



# The Baring Emerging Markets Umbrella Fund

Annual Report and Audited Financial Statements

**30 April 2008**



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## Management and Administration

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### **Managers**

Baring International Fund Managers (Ireland) Limited  
Registered Office  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **Investment Manager**

Baring Asset Management Limited  
155 Bishopsgate  
London EC2M 3XY  
England

### **Trustee**

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

### **Administrator and Registrar**

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

### **Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants & Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Directors of the Managers**

Richard Bellis (Appointed 14 August 2007)  
William Collins (Resigned 3 August 2007)  
Anthony Cooney\*  
Ian Pascal  
Paul Savage  
Mark Thorne\*

### **Sponsoring Broker**

NCB Stockbrokers Limited  
3 George's Dock  
IFSC  
Dublin 1  
Ireland

\*Non-executive directors independent of the Investment Manager

## Introduction

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The Baring Emerging Markets Umbrella Fund (the "Trust") is a unit trust managed by Baring International Fund Managers (Ireland) Limited (the "Managers"). The Trust was established pursuant to a trust deed dated 11 February, 1992 (as supplemented or amended from time to time) (the "Trust Deed") made between the Managers and Northern Trust Fiduciary Services (Ireland) Limited as trustee (the "Trustee") and authorised by the Financial Regulator pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, (as amended). The Trust received UCITS III status on 19 December 2005. It has been authorised by the Securities and Futures Commission in Hong Kong.

The Trust is organised in the form of an umbrella fund. The Trust Deed provides that the Trust may offer separate classes of Unit each representing interest in a fund comprised of a distinct portfolio of investments. A separate trust fund (a "Fund") is maintained for each series of Units and is invested in accordance with the investment objective applicable to such Fund to date. Each Fund may create more than one class of Units in relation to a Fund and these separate classes of Units may be denominated in different currencies. A unit represents a beneficial interest in the Trust (a "Unit").

Units are available in the following classes:

<b>Fund</b>	<b>Functional Currency</b>	<b>Unit Denominations</b>	<b>Fund Launch Date</b>
Baring Emerging Opportunities Fund	US\$	US\$, £ and €	May 2003
Baring Global Emerging Markets Fund	US\$	US\$, £ and €	February 1992
Baring Latin America Fund	US\$	US\$ and €	April 1993

## Independent Auditor's Report to the Unitholders of The Baring Emerging Markets Umbrella Fund (the "Trust")

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We have audited the Trust's financial statements for the year ended 30 April 2008 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders, the Portfolio Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective Responsibilities of the Managers and the Auditors**

The Managers responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Managers' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Trust's Unitholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to whether proper books of account have been kept by the Manager for the Trust.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Managers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Trust's affairs at 30 April 2008 and of its results for the year then ended; and have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Managers for the Trust. The Trust's financial statements are in agreement with the books of account.

**PricewaterhouseCoopers**

**Charter Accountants and Registered Auditors**

**Dublin**

**31 July 2008**



## Statement of Managers' Responsibilities

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The Managers are required by the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations), 2003 (as amended) (the "UCITS Regulations") to prepare financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting principles to give a true and fair view of the state of affairs of the Trust at the year end and of the results and movements for the year then ended. In preparing these financial statements, the Managers

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

The financial statements must comply with the disclosure requirements of the UCITS Regulations,(as amended). The Managers are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Trust Deed and the UCITS Regulations, (as amended) and the provisions of the Hong Kong Code on Units Trusts and Mutual Funds. The Managers are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the Trustee to the Unitholders for the year ended 30 April 2008

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We have enquired into the conduct of the Managers in respect of the Baring Emerging Markets Umbrella Fund ('the Trust') for the year ended 30 April 2008, in our capacity as Trustee to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust as a body, in accordance with the Financial Regulator's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Trustee

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Trust in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the UCITS Regulations. It is the overall responsibility of the Managers to comply with these provisions. If the Managers have not so complied, we as Trustee must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Trustee Opinion

The Trustee conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Trust has been managed, (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

### Opinion

In our opinion, The Baring Emerging Markets Umbrella Fund has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Managers and Trustee by the Trust Deed and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

