



Barings Currency Umbrella Fund

(an umbrella fund constituted as an open-ended unit trust established pursuant to the Unit Trusts Act, 1990)

Interim Report & Unaudited Financial Statements

For the financial period ended 31 October 2019

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Barings Currency Umbrella 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)

† 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 Manager

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

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

Sponsoring Brokers and Legal Advisers

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

Barings Currency Umbrella Fund

Introduction

Barings Currency Umbrella Fund (the “Unit Trust”) is an open-ended unit trust constituted by a Trust Deed governed by the laws of Ireland and managed by Baring International Fund Managers (Ireland) Limited (the Alternative Investment Fund Manager (the “AIFM”)). It is established in Ireland pursuant to the Unit Trusts Act, 1990, as an Authorised Unit Trust Scheme. Accordingly, the Unit Trust is supervised by the Central Bank of Ireland (the “CBI”). This, however, does not constitute a warranty by the CBI as to the creditworthiness or performance of the Unit Trust, and the CBI shall not be liable for the performance or default of the Unit Trust. The Unit Trust has been authorized by the CBI pursuant to the Unit Trusts Act, 1990, and the Trust Deed. The Unit Trust is also listed on the Euronext Dublin Global Exchange Market. The Alternative Investment Fund Manager (the “AIFM”), Baring International Fund Managers (Ireland) Limited, has been authorised by the CBI as AIFM pursuant to the European Union (AIFM) Regulations 2013. The Unit Trust is classified as a Retail Investor Alternative Investment Fund (the “RIAIF”) in accordance with the AIF Rulebook issued by the CBI.

As the Barings US\$ Reserve Fund (the “Fund”) is registered for sale in Hong Kong, the Fund has also been authorised by the Hong Kong Securities and Futures Commission (“SFC”) pursuant to the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds, supplemented or consolidated from time to time. Further details of the Fund are contained in the supplement to the Prospectus.

The Unit Trust has one active fund as at 31 October 2019, the Fund, which commenced business on 30 December 1990. The Fund has two classes of units on offer at period-end, Class A USD Accumulation (“Acc”) and Class A HKD Acc.

The financial statements include all the trades received up until 12:00pm (Irish time) on 31 October 2019, the valuation point for the Fund.

Barings Currency Umbrella Fund

Investment Objective and Policy

The investment objective of the Fund is to provide as high an overall rate of return as is consistent with the preservation of capital and liquidity. In seeking to maximise the return for the Fund, the AIFM will ensure that investments are made in highly liquid instruments. The Fund is classified as a short term money market fund and is authorised and regulated as a Variable Net Asset Value Money Market Fund ("VNAV MMF"). The policy of the Fund is to invest in deposits, negotiable fixed-rate and floating-rate securities and short term money market funds in accordance with Money Market Fund ("MMF") Regulations.

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

How the Fund is managed

The AIFM of the Unit Trust has appointed Baring Asset Management Limited as the Investment Manager of the Fund. The Investment Manager aims to achieve the investment objective of the Fund by investing in a combination of short-dated US Treasury Bills, high-quality commercial paper and floating-rate notes.

Risk profile

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

- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Investment in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company.
- While the Fund is invested mainly in highly liquid, short-dated money market instruments primarily issued by the United States Government, the investments of the Fund are subject to normal market fluctuations and other risks inherent to investing in securities.
- The Fund's investments will be subject to a number of risks, including: counterparty risk, credit risk, interest rate risk, market risk and zero-coupon risk.

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

Barings Currency Umbrella Fund

Investment Managers' Report

For the financial period ended 31 October 2019

Performance

During the period, the Barings US\$ Reserve Fund (the "Fund") was wholly invested in the US Treasury Bill market. After-fees performance was negative compared to the Bank of America Merrill Lynch US Treasury Bills 0-3 month index. The gross return of the Fund over the period was +1.19% on the Class A USD Acc unit class, compared to the performance comparator which returned +1.14%*.

US Treasury yields fell across the period (yields move inversely to prices) as the US Federal Reserve (the "Fed") reduced the Fed funds rate a total of seventy-five basis points over the period; twenty-five in each of the July, September and October meetings. The moves struck a stark contrast to the Fed's tone at the end of last year where a series of rate hikes were instead forecast this year. Deteriorating domestic and global economic data have forced the Fed's hand alongside the ongoing trade war dispute between the US and China, impacting global trade manufacturing. The Fed has been keen to stress, however, that the moves were not the start of an easing cycle, but purely small adjustments to "sustain the expansion". It is becoming less convincing this is the case with key data having not improved materially and continued to worsen in many cases.

