



Barings Korea Feeder Fund

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

Interim Report & Unaudited Financial Statements

For the financial period ended 31 October 2020

Barings Korea Feeder Fund
Interim Report and Unaudited Financial Statements

Contents
for the financial period ended 31 October 2020

| | |
|--|----|
| Directors and Other Information | 1 |
| Introduction | 2 |
| Investment Objective and Policy | 3 |
| Investment Managers' Report | 4 |
| Statement of Financial Position | 5 |
| Statement of Comprehensive Income | 6 |
| Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units | 7 |
| Notes to the financial statements | 8 |
| Schedule of Investments | 15 |
| General information | 16 |
| Appendix 1 – Additional information Hong Kong Code | 17 |
| Appendix 2 – AIFMD Related Periodic Investor Reporting | 18 |
| Appendix 3 – Risk Management Systems and Risk Profile Summary | 19 |

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.

** Peter Clark resigned as Director of the AIFM with effect from 21 October 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 as detailed in the Investment Manager’s report.

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
Dublin 2
D02 R296
Ireland

As to Hong Kong Law

Deacons
Alexandra House
16-20 Chater Road
Central Hong Kong

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 31 October 2020, the Fund had one class of units on offer. The Fund held 10,756,378 units (30 April 2020: 13,851,957) in the Unit Trust, which represents approximately 47.26% (30 April 2020: 57.89%) 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 October 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

Investment Managers' Report

For the financial period ended 31 October 2020

Performance

Barings Korea Feeder Fund (the "Fund") registered a gross return of 31.9% on the A USD ACC SHARE CLASS and outperformed the performance comparator with a return of 25.0% during the reporting period. The Fund generated a net return of 30.4% on the A USD ACC SHARE CLASS. Korean equities rebounded strongly from March lows and enjoyed a rally underpinned by favorable market liquidity with strong inflows from domestic retail investors, along with continuing policy stimulus introduced by the government such as the "New Deal" program to counter the impacts brought on by the virus pandemic. In addition, economic activity indicators including custom export data and manufacturing PMI readings as well as better than expected corporate earnings are evidence of a recovery helping to reinforce investor confidence.

At the stock level, online communication platform operator Kakao ended the review period as a notable contributor, as the company's robust earnings growth outlook was supported by its newly launched advertising platform, which benefited from the shift in wallet share of advertising budget to digital ads amid the pandemic. The positive investor sentiment on the IPO pipeline of the company's subsidiaries also helped. Meanwhile, LG Chem added value to relative performance in light of robust second quarter earnings and an upbeat outlook for EV (Electric Vehicle) battery demand alongside the ongoing capacity expansion that would contribute to future earnings profile. Selective IT companies also did well under the "social contact theme" and contributed positively to the Fund, such as NHN KCP which benefited from increasing online transactions as the largest payment gateway operator in Korea.

On the other hand, the investment in semiconductor manufacturer SK Hynix was a key drag to Fund performance, largely due to the cautious outlook of memory prices in the second half of the year which weighed on the share price, yet the visibility of memory fundamentals have later recovered in light of better-than-expected demand recovery. Our negative exposure to biosimilar firm Celltrion also detracted from relative performance, as rising hopes of a vaccine development continued to support share price appreciation amid the Covid-19 pandemic.

Market outlook

With the repercussions of the Covid-19 outbreak on corporates, economies and individuals, it is difficult to gauge the actual direct impacts from the epidemic, and volatility could continue in the near-term. However, it is undoubtedly encouraging to see that central banks and governments around the world are unleashing unprecedented fiscal and monetary stimulus. In Korea, the BoK (Bank of Korea) has cut the base rate to ensure stability and liquidity in the economy, while the government enacted a large-scale stimulus package with fiscal spending amounting to 14% of GDP. While companies braced for an earnings hit due to Covid-19, recent macro indicators point to a rebounding trajectory and markets are anticipating a more emphatic corporate earnings' recovery in the latter half of 2020 and into 2021. Tailwinds from low oil price and cost of funding, and the stimulus package should bode well for earnings to recover in a post Covid-19 world.

