectuses, memorandum and articles of association, and related service provider agreements are to be updated to comply with the Regulations.

Baring International Fund Managers (Ireland) Limited ("BIFMI") will be the AIFM to the Fund for purposes of the Regulations and has initiated the filing process to obtain CBI authorisation for AIFMs. The Fund documentation noted above will be revised to comply with the Regulations in accordance with stated regulatory timelines. Information regarding the impact of AIFMD to Fund documents will be provided to unitholders in due course.

**Baring Asset Management Limited.**

**February 2014**

**Portfolio Statement (Unaudited)****As at 8 February 2014**

<b>Investment Unit Trust/Fund</b>	<b>Holding as at 08/08/2013</b>	<b>Nominal Purchases</b>	<b>Nominal Sales</b>	<b>Holding as at 08/02/2014</b>	<b>Fair Value US\$ as at 08/02/2014</b>	<b>% of NAV</b>
Baring Korea Trust	26,418,575	6,111,382	(6,921,722)	25,608,235	102,653,472	100.00
Other net assets					280	-
Net assets attributable to equity holders					<u>102,653,752</u>	<u>100.00</u>

**As at 8 August 2013**

<b>Investment Unit Trust/Fund</b>	<b>Holding as at 08/08/2012</b>	<b>Nominal Purchases</b>	<b>Nominal Sales</b>	<b>Holding as at 08/08/2013</b>	<b>Fair Value US\$ as at 08/08/2013</b>	<b>% of NAV</b>
Baring Korea Trust	33,000,883	10,644,674	(17,226,982)	26,418,575	99,623,609	100.02
Other net liabilities					(17,518)	(0.02)
Net assets attributable to equity holders					<u>99,606,091</u>	<u>100.00</u>



## Balance Sheet (Unaudited)

As at 8 February 2014

	Notes	Baring Korea Feeder Fund 08/02/2014 US\$	Baring Korea Feeder Fund 08/08/2013 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss		102,653,472	99,623,609
Funds due from the Baring Korea Trust		159,000	678,000
Cash		58,119	-
Subscriptions receivable		124,712	279,254
Other receivables		11,948	1,882
<b>Total Assets</b>		<b>103,007,251</b>	<b>100,582,745</b>
<b>Liabilities</b>			
Bank overdraft		-	(209,397)
Redemptions payable		(148,378)	(676,729)
Funds due to the Baring Korea Trust		(123,000)	-
Management fees payable	2	(11,220)	(11,326)
Administration fees payable	2	(30,644)	(30,935)
Trustee fees payable	2	(2,786)	(2,812)
Other payables	2	(37,471)	(45,455)
<b>Total Liabilities (excluding net assets attributable to equity holders)</b>		<b>(353,499)</b>	<b>(976,654)</b>
<b>Equity</b>			
Net assets attributable to equity holders		102,653,752	99,606,091
<b>Total Equity</b>		<b>102,653,752</b>	<b>99,606,091</b>
<b>Total Equity and Liabilities</b>		<b>103,007,251</b>	<b>100,582,745</b>
Redeemable participating units in issue	3	4,695,398	4,826,249

## Statement of Changes in Equity for the period ended 8 February 2014 (Unaudited)

	Notes	Baring Korea Feeder Fund 08/02/2014 US\$	Baring Korea Feeder Fund 08/08/2013 US\$	Baring Korea Feeder Fund 08/02/2013 US\$
Net assets attributable to equity holders at the beginning of the period/year		99,606,091	125,102,063	125,102,063
Increase/(decrease) in net assets for the period/year attributable to equity holders		5,454,417	(241,330)	7,533,762
Issue of redeemable participating units for the period/year	3	37,538,837	71,414,410	47,548,779
Redemption of redeemable participating units for the period/year	3	(39,945,593)	(96,669,052)	(54,642,987)
<b>Net assets attributable to equity holders at the end of the period/year</b>		<b>102,653,752</b>	<b>99,606,091</b>	<b>125,541,617</b>

The accompanying notes form an integral part of these Financial Statements

## Profit and Loss Account (Unaudited)

For the period ended 8 February 2014

		Baring Korea Feeder Fund 08/02/2014 US\$	Baring Korea Feeder Fund 08/08/2013 US\$	Baring Korea Feeder Fund 08/02/2013 US\$
<b>Investment Income</b>	<b>Notes</b>			
Net fair value gain on financial assets and liabilities at fair value through profit or loss		5,691,824	296,430	7,828,114
<b>Total investment income</b>		<u>5,691,824</u>	<u>296,430</u>	<u>7,828,114</u>
<b>Expenses</b>				
Management fees	2	(54,388)	(125,802)	(188,488)
Administration fees	2	(149,567)	(345,903)	(68,541)
Trustee's fees	2	(13,597)	(31,519)	(17,135)
General expenses	2	(19,801)	(34,512)	(20,167)
<b>Total operating expenses</b>		<u>(237,353)</u>	<u>(537,736)</u>	<u>(294,331)</u>
<b>Net expense before finance costs</b>		5,454,471	(241,306)	7,533,783
<b>Finance costs</b>				
Bank interest expense		(54)	(24)	(21)
<b>Total finance costs</b>		<u>(54)</u>	<u>(24)</u>	<u>(21)</u>
<b>Increase/(decrease) in net assets for the period from operations attributable to equity holders</b>		<u>5,454,417</u>	<u>(241,330)</u>	<u>7,533,762</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account.