## Baring Emerging Opportunities Fund - Investment Manager's Report (Unaudited)

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	38.63	31.20	23.81

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Emerging Opportunities Fund	23.81	17.63	66.88	20.44	37.23
MSCI Emerging Markets Free Index	25.71	18.21	62.89	24.04	53.57

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested in US dollar terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The investment objective of the Fund is to seek long-term capital growth, primarily through investment in a concentrated portfolio of developing country equities, combined with active management of the country and sector allocations. It is the policy of the Manager to maintain diversification in terms of the countries to which investment exposure is maintained but there is no limit to the proportion of the assets which may be invested in any one country. Please refer to the Prospectus for the full Investment Objective and Policy.

## How We Manage the Fund

We combine “top-down” country allocation and “bottom-up” stock selection in an integrated framework in order to capture both sets of investment drivers. We believe that “top-down” country analysis is crucial as developments at a national level often outweigh stock-specific factors, although company fundamentals are always a key starting point in our analysis.

We combine growth and valuation disciplines to identify “Growth at a Reasonable Price” when investing in a dynamic asset class like emerging market equities. Through our teams of dedicated analysts we conduct considerable primary research in order to identify the best opportunities.

We hold a relatively focused portfolio of fewer than 70 stocks as we seek to align the portfolio with our highest conviction investment ideas.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Investment Manager of the Baring Emerging Opportunities Fund.

The Manager of the Baring Emerging Opportunities Fund is James Syme, Head of Emerging Market Equities. James has over 14 years of emerging market equities experience and received his CFA designation in 1997.

## Risk Profile

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The Baring Emerging Opportunities Fund is invested primarily in equities listed in the emerging equity markets of Latin America, Asia excluding Japan, Eastern Europe and the Middle-East and Africa. As such, the Fund is exposed to the volatility that can characterise equity share prices from time to time. These countries are emerging equity markets, and as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. In addition, the approach we take to managing the Fund and keeping the number of holdings at a reasonably focused size means that the Fund may prove more volatile in performance than more broadly-based funds. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

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There are no major changes to report.

## Strategy and Performance

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Over the twelve months under review, the Baring Emerging Opportunities Fund delivered a very positive return in US dollar terms, just behind the MSCI Emerging Markets (Free) Index. Our decision to favour China and Brazil contributed positively to performance, as did our underweight exposure to Mexico and South Africa. Conversely, an emphasis on Russia and Malaysia detracted. Investments in the broader Middle East region added to performance. The review period saw strong performances from both the energy and materials sectors due to high commodity prices and the Fund benefited from its holdings in these areas.

The key change since the last report has been to tilt the Fund towards stocks that are less exposed to the effects of higher inflation and tighter credit conditions. Stocks with high debt levels such as Nine Dragons Paper in China, or with large capital expenditure commitments such as Gold Fields in South Africa were sold. Stocks with positive exposure to oil, gold and agricultural commodity prices were purchased, including gold miners Randgold Resources and Buenaventura, fertiliser company Israel Chemicals and plantation operator IOI in Malaysia. Companies meeting domestic demand in larger emerging markets form the core of the Fund, with the period seeing purchases of Orascom Hotel Developments in Egypt, China Life Insurance, Korean internet company NHN and Bangkok Bank and Kasikornbank in Thailand.

Our investment strategy remains based on the expectation that 2008 will see weaker economic growth and domestic demand in the Organisation for Economic Co-operation and Development (OECD) countries in contrast to continued strong growth in the developing world. We also expect emerging currencies to be stronger than expected and that inflationary pressure across the world is likely to continue, led by higher energy and food prices.

## Review of the Market

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The early part of the period saw emerging market equities perform well, driven by optimism amongst investors regarding the outlook for economic growth in emerging countries. The summer, however, saw a sudden deterioration in liquidity. Investor sentiment weakened amid widespread uncertainty about the impact that the collapse in the US sub-prime mortgage market would have on the US economy. At this time, emerging markets experienced volatility alongside other financial markets. In response to this concern, the US Federal Reserve began a series of aggressive interest rate cuts in September. These interest rate cuts helped boost sentiment and emerging market equities still ended the period substantially higher than at the start of the review period.

