



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 2020

Barings Currency Umbrella Fund
Interim Report and Unaudited Financial Statements

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For the financial period ended 31 October 2020

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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)

* 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

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

Barings LLC***
300 S. Tryon Street
Suite 2500 Charlotte
North Carolina 28202
United States

*** Barings LLC is the delegated Sub-Investment Manager for Barings US Dollar Reserve Fund as detailed in the Investment Manager’s report.

Depository

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

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 Barings 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 authorised 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 AIFM 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 2020, the Fund, which commenced business on 30 December 1990. The Fund has two classes of units on offer at financial period-end, Class A USD Accumulation ("Acc") and Class A HKD Acc.

The financial statements include all the trades received up until 12:00p.m. (Irish time) on 30 October 2020, 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.

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 2020

Performance

Barings US\$ Reserve Fund (the "Fund") generated a gross return of 0.02% on the Class A USD Acc unit class and underperformed against the performance comparator (Bank of America Merrill Lynch US Treasury Bills 0-3 month index) which had a return of 0.12%* during the reporting period. The Fund generated a net return of -0.29% on the Class A USD Acc unit class.

The fund reinvested maturing securities to maintain curve positioning. The U.S. Federal Reserve (the "Fed") moved to ease monetary policy following the first quarter Covid-19 outbreak and held the Fed Funds rate to a target band of 0.00 to 0.25 throughout the period. Additionally, the Fed introduced support for fixed income markets through purchasing of corporate bonds and through the introduction of the Term Asset-Backed Securities Loan Facility ("TALF") program in June. Both programs have been largely supportive of the Corporate and Securitised markets and have helped to improve confidence and liquidity in the market. Risk assets recovered during the period following the sharp decline in prices in March.

Market outlook

The market currently expects short term interest rates to remain low for some time; the short duration portion of the U.S. Treasury curve is flat with rates under 0.20% out to the three year point on the curve. The ten year U.S. Treasury rate closed the period at 0.87%.

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

**Barings LLC,
appointed as Sub-Investment Manager 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 Currency Umbrella Fund

Statement of Financial Position

As at 31 October 2020

		Barings US\$ Reserve Fund 31 October 2020	Barings US\$ Reserve Fund 30 April 2020
	Notes	US\$	US\$
Assets			
Financial assets at fair value through profit or loss	2	52,196,579	50,617,211
Cash and cash equivalents	3	5,179,092	5,225,017
Receivable for units sold		1,112,169	163,106
Other assets		4,355	24,561
Total assets		<u>58,492,195</u>	<u>56,029,895</u>
Liabilities			
Payable for units redeemed		(23,457)	(140,934)
Other payables and accrued expenses	5	(68,529)	(53,731)
Total liabilities (excluding net assets attributable to holders of redeemable participating units)		<u>(91,986)</u>	<u>(194,665)</u>
Net assets attributable to holders of redeemable participating units		<u>58,400,209</u>	<u>55,835,230</u>

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

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Barings Currency Umbrella Fund

Statement of Comprehensive Income

For the financial period ended 31 October 2020

	Notes	Barings US\$ Reserve Fund 31 October 2020 US\$	Barings US\$ Reserve Fund 31 October 2019 US\$
Income			
Bank interest income		12	27,199
Interest income		41,845	525,448
Net fair value (loss)/gain on financial assets at fair value through profit or loss	7	(16,356)	19,324
Total income		25,501	571,971
Expenses			
Management fees	8	(88,358)	(77,927)
Depositary fees	8	(6,921)	(6,104)
Operating expenses	6	(99,330)	(76,995)
Total operating expenses		(194,609)	(161,026)
Net (loss)/profit before finance costs		(169,108)	410,945
Finance costs			
Bank interest expense		(56)	(108)
Total finance costs		(56)	(108)
(Decrease)/increase in net assets attributable to holders of redeemable participating units		(169,164)	410,837