We remain disciplined and anchored by our bottom-up investment process. Korea's unique domestic elements are likely to continue to benefit from the evolving secular growth dynamics, and help place the nation ahead of its peers in the longer run. Korea usually stands at the top of the list of R&D investment versus GDP as investment in new technologies and manufacturing areas always stay in the spotlight for pioneering Korean enterprises. It is in these leading edge sectors and companies where the majority of Korea's growth will come through. The near-term market volatility should provide a favorable window for gaining exposure to investment opportunities with long-term attractive fundamentals. We continue to favor companies with a sustainable long-term earnings growth profile, strong franchise and good balance sheet quality, which should prove to be fundamentally crucial during these times. We are also 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 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.
November 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 31 October 2020

| | | Barings Korea Feeder Fund 31 October 2020 | Barings Korea Feeder Fund 30 April 2020 |
|---|--------------|--|--|
| | Notes | US\$ | US\$ |
| Assets | | | |
| Financial assets at fair value through profit or loss | 2 | 48,029,359 | 47,255,634 |
| Cash and cash equivalents | 3 | 78,750 | 72,192 |
| Funds due from the Barings Korea Trust | | 877,461 | 38,043 |
| Receivable for units sold | | 47,752 | 104,169 |
| Other assets | | 37 | 3,827 |
| Total assets | | <u>49,033,359</u> | <u>47,473,865</u> |
| Liabilities | | | |
| Payable for units redeemed | | (923,695) | (79,122) |
| Securities purchased payable | | – | (65,482) |
| Other payables and accrued expenses | 5 | <u>(46,877)</u> | <u>(42,564)</u> |
| Total liabilities (excluding net assets attributable to holders of redeemable participating units) | | <u>(970,572)</u> | <u>(187,168)</u> |
| Net assets attributable to holders of redeemable participating units | | <u>48,062,787</u> | <u>47,286,697</u> |

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

BARINGS

Barings Korea Feeder Fund

Statement of Comprehensive Income

For the financial period ended 31 October 2020

| | Notes | Barings Korea Feeder Fund 31 October 2020 US\$ | Barings Korea Feeder Fund 31 October 2019 US\$ |
|--|-------|---|---|
| Income | | | |
| Bank interest income | | 2 | 800 |
| Net fair value gain/(loss) on financial assets at fair value through profit or loss | 7 | 13,571,653 | (5,383,794) |
| Total income/(expense) | | 13,571,655 | (5,382,994) |
| Expenses | | | |
| Management fees | 9 | – | (26,499) |
| Administration fees | 9 | (69,494) | (72,871) |
| Depositary fees | 9 | (5,938) | (6,227) |
| Operating expenses | 6 | (80,224) | (34,924) |
| Total operating expenses | | (155,656) | (140,521) |
| Net profit/(loss) before finance costs | | 13,415,999 | (5,523,515) |
| Finance costs | | | |
| Bank interest expense | | (299) | (935) |
| Total finance costs | | (299) | (935) |
| Increase/(decrease) in net assets attributable to holders of redeemable participating units | | 13,415,700 | (5,524,450) |

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 period ended 31 October 2020

| | Notes | Barings Korea Feeder Fund 31 October 2020 US\$ | Barings Korea Feeder Fund 31 October 2019 US\$ |
|--|-------|---|---|
| Net assets attributable to holders of redeemable participating units at the beginning of the financial period | | 47,286,697 | 45,280,661 |
| Increase/(decrease) in net assets attributable to holders of redeemable participating units | | 13,415,700 | (5,524,450) |
| Issue of redeemable participating units during the financial period | 4 | 8,835,416 | 31,497,694 |
| Redemption of redeemable participating units during the financial period | 4 | <u>(21,475,026)</u> | <u>(15,482,647)</u> |
| Net assets attributable to holders of redeemable participating units at the end of the financial period | | <u>48,062,787</u> | <u>55,771,258</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 period ended 31 October 2020

1. Basis of measurement

The financial statements presented are unaudited condensed interim financial statements for the financial period ended 31 October 2020 that have been prepared in accordance with Financial Reporting Standard 104 ("FRS 104") "Interim Financial Reporting".

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 April 2020, which have been prepared in accordance with accounting standards generally accepted in Ireland, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish statute, comprising the Unit Trust Act, 1990 and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds.

The accounting policies applied in these condensed interim financial statements are consistent with those used in Baring Korea Feeder Fund's (the "Fund") most recent annual financial statements for the financial year ended 30 April 2020.

The condensed interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. These financial statements were prepared on the going concern basis.

The Fund meets all the conditions set out in FRS102, section 7 and consequently has availed of the exemption available to certain funds not to prepare a statement of cash flows.

The comparative figures included for the Statement of Financial Position relate to the previous financial year ended 30 April 2020, while the comparative figures included for the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units relate to the six month period ended 31 October 2019.

2. Significant accounting policies

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 12:00p.m. (Irish time) on 30 October 2020, the valuation point for the Fund.

3. Cash and cash equivalents

Cash and cash equivalents are valued at fair value with interest accrued, where applicable. Cash deposits of US\$78,750 (30 April 2020: US\$72,192) are maintained with Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary").