Countries with significant commodity exports, including Egypt, Peru and Brazil were the strongest performers over the review period, as continued strong economic growth in emerging markets and a weak dollar lifted commodity and energy prices. However, Russia underperformed as high taxes limited the benefits of high oil prices to that country's oil companies. Markets with strong export links to the US, including Mexico, Korea and Taiwan, underperformed. The weakest markets during the period were those with large current account deficits that were hurt by rising risk aversion. Examples include South Africa, Turkey and Hungary.



## Market Outlook

Although concerns about the growth outlook in developed economies are likely to persist, we do not see the same pattern in the emerging world. Since the start of 2008, expectations of economic growth in OECD countries have been downgraded, due to slowdowns in real estate markets and in consumer spending. Associated with this has been a downgrading in earnings expectations for developed market companies in 2008 and 2009. In stark contrast, we have seen continuing upgrades of earnings estimates for emerging market companies.

With emerging market purchasing power increasing, as incomes rise and currencies strengthen, energy and commodity prices should be well supported. With inflation rising and the US dollar weakening, we continue to find opportunities in oil, gold and agriculture-related commodity producers. Furthermore, we believe there is the potential for many emerging economies to experience domestic asset reflation and strong domestic consumption and investment growth. Many emerging currencies remain undervalued and both emerging corporates and consumers have low debt levels. Rising currencies, personal incomes and corporate profit margins all create a strong environment for both consumption and investment and this should drive a continuation of the long-term growth of emerging markets.

We see signs of decoupling between emerging and developed economies and companies, with the latter economies seeing lower growth and rising risk. This contrasts with the outlook for emerging economies, as demonstrated by the recent decision by Standard & Poors to upgrade Brazil's long-term debt to investment grade. Given this backdrop it seems anomalous that price to earnings multiples for the two asset classes are similar. In fact, at the time of writing, emerging market equities are slightly cheaper than developed markets.

## Portfolio Information

<b>Equities and Convertibles</b>	<b>% of NAV</b>
Gazprom	6.4
China Mobile	6.2
Petroleo Brasileiro	4.2
China Overseas Land & Investment	3.4
Teva Pharmaceutical Industries ADR	3.0
America Movil	2.7
Sasol	2.4
Mobile Telesystems	2.2
Industrial & Commercial Bank of China	2.2
Cia Vale do Rio Doce	2.2
Unibanco	2.2

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	44.22	31.78	26.88	17.61	15.04
Euro Class - €	30.65	23.40	21.68	13.31	12.61
Sterling Class - £	21.23	15.91	15.07	9.18	8.28

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	30.73	20.98	16.11	11.94	9.86
Euro Class - €	21.90	16.69	12.53	9.93	8.42
Sterling Class - £	15.47	11.39	8.52	6.75	6.01