The broad US dollar index was unchanged over the period amid competing forces from the Fed easing policy against the backdrop of a stronger domestic US economy compared to major developed market peers. Indeed, the European Central Bank (the "ECB"), faced with its powerhouse of Germany on the brink of a manufacturing recession, weakening economic data, core inflation stuck around one percent and inflation expectations having collapsed materially during the period, restarted its asset purchase programme. From November 2019, the ECB will be purchasing twenty billion euros of assets a month. It also reduced its key deposit rate a further ten basis points to negative fifty basis points, introduced a tiering system to exempt a portion of banks reserves from the negative deposit rate and extended the terms on its Targeted Longer-Term Refinancing Operations ("TLTRO").

Against this backdrop, US yields fell to their lowest since 2016, briefly dipping below one point five percent before retracing slightly. German yields fell to record lows, with the German ten-year yield extending beyond negative seventy basis points and the thirty-year bond yield turned negative for the first time. At its latest meeting, the Fed amended the language in its statement to note it will assess the appropriate path of the target range based on incoming data, perhaps signalling its series of cuts to sustain the expansion are over. The market is pricing in one further reduction of twenty-five basis points through 2020.

Market outlook

The global economy appears fully entrenched in a slowdown led by manufacturing. There are possible signs of stability emerging in Europe as the ECB embarks on yet more quantitative easing. In the US, the consumer has remained relatively resilient until now but cracks appear to be forming and will be closely monitored in the coming months. Should this weakness materialise, the Fed is likely to increase monetary stimulus. It has already begun expanding its balance sheet by purchasing treasury bills in response to liquidity conditions in repo markets, although has been keen to stress this is not quantitative easing and instead a technical adjustment. We expect government bond yields to be suppressed for some time as the Fed appears determined to see a sustained rise in inflation, which appears ever harder to come by, before considering a move higher in rates. Trade tensions between the US and China remain unresolved and despite odd snippets of positive news, there appears little motivation for China to hurry into a deal especially with US elections fast approaching and the possibility of a more China friendly incumbent.

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

Baring Asset Management Limited November 2019

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 Currency Umbrella Fund

Statement of Financial Position

As at 31 October 2019

		Barings US\$ Reserve Fund 31 October 2019	Barings US\$ Reserve Fund 30 April 2019
	Notes	US\$	US\$
Assets			
Financial assets at fair value through profit or loss	2	51,714,302	47,033,062
Cash and cash equivalents	3	4,467,479	3,934,174
Receivable for units sold		5,442	283,378
Other assets		3,660	6,110
Total assets		56,190,883	51,256,724
Liabilities			
Bank overdraft	3	(332,511)	–
Payable for units redeemed		(303,001)	(33,088)
Other payables and accrued expenses	5	(81,118)	(86,265)
Total liabilities (excluding net assets attributable to holders of redeemable participating units)		(716,630)	(119,353)
Net assets attributable to holders of redeemable participating units		55,474,253	51,137,371

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

BARINGS

Barings Currency Umbrella Fund

Statement of Comprehensive Income

For the financial period ended 31 October 2019

	Notes	Barings US\$ Reserve Fund 31 October 2019 US\$	Barings US\$ Reserve Fund 31 October 2018 US\$
Income			
Bank interest income		27,199	5
Interest income		525,448	470,724
Dividend income		—	2,622
Net fair value gain/(loss) on financial assets at fair value through profit or loss	7	19,324	(10,891)
Total income		571,971	462,460
Expenses			
Management fees	8	(77,927)	(73,021)
Depositary fees	8	(6,104)	(5,720)
Operating expenses	6	(76,995)	(82,492)
Total operating expenses		(161,026)	(161,233)
Net profit before finance costs and taxation		410,945	301,227
Finance costs			
Bank interest expense		(108)	(221)
Total finance costs		(108)	(221)
Increase in net assets attributable to holders of redeemable participating units		410,837	301,006

Gains and losses solely from continuing operations. 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.