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

4. Redeemable units

Financial period ended 31 October 2020

| | Class A USD Acc No. of Units |
|-------------------------------|---|
| Balance as at 1 May 2020 | 2,666,104 |
| Issued | 399,806 |
| Redeemed | (987,922) |
| Balance as at 31 October 2020 | 2,077,988 |

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 |

5. Other payables and accrued expenses

| | 31 October 2020 US\$ | 30 April 2020 US\$ |
|----------------------------------|---------------------------------|-------------------------------|
| Administration fees payable | (22,893) | (9,938) |
| Depository fees payable | (2,064) | (2,781) |
| Audit fees payable | (6,940) | (10,310) |
| Legal fees payable | (14,517) | – |
| Professional fees payable | 6,011 | (14,136) |
| Other operating expenses payable | (6,474) | (5,399) |
| | (46,877) | (42,564) |

6. Operating expenses

| | 31 October 2020 US\$ | 31 October 2019 US\$ |
|--------------------------|---------------------------------|---------------------------------|
| Audit fees | (6,940) | (2,097) |
| Legal fees | (50,588) | (54,954) |
| Professional services | (11,787) | 24,256 |
| Other operating expenses | (10,909) | (2,129) |
| | (80,224) | (34,924) |

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

7. Net fair value gain/(loss) on financial Assets 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 6. This requirement complies with the Central Bank of Ireland's ("CBI's") Alternative Investment Fund ("AIF") Rulebook.

| | 31 October 2020 US\$ | 31 October 2019 US\$ |
|--|-------------------------|-------------------------|
| Realised gains on sale of investments | 1,569,897 | 64,387 |
| Realised losses on sale of investments | (455,586) | (1,592,953) |
| Realised currency gains | 180,441 | 318,100 |
| Realised currency losses | (199,611) | (324,088) |
| Unrealised gains on investments | 12,476,670 | 1 |
| Unrealised losses on investments | – | (3,849,208) |
| Unrealised currency gains | 2,706 | 535 |
| Unrealised currency losses | (2,864) | (568) |
| | <u>13,571,653</u> | <u>(5,383,794)</u> |

8. Distributions

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

9. Significant agreements and fees

Management fee

The Alternative Investment Fund Manager ("AIFM") is entitled under the Trust Deed to make a management charge 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 Fund is managed by the AIFM, who has delegated investment responsibility to 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 Barings LLC group and is a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"). Management fees of US\$Nil have been charged for the financial period ended 31 October 2020 (31 October 2019: US\$26,499) of which US\$Nil (30 April 2020: US\$Nil) was outstanding at the financial period-end. 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 management fees were waived on 9 December 2019.

The AIFM does not currently charge a management fee but may do so in the future at an amount not exceeding 0.5% of Net Asset Value per annum on giving not less than three months' notice to the unitholders.

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

Administration fee

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\$69,494 have been charged for the financial period ended 31 October 2020 (31 October 2019: US\$72,871) of which US\$22,893 (30 April 2020: US\$9,938) was outstanding at the financial period-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.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

9. Significant agreements and fees (continued)

Depository fees (continued)

In addition, the Depository 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 Depository 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. Depository fees of US\$5,938 have been charged for the financial period ended 31 October 2020 (31 October 2019: US\$6,227) of which US\$2,064 (30 April 2020: US\$2,781) was outstanding at the financial period-end.

Transaction cost

There were no transaction costs incurred by the Fund for the period ended 31 October 2020 (31 October 2019: US\$Nil).

Legal fee

The fees paid to Deacons during the financial period ended 31 October 2020 amounted to US\$29,499 (31 October 2019: US\$73,365). The fees paid to Matheson during the financial period ended 31 October 2020 amounted to US\$3,226 (31 October 2019: US\$38,172).

10. Related party transactions

Julian Swayne is employed by Barings Investment Services Limited. 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. Peter Clark was an employee of Barings Investment Services Limited and Timothy Schulze was an employee of Barings LLC prior to their resignations on 21 October 2020 and 10 August 2020, respectively. 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 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 unitholders

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 31 October 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 | Nil (30 April 2020: 1) | Nil (30 April 2020: 28.48%) | Nil (30 April 2020: Nil) |

11. Fair value hierarchy

FRS 102 requires the Funds 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).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

11. Fair value hierarchy (continued)

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.

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

As at 31 October 2020

| Barings Korea Feeder Fund Financial assets | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | Total US\$ |
|---|-----------------|-------------------|-----------------|-------------------|
| Investment Funds | – | 48,029,359 | – | 48,029,359 |
| Total | – | 48,029,359 | – | 48,029,359 |

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 |

12. Efficient portfolio management

During the financial period ended 31 October 2020, the Fund did not engage in any efficient portfolio management techniques (30 April 2020: same).