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Argentina	-	1.45	-	-
Bermuda	1.81	1.88	-	-
Brazil	12.77	12.26	18.57	11.19
Canada	1.42	1.40	1.03	-
Czech Republic	-	-	1.85	-
Egypt	2.87	2.01	1.22	1.57
Hong Kong/China	20.84	12.45	7.07	7.97
Hungary	-	1.19	2.13	1.36
India	1.94	0.64	3.94	5.53
Indonesia	1.22	3.42	-	-
Israel	3.02	1.02	4.41	3.91
Jersey	1.37	-	-	-
Luxembourg	0.36	-	-	-
Malaysia	3.40	7.62	-	-
Mexico	2.68	2.59	4.27	19.84
Philippines	0.67	1.21	-	-
Russia	15.22	15.08	10.07	1.18
South Africa	5.54	6.95	4.19	6.08
South Korea	7.39	10.54	19.75	5.19
Taiwan	7.50	8.62	11.27	18.13
Thailand	3.00	0.96	2.36	6.78
Turkey	-	1.61	5.14	6.89
United Arab Emirates	2.80	-	-	-
United States	-	0.90	-	-
<b>Total Investments</b>	<b>95.82</b>	<b>93.80</b>	<b>97.27</b>	<b>95.62</b>
Cash	3.64	1.18	2.06	2.38
Other Net Assets	0.54	5.02	0.67	2.00
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*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.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Teva Pharmaceuticals Industries - ADR	7,728	Petroleo Brasileiro - ADR	17,902
Petroleo Brasileiro - ADR	6,898	Cia Vale Do Rio Doce - ADR	14,122
Cia Vale Do Rio Doce	6,893	Sberbank	12,553
Kookmin Bank	6,253	Gazprom - ADR	9,932
Tupras Turkiye Petrol Rafine -GDR	6,139	China Overseas Land & Investments	9,842
LG Chem - ADR	5,067	China Mobile	9,592
Aveng	4,937	Guangzhou R&F Comstik	9,244
China Overseas Land and Investment	4,899	Teva Pharmaceutical Industries - ADR	7,737
Gamuda	4,895	GS Engineering	7,498
Sberbank	4,876	Mobile Telesystemes - ADR	7,189
Nine Dragons Paper Holdings - ADR	4,371	LG Chem - ADR	7,056
Gazprom OAO - ADR	4,344	Kookmin Bank	7,010
Anglo Platinum	4,319	China Const BK	6,939
iShares MSCI Emerging Markets Index Fund - ADR	4,258	Unibanco Holdings	6,801
Wimm-Bill-Dann Foods - ADR	4,163	Orascom Construction Industries - GDR	6,711
Duratex	4,109	PTT	6,361
China Mobile	4,019	Tupras Turkiye Petrol Rafine	6,230
POSCO	3,941	China Merchants	6,202
PTT	3,549	iShares MSCI Emerging Markets Index Fund - ADR	5,847
Teva Pharmaceutical Industries - GDR	3,499	Credicorp	5,580

## Portfolio Statement

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss Equities and Convertibles	Currency	Nominal Holding	Fair Value US\$	% of NAV	
Bermuda	Credicorp	USD	2,708	215,286		1.81
Brazil	Cia Vale do Rio Doce ADR	USD	8,791	262,939	2.21	
	Cia de Bebidas das Americas ADR	USD	3,298	232,575	1.96	
	Hypermarcas	BRL	10,008	90,886	0.76	
	Petroleo Brasileiro ADR	USD	5,214	500,231	4.20	
	Redecard	BRL	10,400	172,135	1.45	
	Unibanco - Uniao de Bancos Brasileiros GDR	USD	2,008	260,839	2.19	12.77
Canada	Yamana Gold	USD	13,597	169,145	1.42	
China	China Life Insurance ADR	USD	3,439	222,813	1.87	
	China Merchants Bank	HKD	57,680	240,868	2.02	
	China Shenhua Energy	HKD	1	5	0.00	
	Guangzhou R&F Properties	HKD	91,257	258,739	2.18	
	Industrial & Commercial Bank of China	HKD	332,000	262,801	2.21	8.28
Egypt	Commercial International Bank	EGP	8,352	140,354	1.18	
	Orascom Construction Industries GDR	USD	638	105,008	0.88	
	Orascom Hotels & Development	EGP	6,197	96,238	0.81	2.87
Hong Kong	China Mobile	HKD	13,136	225,656	1.90	
	China Mobile ADR	USD	5,933	510,891	4.29	
	China Overseas Land & Investment	HKD	176,959	372,323	3.13	
	China Overseas Land & Investment Warrant	HKD	49,742	26,803	0.23	
	CNOOC ADR	USD	1,100	197,571	1.66	
	Hengan International Group	HKD	45,279	161,199	1.35	12.56
India	Bharti Airtel	INR	5,588	123,295	1.04	
	Reliance Communications	INR	7,569	107,247	0.90	1.94
Indonesia	Telekomunikasi Indonesia PT	IDR	152,000	145,569	1.22	
Israel	Teva Pharmaceutical Industries ADR	USD	7,868	358,859	3.02	
Jersey	Randgold Resources ADR	USD	3,654	162,530	1.37	
Luxembourg	Evraz Group GDR	USD	413	43,159	0.36	
Malaysia	Bumiputra-Commerce	MYR	61,100	191,497	1.61	
	Bursa Malaysia	MYR	28,400	80,469	0.68	
	IOI Corp	MYR	55,400	128,032	1.08	
	SP Setia Warrant	MYR	18,175	4,085	0.03	3.40
Mexico	America Movil ADR	USD	5,590	319,245	2.68	
Philippines	Metropolitan Bank & Trust	PHP	96,200	79,673	0.67	
Russia	Gazprom ADR	USD	2,543	132,999	1.12	
	LUKOIL ADR	USD	2,016	179,021	1.50	
	Mechel ADR	USD	779	109,862	0.92	
	Mobile Telesystems ADR	USD	3,530	264,750	2.22	
	Gazprom ADR	USD	11,996	627,391	5.27	
	Sberbank	USD	33,889	108,275	0.91	
	Vimpel-Communications ADR	USD	6,156	179,509	1.51	
	Wimm-Bill-Dann Foods ADR	USD	1,708	210,255	1.77	15.22
South Africa	Anglo Platinum	ZAR	1	158	0.00	
	Aveng	ZAR	15,124	113,384	0.95	
	MTN Group	ZAR	13,716	258,896	2.18	
	Sasol	ZAR	5,124	287,318	2.41	5.54
South Korea	GS Engineering & Construction	KRW	1,251	183,696	1.55	
	KT&G	KRW	3,001	247,967	2.08	
	NHN	KRW	969	223,415	1.88	
	Samsung Electronics	KRW	108	76,336	0.64	
	Samsung Heavy Industries	KRW	4,360	148,010	1.24	7.39
Taiwan	Asia Cement	TWD	115,000	206,759	1.74	
	Chunghwa Telecom	TWD	67,000	172,556	1.45	
	Delta Electronics	TWD	39,650	119,028	1.00	
	Far Eastern Textile	TWD	105,870	177,492	1.49	
	Yuanta Financial	TWD	228,000	216,929	1.82	7.50
Thailand	Bangkok Bank	THB	41,400	181,304	1.52	
	Kasikornbank	THB	63,600	176,333	1.48	3.00
UAE	Emaar Properties	AED	52,888	165,594	1.39	
	Union Properties	AED	121,266	168,054	1.41	2.80
	<b>Total Investments at fair value through profit or loss</b>			11,404,258	95.82	
	Cash			432,802	3.64	
	Other Net assets			64,846	0.54	
	<b>Total Net Assets attributable to holders of redeemable participating units</b>			<b>11,901,906</b>	<b>100.00</b>	