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 2020

	Notes	Barings US\$ Reserve Fund 31 October 2020 US\$	Barings US\$ Reserve Fund 31 October 2019 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the financial period		55,835,230	51,137,371
(Decrease)/increase in net assets attributable to holders of redeemable participating units		(169,164)	410,837
Issue of redeemable participating units during the financial period	4	20,124,740	18,404,648
Redemption of redeemable participating units during the financial period	4	<u>(17,390,597)</u>	<u>(14,478,603)</u>
Net assets attributable to holders of redeemable participating units at the end of the financial period		<u>58,400,209</u>	<u>55,474,253</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 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 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 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 a non-going concern basis. The Fund is due to terminate post period end 31 October 2020.

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 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 Shares 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 for all trades received up to 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\$5,179,092 (30 April 2020: US\$5,225,017) are maintained with The Northern Trust Company ("TNTC"), London branch, with uninvested cash balances being 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 2020

4. Redeemable units

Financial period ended 31 October 2020

	Class A USD Acc No. of Units	Class A HKD Acc No. of Units
Balance as at 1 May 2020	1,716,922	419,230
Issued	612,573	158,272
Redeemed	(509,389)	(156,879)
Balance as at 31 October 2020	<u>1,820,106</u>	<u>420,623</u>

Financial year ended 30 April 2020

	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	2,731,339	340,952
Redeemed	(2,616,822)	(301,295)
Balance as at 30 April 2020	<u>1,716,922</u>	<u>419,230</u>

5. Other payables and accrued expenses

	31 October 2020 US\$	30 April 2020 US\$
Management fees payable	(28,406)	(13,825)
Depositary fees payable	(2,333)	(3,625)
Audit fees payable	(1,406)	(10,826)
Legal fees payable	(668)	–
Professional fees payable	–	(5,815)
Other operating expenses payable	(35,716)	(19,640)
	<u>(68,529)</u>	<u>(53,731)</u>

6. Operating expenses

	31 October 2020 US\$	31 October 2019 US\$
Audit fees	(5,130)	(3,473)
Legal fees	(63,738)	(53,803)
Professional services	(19,201)	(13,168)
Other operating expenses	(11,261)	(6,551)
	<u>(99,330)</u>	<u>(76,995)</u>

7. Net fair value (loss)/gain 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 CBI's Alternative Investment Fund ("AIF") Rulebook.

	31 October 2020 US\$	31 October 2019 US\$
Realised gains on sale of investments	158	6,693
Realised losses on sale of investments	–	(184)
Realised currency gains	1,053	3,582
Realised currency losses	(5,900)	(4,272)
Unrealised gains on investments	1,047	14,072
Unrealised losses on investments	(12,706)	(501)
Unrealised currency gains	52	112
Unrealised currency losses	(60)	(178)
	<u>(16,356)</u>	<u>19,324</u>

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

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\$88,358 have been charged for the financial period 31 October 2020 (31 October 2019: US\$77,927) of which US\$28,406 (30 April 2020: US\$13,825) 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\$6,921 have been charged for the financial period 31 October 2020 (31 October 2019: US\$6,104) of which US\$2,333 (30 April 2020: US\$3,625) was outstanding at the financial period-end.

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.

Transaction costs

There were no transaction costs incurred by the Fund for the financial period ended 31 October 2020 and the financial year ended 30 April 2020.

Legal adviser

The fees paid to Matheson during the financial period amounted to US\$3,595 (31 October 2019: US\$12,690). The fees paid to Deacons during the financial period amounted to US\$34,912 (31 October 2019: US\$31,733).

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

9. 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 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 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 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 2020: 1)	52.46% (30 April 2020: 50.84%)	0.01% (30 April 2020: 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).

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 measured at fair value.