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Barings Currency Umbrella Fund

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

For the financial period ended 31 October 2019

	Notes	Barings US\$ Reserve Fund 31 October 2019 US\$	Barings US\$ Reserve Fund 31 October 2018 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the financial period		51,137,371	42,523,515
Increase in net assets attributable to holders of redeemable participating units		410,837	301,006
Issue of redeemable participating units during the financial period	4	18,404,648	25,883,790
Redemption of redeemable participating units during the financial period	4	<u>(14,478,603)</u>	<u>(16,255,004)</u>
Net assets attributable to holders of redeemable participating units at the end of the financial period		<u>55,474,253</u>	<u>52,453,307</u>

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

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Barings Currency Umbrella Fund

Notes to the financial statements

For the financial period ended 31 October 2019

1. Basis of measurement

The financial statements presented are unaudited condensed interim financial statements for the financial period ended 31 October 2019 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 2019, 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 Trusts 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 the Unit Trusts most recent annual financial statements for the financial year ended 30 April 2019.

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 Unit Trust 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 comparative figures included for the Statement of Financial Position relate to the previous financial year ended 30 April 2019, while the comparative figures included for the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares relate to the six month period ended 31 October 2018.

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.

3. Cash and cash equivalents and bank overdrafts

Cash is valued at fair value with interest accrued, where applicable. Cash deposits of US\$4,134,968 (30 April 2019: US\$3,934,174) are maintained with The Northern Trust Company ("TNTC"), London branch, whom Northern Trust Fiduciary Services (Ireland) Limited (the "Depository") has delegated to as its global sub-custodian. Uninvested cash balances are swept daily into the Northern Trust Global Funds.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

4. Redeemable units

Financial period ended 31 October 2019

	Class A USD Acc No. of Units	Class A HKD Acc No. of Units
Balance as at 1 May 2019	1,602,405	379,573
Issued	632,105	77,846
Redeemed	(438,781)	(120,170)
Balance as at 31 October 2019	<u>1,795,729</u>	<u>337,249</u>

Financial year ended 30 April 2019

	Class A USD Acc No. of Units	Class A HKD Acc No. of Units
Balance as at 1 May 2018	1,386,257	283,774
Issued	1,559,612	369,508
Redeemed	(1,343,464)	(273,709)
Balance as at 30 April 2019	<u>1,602,405</u>	<u>379,573</u>

5. Other payables and accrued expenses

	31 October 2019 US\$	30 April 2019 US\$
Management fees payable	(27,665)	(13,244)
Depository fees payable	(4,196)	(7,985)
Audit fees payable	(3,813)	(13,763)
Legal fees payable	(17,654)	(8,274)
Professional fees payable	(14,515)	(2,018)
Miscellaneous fees payable	(13,275)	(40,981)
	<u>(81,118)</u>	<u>(86,265)</u>

6. Operating expenses

	31 October 2019 US\$	31 October 2018 US\$
Audit fees	(3,473)	(5,700)
Legal fees	(53,803)	(45,026)
Professional services	(13,168)	(23,137)
Other operating expenses	(6,551)	(8,629)
	<u>(76,995)</u>	<u>(82,492)</u>

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

7. Net fair value 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.

	31 October 2019 US\$	31 October 2018 US\$
Realised gains on sale of investments	6,693	1
Realised losses on sale of investments	(184)	(3,132)
Realised currency gains	3,582	2,531
Realised currency losses	(4,272)	(6,832)
Unrealised gains on investments	14,072	11,101
Unrealised losses on investments	(501)	(14,488)
Unrealised currency gains	112	14
Unrealised currency losses	(178)	(86)
	<u>19,324</u>	<u>(10,891)</u>

8. Significant agreements and fees

Management fees

The Alternative Investment Fund Manager ("AIFM") is entitled under the Management Agreement to a management fee of up to a rate not exceeding 1.00% per annum of the Net Asset Value of the Fund for Class A USD Acc and 0.30% per annum of the Net Asset Value of the Fund for Class A HKD Acc.

The Unit Trust 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\$77,927 have been charged for the financial period 31 October 2019 (31 October 2018: US\$73,021) of which US\$27,665 (30 April 2019: US\$13,244) was outstanding at the financial period-end.

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 Investment Manager will be met by the AIFM out of their own fee.

Administration fee

The fees of Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") will be met by the AIFM out of the management fee. An administration fee is paid out of the management fee at the rate of 0.01% per annum of the value of the net assets.

Depositary fee

Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") is entitled under the Trust Deed to receive out of the assets of the Fund an annual fee of up to 0.025% of the Net Asset Value of the Fund payable monthly in arrears.