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

### Portfolio Classification

Transferable Securities

<b>% of Asset Value</b>
100.00
<u>100.00</u>

## Balance Sheet

As at 30 April 2008

	Notes	Baring Emerging Opportunities 30/04/2008 US\$	Baring Emerging Opportunities 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	11,404,258	119,361,009
Receivable for securities sold	1	175,254	158,190
Receivable for units sold	1	28,212	10,577,375
Dividends and interest receivable	1	31,418	312,789
Other assets		1,034	15,423
Cash	1	432,802	1,509,194
<b>Total Assets</b>		<b>12,072,978</b>	<b>131,933,980</b>
<b>Liabilities</b>			
Management fee payable	2	5,788	168,901
Payable for securities purchased	1	153,554	4,798,386
Payable for units redeemed	1	39	11,819
Administration fee payable	2	3,053	44,566
Trustee fee payable	2	427	2,421
Accrued expenses	2	21,782	24,627
Other liabilities		175	6,966
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>184,818</b>	<b>5,057,686</b>
<b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>11,888,160</b>	<b>126,876,294</b>
Adjustments from bid market prices to last traded market prices	1	13,746	378,383
<b>Net assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>11,901,906</b>	<b>127,254,677</b>
<b>Units In Issue (Note 5)</b>			
	US dollar Class	208,730	3,987,175
	Euro Class	49,253	38,406
	Sterling Class	50,196	52,888
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	38.63	31.20
	€	24.84	22.92
	£	19.64	15.64

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

	Notes	Baring Emerging Opportunities 30/04/2008 US\$	Baring Emerging Opportunities 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		127,254,677	56,394,111
Increase in net assets for the year attributable to holders of redeemable participating units from operations		70,611,944	14,856,062
Issue of redeemable participating units for the year	5	116,360,446	66,562,149
Redemption of redeemable participating units for the year	5	(302,325,161)	(10,557,645)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>11,901,906</b>	<b>127,254,677</b>