13. NAV per redeemable participating units

| Net assets attributable to holders of redeemable participating units | 31 October 2020 | 30 April 2020 | 30 April 2019 |
|---|-----------------|----------------|----------------|
| Barings Korea Feeder Fund | US\$48,062,787 | US\$47,286,697 | US\$45,280,661 |
| NAV per redeemable participating units | | | |
| Class A USD Acc | US\$23.13 | US\$17.74 | US\$21.14 |

14. Exchange rates

| | As at 31 October 2020 | As at 30 April 2020 |
|----------------|--------------------------|------------------------|
| Euro | 0.8566 | 0.9194 |
| Pound sterling | 0.7702 | 0.7994 |

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 (31 October 2019: same).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

16. Contingent liabilities

There are no contingent liabilities at financial period-end 31 October 2020 and financial year-end 30 April 2020.

17. Transactions with connected parties

The CBI's AIF requires that any transaction carried out with the Fund by a Promoter, 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 period complied with this requirement.

18. 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.

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.

19. 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 period ended 31 October 2020 and during the financial year ended 30 April 2020, the Fund has drawn down on this facility.

20. Significant events

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

Mr Peter Clark resigned as Director of the AIFM with effect from 21 October 2020.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

20. Significant events (continued)

COVID-19

The spread of Covid-19 around the world in 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 period-end which, in the opinion of the Directors of the AIFM, that may have had an impact on the financial statements for the financial period ended 31 October 2020.

21. Subsequent events

There have been no events subsequent to the financial period-end which, in the opinion of the Directors of the AIFM, that may have had an impact on the financial statements for the financial period ended 31 October 2020.

22. Approval of financial statements

The financial statements were approved by the Directors of the AIFM on 17 December 2020.

Barings Korea Feeder Fund

Schedule of Investments

As at 31 October 2020

As at 31 October 2020

| Investment Unit Trust | Holding as at 30/04/2020 | Nominal purchases | Nominal sales | Holding as at 31/10/2020 | Fair value in US\$ as at 31/10/2020 | % of Net Assets |
|---|--------------------------|-------------------|---------------|--------------------------|-------------------------------------|-----------------|
| Barings Korea Trust (cost US\$42,542,466) | 13,851,957 | 1,152,548 | (4,248,127) | 10,756,378 | 48,029,359 | 99.93 |
| Cash and cash equivalents | | | | | 78,750 | 0.16 |
| Other net liabilities | | | | | (45,322) | (0.09) |
| Total net assets attributable to holders of redeemable participating units | | | | | 48,062,787 | 100.00 |

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) | 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 |

Barings Korea Feeder Fund

General information

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

For the financial period ended 31 October 2020

Highest issue and lowest redemption prices

Highest issue price during the year/period

| | 31 October 2020 | 30 April 2020 | 30 April 2019 | 30 April 2018 | 08 August 2017 |
|-----------------|----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Class A USD Acc | 24.39 | 21.24 | 27.61 | 28.19 | 24.16 |

Highest issue price during the year/period (continued)

| | 08 August 2016 | 08 August 2015 | 08 August 2014 | 08 August 2013 | 08 August 2012 |
|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Class A USD Acc | 24.27 | 25.95 | 24.69 | 24.05 | 23.50 |

Lowest redemption price during the year/period

| | 31 October 2020 | 30 April 2020 | 30 April 2019 | 30 April 2018 | 08 August 2017 |
|-----------------|----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Class A USD Acc | 16.97 | 12.69 | 20.18 | 22.15 | 18.54 |

Lowest redemption price during the year/period (continued)

| | 08 August 2016 | 08 August 2015 | 08 August 2014 | 08 August 2013 | 08 August 2012 |
|-----------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Class A USD Acc | 18.87 | 20.63 | 20.12 | 19.13 | 19.01 |

Barings Korea Feeder Fund

Appendix 2 – AIFMD Related Periodic Investor Reporting

For the financial period ended 31 October 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 period ended 31 October 2020, at the same time as the annual report is made available to investors of Barings Korea Feeder Fund (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 19-20.

There have been no changes to the risk profiles or risk management systems for the Fund in the financial period ended 31 October 2020.

Barings Korea Feeder Fund

Appendix 3 – Risk Management Systems and Risk Profile Summary

For the financial period ended 31 October 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 3 – Risk Management Systems and Risk Profile Summary (continued)

For the financial period ended 31 October 2020

Fund Specific Summary Risk Profile

| Fund Name | Barings Korea Feeder Fund |
|---|---|
| As at Date | 31 October 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 31 October 2020 |
| Sensitivity of NAV to Credit Spread Risk | Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of 31 October 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.