As at 31 October 2020

Barings US\$ Reserve Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Treasury Bills	52,196,579	–	–	52,196,579
Total	52,196,579	–	–	52,196,579

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

10. Fair value hierarchy (continued)

As at 30 April 2020

Barings US\$ Reserve Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Treasury Bills	50,617,211	–	–	50,617,211
Total	50,617,211	–	–	50,617,211

There have been no transfers during the financial period ending 31 October 2020 or the financial year ending 30 April 2020 from level 1 to level 2 or from level 2 to level 1. As at 31 October 2020 and 30 April 2020, there were no financial assets or liabilities classified at level 3.

Transfers between levels, when applicable, occur at the end of the financial period.

Cash includes deposits held with banks and other short-term investments in an active market and they are categorised as Level 1. All receivables and payables are categorised as level 2.

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.

12. NAV per redeemable participating units

Net assets attributable to holders of redeemable participating units

Barings US\$ Reserve Fund	31 October 2020	30 April 2020	30 April 2019
	US\$58,400,209	US\$55,835,230	US\$51,137,371

NAV per redeemable participating units

Class A USD Acc	US\$26.06	US\$26.14	US\$25.80
Class A HKD Acc	HK\$202.06	HK\$202.57	HK\$202.39

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

13. Exchange rates

The exchange rates used in the financial statements to convert to US dollars are as follows:

	As at 31 October 2020	As at 30 April 2020
Euro	0.8566	0.9194
Hong Kong dollar	7.7538	7.7509
Pound sterling	0.7702	0.7994

14. Soft commission arrangements

The Investment Manager will pay for research from their own books, as such commission paid on trades will be “execution only”, which is the agreed cost for that broker to settle the trade (31 October 2019: same).

15. Contingent liabilities

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

16. Transaction with connected persons

The CBI AIF Rulebook section on “Dealings by management company, general partner, Depository, AIFM, investment manager or by delegates or group companies of these” states that any transaction carried out with the Unit Trust by the AIFM, Depository, Investment Manager or by delegates or group companies of these (“Connected Parties”) must be carried out as if negotiated at arm’s length. Transactions must be 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 the obligations set out above are applied to all transactions with Connected Parties; and that all transactions with Connected Parties entered into during the financial period complied with the obligations set out in this paragraph.

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
- (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.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

17. Taxation (continued)

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

19. Significant events

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

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

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. 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 during the financial period-end that, in the opinion of the Directors of the AIFM, may have had an impact on the financial statements for the financial period ended 31 October 2020.

20. Subsequent events

There have been no 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 2020.

Barings Currency Umbrella Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2020

21. Approval of financial statements

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

Barings Currency Umbrella Fund

Schedule of Investments

As at 31 October 2020

Financial assets at fair value through profit or loss

Nominal	Security	Fair value US\$	% of Net Assets
Treasury Bills: 89.38% (30 April 2020: 90.65%)			
United States: 89.38% (30 April 2020: 90.65%)			
8,100,000	US Treasury Bill 0% 05/11/2020	8,099,909	13.87
3,800,000	US Treasury Bill 0% 10/11/2020	3,799,924	6.51
4,900,000	US Treasury Bill 0% 12/11/2020	4,899,881	8.39
4,000,000	US Treasury Bill 0% 17/11/2020	3,999,860	6.85
5,000,000	US Treasury Bill 0% 19/11/2020	4,999,812	8.56
4,100,000	US Treasury Bill 0% 24/11/2020	4,099,815	7.02
6,000,000	US Treasury Bill 0% 03/12/2020	5,999,547	10.27
3,300,000	US Treasury Bill 0% 10/12/2020	3,299,690	5.65
7,100,000	US Treasury Bill 0% 15/12/2020	7,099,229	12.16
5,900,000	US Treasury Bill 0% 21/01/2021	5,898,912	10.10
		52,196,579	89.38
Total Treasury Bills		52,196,579	89.38
Total financial assets at fair value through profit or loss		52,196,579	89.38
	Cash and cash equivalents	5,179,092	8.87
	Other net assets	1,024,538	1.75
Total net assets attributable to holders of redeemable participating units		58,400,209	100.00