In addition, the Depositary is also charged transaction fees, safekeeping fees and account maintenance charges out of the assets of the Fund, which were 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 were charged at normal commercial fees. Depositary fees of US\$6,104 have been charged for the financial period 31 October 2019 (31 October 2018: US\$5,720) of which US\$4,196 (30 April 2019: US\$7,985) was outstanding at the financial period-end.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

8. Significant agreements and fees (continued)

Other expenses

The Depositary pays out of the assets of the Fund the above fees, 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 AIFM and the cost of establishing, maintaining and registering the Fund and the units with any governmental or regulatory authority or with any regulated market deemed appropriate by the AIFM from time to time. The costs of printing and distributing reports, accounts and any Prospectus, and of publishing prices and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law) will also be paid out of the assets of the Fund.

Legal adviser

The fees paid to Matheson during the financial period amounted to US\$12,690 (31 October 2018: US\$26,617). The fees paid to Deacons during the financial period amounted to US\$31,733 (31 October 2018: US\$63,581).

9. Related party transactions

Peter Clark is connected to the AIFM through employment with Barings (U.K.) Limited. Timothy Schulze is connected to the AIFM through employment with Barings LLC. Julian Swayne is connected to the AIFM through employment with Baring Asset Management Limited. Alan Behen and Paul Smyth are employees of the AIFM. 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 AIFM or one of its affiliates. As at 31 October 2019, 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 units held by 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 US\$ Reserve Fund	1 (30 April 2019: 1)	53.86% (30 April 2019: 50.39%)	0.01% (30 April 2019: 0.01%)

10. 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 is not based on observable market data (that is, unobservable inputs).

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

10. 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 judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment 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 2019

Barings US\$ Reserve Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Treasury Bills	51,714,302	–	–	51,714,302
Total	51,714,302	–	–	51,714,302

As at 30 April 2019

Barings US\$ Reserve Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Treasury Bills	47,033,062	–	–	47,033,062
Total	47,033,062	–	–	47,033,062

11. Efficient portfolio management

The Fund may use Financial Derivative Instruments (“FDIs”) for efficient portfolio management. The efficient portfolio management purposes for which the Fund intends to employ FDIs are reduction of risk, reduction of cost and the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the general provisions of the AIF Rulebook. The Fund may use various types of derivatives for these purposes, including, without limitation, forwards, swaps (including but not limited to total return swaps, credit default swaps, and IRSs) and contracts for differences for these purposes.

Risk Monitoring of Global Exposure

The Fund has been classified as a non-sophisticated user of FDI (Financial Derivative Instruments) and, as permitted by the AIF Rulebook the Fund has adopted a commitment approach (the “Commitment Approach”) in the calculation of global exposure for the Fund during the financial period.

In accordance with the AIF Rulebook, the Commitment Approach has been calculated, in the case of forward currency contracts (“FCCTs”), by converting the FCCT position into an equivalent position based on the market value of the underlying asset. As the FDI are used for hedging purposes, the exposure of the FDI has been calculated and then netted against the instrument being hedged. The Global Exposure calculation is performed on a daily basis.

In no circumstances will the global exposure of the Fund exceed 100% of its Net Asset Value.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

12. NAV per redeemable participating units

Net assets attributable to holders of
redeemable participating units
Barings US\$ Reserve Fund

31 October 2019	30 April 2019	30 April 2018
US\$55,474,253	US\$51,137,371	US\$42,523,515

NAV per redeemable participating units

Class A USD Acc
Class A HKD Acc

US\$26.01	US\$25.80	US\$25.46
HK\$203.76	HK\$202.39	HK\$199.82

13. Exchange rates

The exchange rates used in the financial statements to convert to US dollars at period/year-end date were:

	As at 31 October 2019	As at 30 April 2019
Euro	0.8969	0.8919
Hong Kong dollar	7.8359	7.8452
Pound sterling	0.7716	0.7686

14. 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 that broker to settle the trade (31 October 2018: same).

15. Contingent liabilities

There are no contingent liabilities at financial period-end 31 October 2019 and financial year-end 30 April 2019.

16. Transaction with connected persons

The CBI's Alternative Investment Fund (“AIF”) Rulebook requires that any transaction carried out with the Fund by a Promoter, the AIFM, Depositary, and/or Investment Manager and/or an associate, or a group of, companies 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 (evidenced by written procedures) 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.