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

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Emerging Opportunities 30/04/2008	Baring Emerging Opportunities 30/04/2007
<b>Investment income</b>			
Bank deposit interest	1	69,457	70,481
Dividend income	1	2,947,587	1,678,071
Stocklending fee income	1	157,945	64,464
Net fair value gains on financial assets at fair value through profit or loss		70,985,027	14,994,551
<b>Total investment income</b>		<u>74,160,016</u>	<u>16,807,567</u>
<b>Expenses</b>			
Management fees	1, 2		
Administration fees	2	2,003,102	1,353,950
Audit Fees	2	551,641	348,159
Trustee fees	2	12,501	10,777
General expenses	2	38,437	19,342
		44,988	63,244
<b>Total operating expenses</b>		<u>2,650,669</u>	<u>1,795,472</u>
<b>Net income before finance costs</b>		71,509,347	15,012,095
<b>Finance costs</b>			
Net income equalisation	1	(205,642)	(1,497)
Distributions	4	-	(269,922)
<b>Total finance costs</b>		<u>(205,642)</u>	<u>(271,419)</u>
<b>Profit for the financial year</b>		71,303,705	14,740,676
Withholding tax on dividends and other investment income		(327,124)	(173,352)
<b>Operating profit</b>		70,976,581	14,567,324
Adjustments from bid market prices to last traded market prices		(364,637)	288,738
<b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>70,611,944</u>	<u>14,856,062</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

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

## Baring Global Emerging Markets Fund - Investment Manager's Report (Unaudited)

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	36.04	28.87	24.83

### Performance Record to 30 April 2008

	01/05/2007 – 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Global Emerging Markets Fund	24.99	16.28	63.17	16.20	42.72
MSCI Emerging Markets (Free) Index	25.71	18.21	62.89	24.04	53.57

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested in US dollar terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The investment objective of the Fund is to seek long-term capital growth primarily through investment in a diversified portfolio of developing country equities. It is the policy of the Manager to maintain diversification in terms of the countries to which investment exposure is maintained but there is no limit to the proportion of the assets which may be invested in any one country. Please refer to the Prospectus for the full Investment Objective and Policy.

## How We Manage the Fund

We combine “top-down” country allocation and “bottom-up” stock selection in an integrated framework in order to capture both sets of investment drivers. We believe that “top-down” country analysis is crucial as developments at a national level often outweigh stock-specific factors, although company fundamentals are always a key starting point in our analysis.

We combine growth and valuation disciplines to identify “Growth at a Reasonable Price” when investing in a dynamic asset class like emerging market equities. Through our teams of dedicated analysts we conduct considerable primary research in order to identify the best opportunities.

We hold a relatively focused portfolio of fewer than 70 stocks as we seek to align the portfolio with our highest conviction investment ideas.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Investment Manager of the Baring Global Emerging Markets Fund.

The Manager of the Baring Global Emerging Markets Fund is James Syme, Head of Emerging Market Equities. James has over 14 years of emerging market equities experience and received his CFA designation in 1997.



## Risk Profile

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The Baring Global Emerging Markets Fund is invested primarily in equities listed in the emerging equity markets of Latin America, Asia excluding Japan, Eastern Europe and the Middle-East and Africa. As such, the Fund is exposed to the volatility that can characterise equity share prices from time to time. These countries are emerging equity markets, and as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. In addition, the approach we take to managing the Fund and keeping the number of holdings at a reasonably focused size means that the Fund may prove more volatile in performance than more broadly-based funds. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

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There are no major changes to report.

## Strategy and Performance

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Over the twelve months under review, the Baring Global Emerging Markets Fund delivered a very positive return in US dollar terms, just behind the MSCI Emerging Markets (Free) Index. Our decision to favour China and Brazil contributed positively to performance, as did our reduced exposure to Mexico and South Africa. Conversely, an emphasis on Russia and Malaysia detracted. Investments in the broader Middle East region added to performance. The review period saw strong performances from both the energy and materials sectors due to high commodity prices and the Fund benefited from its holdings in these areas.