Barings Currency Umbrella 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 period/year*

	31 October 2020	30 April 2020	30 April 2019	30 April 2018	30 September 2017
Class A USD Acc	26.13	26.13	25.83	25.47	25.38
Class A HKD Acc**	202.61	203.90	202.59	199.83	198.55

Highest issue price during the period/year* (continued)

	30 September 2016	30 September 2015	30 September 2014	30 September 2013	30 September 2012
Class A USD Acc	25.45	25.84	25.78	25.87	25.96
Class A HKD Acc**	196.35	–	–	–	–

Lowest redemption price during the period/year*

	31 October 2020	30 April 2020	30 April 2019	30 April 2018	30 September 2017
Class A USD Acc	26.06	25.80	25.46	25.38	25.28
Class A HKD Acc**	201.96	201.56	199.77	197.80	196.01

Lowest redemption price during the period/year* (continued)

	30 September 2016	30 September 2015	30 September 2014	30 September 2013	30 September 2012
Class A USD Acc	25.27	25.45	25.62	25.77	25.86
Class A HKD Acc**	196.04	–	–	–	–

* 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 2020 % of NAV***	30 April 2020 % of NAV***	30 April 2019 % of NAV***	30 April 2018 % of NAV***
Investment Funds				
Ireland	–	–	–	1.09
Treasury Bills				
United States	89.38	90.65	99.77	100.84
Total investments at fair value through profit or loss	89.38	90.65	99.77	101.93
Cash and cash equivalents/(Bank overdraft)	8.87	9.36	7.69	(1.91)
Other net assets/(liabilities)	1.75	(0.01)	(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 Net Asset Value invested in each geographic location. The movement in each country's position between period/year has to be inferred.

Barings Currency Umbrella Fund

Appendix 1 – Additional information Hong Kong Code (continued)

For the financial period ended 31 October 2020

Portfolio information

Top Ten Holdings	% of Net Assets
US Treasury Bill 0% 05/11/2020	13.87
US Treasury Bill 0% 15/12/2020	12.16
US Treasury Bill 0% 03/12/2020	10.27
US Treasury Bill 0% 21/01/2021	10.10
US Treasury Bill 0% 19/11/2020	8.56
US Treasury Bill 0% 12/11/2020	8.39
US Treasury Bill 0% 24/11/2020	7.02
US Treasury Bill 0% 17/11/2020	6.85
US Treasury Bill 0% 10/11/2020	6.51
US Treasury Bill 0% 10/12/2020	5.65

* The above represents all holdings as at 31 October 2020.