17. Taxation

Under current Irish law and practice, the Unit Trust 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 Unit Trust for a period of eight years or more, or the appropriation or cancellation of units of a unitholder by the Unit Trust 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) an 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 reasonable suggest that the information contained therein is no longer materially correct; or

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

17. Taxation (continued)

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

Dividends, interest and capital gains (if any) received on investments made by the Unit Trust Investment Undertakings 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 Unit Trust or its unitholders.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for Unit Trusts 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 Unit Trust 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 Company (“TNTC”). An “uncommitted” multi-currency loan facility has been made available by TNTC to the Fund. During the financial period ended 31 October 2019 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 Unit Trust was issued on 9 December 2019. The following are the material changes made:

- Addition of Alan Behen and Paul Smyth as Directors of the AIFM
- Updates to comply with the 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 consequences of the 2016 Brexit referendum continue to be uncertain and Barings continues to plan for a number of possible scenarios, including “no deal”. 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 Funds will continue to be registered for distribution into relevant jurisdictions in EU27 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 Funds are also EU27 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 EU27. 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 subsequent to the financial period-end that, in the opinion of the Directors, may have had an impact on the financial statements for the financial period ended 31 October 2019.

21. Subsequent events

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

There have been no other events subsequent to the financial period-end that, in the opinion of the Directors of the AIFM, may have had an impact on these financial statements for the financial period ended 31 October 2019.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2019

22. Periodic reporting

Pursuant to Directive 2011/61/EU, the AIFM is required to periodically disclose the following information to investors in the Fund:

- There were no assets held that are subject to special arrangements arising from their illiquid nature.
- There are no new arrangements for managing the liquidity of the Fund.

23. Approval of financial statements

The financial statements were approved by the Directors of the AIFM on 12 December 2019.

Barings Currency Umbrella Fund

Schedule of Investments

As at 31 October 2019

Financial assets at fair value through profit or loss

Nominal	Security	Fair value US\$	% of Net Assets
Treasury Bills: 93.22% (30 April 2019: 91.97%)			
United States: 93.22% (30 April 2019: 91.97%)			
6,927,000	US Treasury Bill 0% 05/11/2019	6,925,526	12.48
6,360,000	US Treasury Bill 0% 14/11/2019	6,356,145	11.46
6,890,000	US Treasury Bill 0% 29/11/2019	6,881,294	12.40
5,400,000	US Treasury Bill 0% 05/12/2019	5,391,744	9.72
4,740,000	US Treasury Bill 0% 10/12/2019	4,731,748	8.53
6,620,000	US Treasury Bill 0% 19/12/2019	6,606,589	11.91
5,467,000	US Treasury Bill 0% 16/01/2020	5,448,640	9.82
1,050,000	US Treasury Bill 0% 23/01/2020	1,046,157	1.89
4,410,000	US Treasury Bill 0% 27/02/2020	4,386,919	7.91
3,970,000	US Treasury Bill 0% 23/04/2020	3,939,540	7.10
		51,714,302	93.22
Total Treasury Bills		51,714,302	93.22
Total financial assets at fair value through profit or loss		51,714,302	93.22
Cash and cash equivalents		4,134,968	7.45
Other net liabilities		(375,017)	(0.67)
Total net assets attributable to holders of redeemable participating units		55,474,253	100.00

Barings Currency Umbrella Fund

Appendix 1 – Additional information Hong Kong Code

For the financial period ended 31 October 2019

Highest issue and lowest redemption prices

Highest issue price during the period/year*

	31 October 2019	30 April 2019	30 April 2018	30 September 2017	30 September 2016
Class A USD Acc	26.00	25.83	25.47	25.38	25.45
Class A HKD Acc**	203.90	202.59	199.83	198.55	196.35

	30 September 2015	30 September 2014	30 September 2013	30 September 2012	30 September 2011
Class A USD Acc	25.84	25.78	25.87	25.96	26.09
Class A HKD Acc**	—	—	—	—	—

Lowest redemption price during the period/year*

	31 October 2019	30 April 2019	30 April 2018	30 September 2017	30 September 2016
Class A USD Acc	25.80	25.46	25.38	25.28	25.27
Class A HKD Acc**	201.56	199.77	197.80	196.01	196.04

	30 September 2015	30 September 2014	30 September 2013	30 September 2012	30 September 2011
Class A USD Acc	25.45	25.62	25.77	25.86	25.96
Class A HKD Acc**	—	—	—	—	—

* The above highest issue prices and lowest redemption prices during the period/year are quoted in their respective unit classes' denomination currencies.