The accompanying notes form an integral part of these Financial Statements

## Notes to the Financial Statements

### 1. Principal Accounting Policies

The principal accounting policies applied in the preparation of these Unaudited Financial Statements under Irish Generally Accepted Accounting Principles (GAAP) are set out below.

#### **Basis of preparation**

The Fund has been authorised by the Central Bank of Ireland (“the Central Bank”) and the Hong Kong Securities and Futures Commission (“SFC”) 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 Unaudited Financial Statements have been prepared in accordance with accounting standards generally accepted in Ireland 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 published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council (“FRC”).

The format and certain wordings of the Unaudited Financial Statements have been adapted from those contained in the FRS 3 “Reporting Financial Performance” so that, in the opinion of the Managers, they more appropriately reflect the nature of the Fund’s business as an investment fund.

The Fund has availed itself of the exemption available to open-ended investment funds under FRS 1 not to prepare a Cash Flow Statement.

The last business day (last valuation point) of the Fund in the current financial period is 7 February 2014.

### 2. Fees and Related Party Disclosures

#### **Management Fees**

The Managers are entitled under the Trust Deed to make a management charge at the 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 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. The Managers currently make a charge at the rate of 0.1% per annum which may be increased to an amount not exceeding 0.5% per annum on giving not less than three month’s notice to the unitholders.

The Fund is managed by BIFMI who have appointed Baring Asset Management Limited (the ‘Investment Manager’), an investment management company incorporated in London on 6 April 1994. The Investment Manager is part of the Baring Asset Management group and is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company (‘MassMutual’). The outstanding amounts payable at the end of the period for Management fees are disclosed on the Fund’s Balance Sheet. 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. John Burns, Nicola Hayes and Michel Schulz are connected to the Managers, through employment with the Managers and its subsidiaries.

The foregoing charges may be increased up to the relevant amount specified in the Prospectus on giving not less than three months notice to unitholders. The rates have not changed from the previous period.

#### **Administration Fees**

The Managers 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 Managers will pay the fees of the Administrator and 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.

#### **Trustee Fees**

Northern Trust Fiduciary Services (Ireland) Limited the (“Trustee”) shall be entitled to an annual fee of 0.025% of the Net Assets of the Fund on the first £500 million, 0.015% of the Net Assets of the Fund on the next £500 million and 0.008% of the Net Assets of the Fund thereafter, (plus VAT, if any), payable monthly in arrears and transaction charges at the rate of £50 per transaction in investments effected for the Fund. The fee is subject to a minimum of US\$6,000 per annum. The Trustee is entitled to be reimbursed all fees and charges of custodians and sub-custodians appointed by it and all other expenses incurred by it.

## Notes to the Financial Statements (continued)

### 2. Fees and Related Party Disclosures (continued)

#### Legal Fee

Mark Thorne is a partner of Dillon Eustace, the Legal Advisor and a Director of the Managers. The fees paid by the Fund to Dillon Eustace during the period amounted to US\$120 (8 August 2013: US\$3,473).

#### Other Expenses

The Fund pays out of the assets of the Fund the above fees and expenses, stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, listing fees and legal expenses of the Managers. The costs of printing and distributing reports, accounts and any prospectus, publishing prices and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law) are also paid out of the assets of the Fund.

#### Collective Investment Schemes

The Fund invests in another investment fund managed by BAML. This holding is detailed in the portfolio statement. The investment in the investment fund managed by BAML is at arm's length and at normal commercial rates. The management fee rate is also charged at the Trust level please refer to the Trust's prospectus for further details.

#### 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 Baring Asset Management or one of its affiliates, as at 8 February 2014.