Barings Currency Umbrella Fund

Appendix 2 – Significant Changes in Portfolio Composition

For the financial period ended 31 October 2020

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
US Treasury Bill 0% 01/10/2020	8,896	US Treasury Bill 0% 21/05/2020	8,907
US Treasury Bill 0% 05/11/2020	8,098	US Treasury Bill 0% 01/10/2020	8,900
US Treasury Bill 0% 02/06/2020	8,000	US Treasury Bill 0% 07/05/2020	8,167
US Treasury Bill 0% 28/07/2020	7,799	US Treasury Bill 0% 02/06/2020	8,000
US Treasury Bill 0% 22/10/2020	7,697	US Treasury Bill 0% 28/07/2020	7,800
US Treasury Bill 0% 03/09/2020	7,599	US Treasury Bill 0% 22/10/2020	7,700
US Treasury Bill 0% 07/07/2020	7,399	US Treasury Bill 0% 03/09/2020	7,600
US Treasury Bill 0% 15/12/2020	7,099	US Treasury Bill 0% 16/06/2020	7,433
US Treasury Bill 0% 27/10/2020	5,999	US Treasury Bill 0% 07/07/2020	7,400
US Treasury Bill 0% 14/07/2020	5,999	US Treasury Bill 0% 14/05/2020	7,182
US Treasury Bill 0% 03/12/2020	5,999	US Treasury Bill 0% 14/07/2020	6,000
US Treasury Bill 0% 21/01/2021	5,899	US Treasury Bill 0% 27/10/2020	6,000
US Treasury Bill 0% 08/09/2020	4,999	US Treasury Bill 0% 16/07/2020	5,147
US Treasury Bill 0% 17/09/2020	4,999	US Treasury Bill 0% 08/09/2020	5,000
US Treasury Bill 0% 19/11/2020	4,998	US Treasury Bill 0% 17/09/2020	5,000
US Treasury Bill 0% 12/11/2020	4,899	US Treasury Bill 0% 23/07/2020	4,433
US Treasury Bill 0% 13/10/2020	4,100	US Treasury Bill 0% 02/07/2020	4,433
US Treasury Bill 0% 24/11/2020	4,100	US Treasury Bill 0% 13/08/2020	4,275
US Treasury Bill 0% 06/10/2020	4,100	US Treasury Bill 0% 13/10/2020	4,100
US Treasury Bill 0% 17/11/2020	3,999	US Treasury Bill 0% 06/10/2020	4,100
US Treasury Bill 0% 20/08/2020	3,999	US Treasury Bill 0% 20/08/2020	4,000
US Treasury Bill 0% 22/09/2020	3,900	US Treasury Bill 0% 22/09/2020	3,900
US Treasury Bill 0% 10/11/2020	3,800	US Treasury Bill 0% 29/09/2020	3,800
US Treasury Bill 0% 29/09/2020	3,800	US Treasury Bill 0% 27/08/2020	3,647
US Treasury Bill 0% 06/08/2020	3,499	US Treasury Bill 0% 06/08/2020	3,500
US Treasury Bill 0% 10/12/2020	3,299		
US Treasury Bill 0% 16/06/2020	3,000		

Barings Currency Umbrella Fund

Appendix 3 – 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 Currency Umbrella 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 interim report is made available to investors of the Fund:

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

The current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks are included on pages 21 to 22 .

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 Currency Umbrella Fund

Appendix 4 – 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 for the Funds of Barings Currency Umbrella Fund (the “Unit Trust”) 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 deposits, negotiable fixed and floating rate securities and Short Term Money Market Funds. Examples of the types of risk to which the Fund managed by the AIFM is exposed include:

- Market risks: including sensitivity of NAV to changes in interest rates, credit spreads 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.
- 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 sub-fund and the shares issued by a sub-fund, as well as the complexity of the asset types held by the sub-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 Fund managed by the AIFM.

Barings Currency Umbrella Fund

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

For the financial period ended 31 October 2020

Fund Specific Summary Risk Profile

Fund Name	Barings US\$ Reserve Fund
As at Date	31 October 2020
Summary Investment Objective	<p>The 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 VNAV MMF.</p> <p>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 the MMF Regulations. Fixed rate securities which may be purchased include certificates of deposit, short term bonds, notes, government securities and other Money Market Instruments provided they are redeemable or repayable within twelve months. Floating rate securities are purchased provided the coupon attaching is due to be refixed within six months of the date of purchase.</p>
Primary Asset Type(s)	Short term fixed and floating rate debt securities
Degree of diversification	Diversified
Rating Profile	Investment Grade
Sensitivity of NAV to Interest Rate Risk	Very Low – majority of investments are very short term debt instruments with very low or no interest rate duration
Sensitivity of NAV to Credit Spread Risk	Very Low – short term nature and high quality of the investments leave the Fund with very little exposure to credit spread risk
Sensitivity of NAV to Currency Movements	Very Low – investments are primarily denominated in U.S. dollars with very small amounts of non USD cash also held on the Fund
Extent of Leverage	No leverage for investment purposes or hedging 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
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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
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.