** Barings US\$ Reserve Fund Class A HKD Acc was launched on 1 April 2016.

The comparative high/low figures are for the Fund's financial period/year.

Statement of movements in portfolio holdings

	31 October 2019 % of NAV***	30 April 2019 % of NAV***	30 April 2018 % of NAV***	30 September 2017 % of NAV***
Investment Funds				
Ireland	—	—	1.09	1.00
Treasury Bills				
United States	93.22	99.77	100.84	98.04
Total investments at fair value through profit or loss	93.22	99.77	101.93	99.04
Cash/(overdraft)	7.45	7.69	(1.91)	0.96
Other net liabilities	(0.67)	(7.46)	(0.02)	—
Total net assets	100.00	100.00	100.00	100.00

*** Movement in portfolio holdings have been analysed above based on a % of NAV invested in each geographic location. The movement in each country's position between periods has to be inferred.

Barings Currency Umbrella Fund

Appendix 1 – Additional information Hong Kong Code (continued)

For the financial period ended 31 October 2019

Portfolio information

Top Ten Holdings*	% of Net Assets
US Treasury Bill 0% 05/11/2019	12.48%
US Treasury Bill 0% 29/11/2019	12.40%
US Treasury Bill 0% 19/12/2019	11.91%
US Treasury Bill 0% 14/11/2019	11.46%
US Treasury Bill 0% 16/01/2020	9.82%
US Treasury Bill 0% 05/12/2019	9.72%
US Treasury Bill 0% 10/12/2019	8.53%
US Treasury Bill 0% 27/02/2020	7.91%
US Treasury Bill 0% 23/04/2020	7.10%
US Treasury Bill 0% 23/01/2020	1.89%

* The above represents all holdings as at 31 October 2019.

Barings Currency Umbrella Fund

Appendix 2 – Significant Portfolio Movements

For the financial period ended 31 October 2019

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
US Treasury Bill 0% 01/10/2019	6,947	US Treasury Bill 0% 01/10/2019	6,965
US Treasury Bill 0% 05/11/2019	6,921	US Treasury Bill 0% 17/10/2019	6,900
US Treasury Bill 0% 17/10/2019	6,880	US Treasury Bill 0% 25/07/2019	6,649
US Treasury Bill 0% 29/11/2019	6,867	US Treasury Bill 0% 15/08/2019	6,628
US Treasury Bill 0% 22/08/2019	6,593	US Treasury Bill 0% 22/08/2019	6,627
US Treasury Bill 0% 19/12/2019	6,591	US Treasury Bill 0% 29/10/2019	6,580
US Treasury Bill 0% 29/10/2019	6,562	US Treasury Bill 0% 18/07/2019	6,530
US Treasury Bill 0% 14/11/2019	6,323	US Treasury Bill 0% 25/06/2019	6,300
US Treasury Bill 0% 25/06/2019	6,279	US Treasury Bill 0% 05/09/2019	6,000
US Treasury Bill 0% 05/09/2019	5,968	US Treasury Bill 0% 05/07/2019	5,899
US Treasury Bill 0% 26/09/2019	5,779	US Treasury Bill 0% 19/09/2019	5,800
US Treasury Bill 0% 19/09/2019	5,777	US Treasury Bill 0% 26/09/2019	5,800
US Treasury Bill 0% 16/01/2020	5,447	US Treasury Bill 0% 23/05/2019	5,507
US Treasury Bill 0% 05/12/2019	5,381	US Treasury Bill 0% 10/10/2019	5,050
US Treasury Bill 0% 10/10/2019	5,010	US Treasury Bill 0% 09/05/2019	5,000
US Treasury Bill 0% 10/12/2019	4,728	US Treasury Bill 0% 06/06/2019	4,886
US Treasury Bill 0% 23/04/2020	4,726	US Treasury Bill 0% 02/01/2020	4,723
US Treasury Bill 0% 27/02/2020	4,372	US Treasury Bill 0% 6/20/2019	4,647
US Treasury Bill 0% 02/01/2020	2,694	US Treasury Bill 0% 02/05/2019	4,503
US Treasury Bill 0% 15/08/2019	2,044	US Treasury Bill 0% 16/07/2020	1,084

Registered address:

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Important information:

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

Disclosure:

Baring International Fund Managers (Ireland) Limited
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