Fund Name	Number of unitholders with beneficial interest greater than 20% of the units in issue	Total % of units held by unitholders with beneficial interest greater than 20% of units in issue	Total % of units held by investment funds managed by Baring International Fund Managers (Ireland) Limited or affiliates
Baring Korea Feeder Fund	1 (08/08/2013: 1)	25.27% (08/08/2013: 23.41%)	nil (08/08/2013: nil)

### 3. Units Issued and Redeemed

	08/02/2014	08/08/2013
<b>By Number:</b>	<b>Units</b>	<b>Units</b>
Redeemable participating units in issue as at 8 August 2013	4,826,249	5,982,507
Redeemable participating units issued	1,654,042	3,241,784
Redeemable participating units redeemed	(1,784,893)	(4,398,042)
Redeemable participating units in issue as at 8 February 2014	<u>4,695,398</u>	<u>4,826,249</u>
<b>By Value:</b>	<b>US\$</b>	<b>US\$</b>
Capital Value of redeemable participating units issued	37,538,837	71,414,410
Capital Value of redeemable participating units redeemed	(39,945,593)	(96,669,052)
Net value of redeemable participating units issued during the period/year	<u>(2,406,756)</u>	<u>(25,254,642)</u>

### 4. Soft Commission

The Managers and their associates will not receive cash or other rebates from brokers or dealers in respect of transactions for the Investment Manager.

## Notes to the Financial Statements (continued)

### 5. Comparative Statistics

	Interim 2014	Audited 2013	Audited 2012
	US\$	US\$	US\$
<b>Dealing Net asset value per unit*</b>			
Baring Korea Feeder Fund - Class A USD Acc	22.05	20.73	21.01

\*The Dealing Net Asset Value differs from total Equity on the Balance Sheet due to the financial assets being valued at bid prices for Financial Statement purposes in accordance with FRS26.

### 6. Exchange Rates

The exchange rates were as follows:

	Exchange Rate to US\$ 08/02/2014	Exchange Rate to US\$ 08/08/2013
Euro	0.7370	0.7470
Pound sterling	0.6122	0.6428

### 7. Bank Facilities

There is a bank overdraft facility in place with Northern Trust (Guernsey) Limited (The "Bank"). An "uncommitted" multi currency loan facility has been made available by the Bank to the Fund.

### 8. Efficient Portfolio Management

During the period ended 8 February 2014 the Fund did not engage in any efficient portfolio management techniques.

### 9. Subsequent events

Michel Schulz was appointed as non-executive director on 25 February 2014.

There have been no other events subsequent to the period end, which, in the opinion of the Directors of the Managers, may have had an impact on the Financial Statements for the period ended 8 February 2014.

### 10. Approval of Financial Statements

The Financial Statements were approved by the Board of Directors of the Managers on 13 March 2014.

## General Information (Unaudited)

The Fund is a unit trust managed by the Managers. The Fund is a feeder fund investing solely in the units of the 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 share 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 Managers c/o the Administrator on a Dealing Day. Dealing Days are every business day and/or such other day or days as the Managers may, with the approval of the Trustee, determine (as will be notified in advance to Unitholders) provided that such day is also a dealing day in respect of the 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 Managers 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 Managers but it is the intention of the Managers that such charge should not, until further notice, exceed 5%. Redeemable participating units in the 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 Trust.

The Fund is constituted under the laws of Ireland by a Trust Deed dated 2 October, 1992, as amended (such deed as amended from time to time being herein after referred as the "Trust Deed") made between the Managers and Northern Trust Fiduciary Services (Ireland) Limited as Trustee.

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

**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 Manager's investment strategy and increase the Fund's expenses to the prejudice of all Unitholders. The Fund is not intended for market timing or excessive trading. To deter these activities, the Managers may refuse to accept an application for redeemable participating units from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive to the Trust.

The Managers reserve the right to redeem redeemable participating units from a Unitholder, on the basis of the circumstances of the Unitholder concerned, or it has reasonable grounds to believe that the Unitholders 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 Trust

Particulars relating to the Trust are contained in the Prospectus, copies of which, together with the latest published Managers' report, can be obtained free of charge from the Managers or Baring Asset Management Limited at 155 Bishopsgate, London EC2M 3XY, United Kingdom.

## Appendix 1- Additional Information Hong Kong Code (Unaudited)

### Highest Issue and Lowest Redemption Prices

The highest issue and lowest redemption prices of the Fund during the period/year are stated below:

	<b>Feb 2014 US\$</b>	<b>Aug 2013 US\$</b>	<b>Aug 2012 US\$</b>	<b>Aug 2011 US\$</b>	<b>Aug 2010 US\$</b>	<b>Aug 2009 US\$</b>	<b>Aug 2008 US\$</b>	<b>Aug 2007 US\$</b>
Highest Issue Price during the period/year	23.85	24.05	23.50	27.66	20.30	20.65	34.31	31.02
Lowest Redemption Price during the period/year	20.12	19.13	19.01	18.56	15.50	8.22	19.68	18.44
	<b>Aug 2006 US\$</b>	<b>Aug 2005 US\$</b>						
Highest Issue Price during the period/year	22.07	14.74						
Lowest Redemption Price during the period/year	13.93	9.46						



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