The key change since the last report has been to tilt the Fund towards stocks that are less exposed to the effects of higher inflation and tighter credit conditions. Stocks with high debt levels such as Nine Dragons Paper in China, or with large capital expenditure commitments such as Gold Fields in South Africa were sold. Stocks with positive exposure to oil, gold and agricultural commodity prices were purchased, including gold miners Randgold Resources and Buenaventura, fertiliser company Israel Chemicals and plantation operator IOI in Malaysia. Companies meeting domestic demand in larger emerging markets form the core of the Fund, with the period seeing purchases of Orascom Hotel Developments in Egypt, China Life Insurance, Korean internet company NHN and Bangkok Bank and Kasikornbank in Thailand.

Our investment strategy remains based on the expectation that 2008 will see weaker economic growth and domestic demand in the Organisation for Economic Co-operation and Development (OECD) countries in contrast to continued strong growth in the developing world. We also expect emerging currencies to be stronger than expected and that inflationary pressure across the world is likely to continue, led by higher energy and food prices.

## Review of the Market

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The early part of the period saw emerging market equities perform well, driven by optimism amongst investors regarding the outlook for economic growth in emerging countries. The summer, however, saw a sudden deterioration in liquidity. Investor sentiment weakened amid widespread uncertainty about the impact that the collapse in the US sub-prime mortgage market would have on the US economy. At this time, emerging markets experienced volatility alongside other financial markets. In response to this concern, the US Federal Reserve began a series of aggressive interest rate cuts in September. These interest rate cuts helped boost sentiment and emerging market equities still ended the period substantially higher than at the start of the review period.

Countries with significant commodity exports, including Egypt, Peru and Brazil were the strongest performers over the review period, as continued strong economic growth in emerging markets and a weak dollar lifted commodity and energy prices. However, Russia underperformed as high taxes limited the benefits of high oil prices to that country's oil companies. Markets with strong export links to the US, including Mexico, Korea and Taiwan, underperformed. The weakest markets during the period were those with large current account deficits that were hurt by rising risk aversion. Examples include South Africa, Turkey and Hungary.

## Market Outlook

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Although concerns about the growth outlook in developed economies are likely to persist, we do not see the same pattern in the emerging world. Since the start of 2008, expectations of economic growth in OECD countries have been downgraded, due to slowdowns in real estate markets and in consumer spending. Associated with this has been a downgrading in earnings expectations for developed market companies in 2008 and 2009. In stark contrast, we have seen continuing upgrades of earnings estimates for emerging market companies.

With emerging market purchasing power increasing, as incomes rise and currencies strengthen, energy and commodity prices should be well supported. With inflation rising and the US dollar weakening, we continue to find opportunities in oil, gold and agriculture-related commodity producers. Furthermore, we believe there is the potential for many emerging economies to experience domestic asset reflation and strong domestic consumption and investment growth. Many emerging currencies remain undervalued and both emerging corporates and consumers have low debt levels. Rising currencies, personal incomes and corporate profit margins all create a strong environment for both consumption and investment and this should drive a continuation of the long-term growth of emerging markets.

We see signs of decoupling between emerging and developed economies and companies, with the latter economies seeing lower growth and rising risk. This contrasts with the outlook for emerging economies, as demonstrated by the recent decision by Standard & Poors to upgrade Brazil's long-term debt to investment grade. Given this backdrop it seems anomalous that price to earnings multiples for the two asset classes are similar. In fact, at the time of writing, emerging market equities are slightly cheaper than developed markets.

## Portfolio Information

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	<b>% of NAV</b>
<b>Equities and Convertibles</b>	
Gazprom	6.1
China Mobile	5.7
Petroleo Brasileiro	5.1
Teva Pharmaceutical Industries	3.1
China Overseas Land & Investment	2.8
Saso	2.4
Mobile Telesystems	2.2
Cia Vale do Rio Doce	2.2
Unibanco	2.2
KT&G	2.1

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Price during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	40.98	29.41	25.04	17.13	14.94
Euro Class - €	28.41	21.67	20.22	12.96	12.52
Sterling Class - £	19.68	14.72	14.03	8.91	8.24
US dollar Class X – US\$	37.10	N/A	N/A	N/A	N/A

	<b>April 2003</b>	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>
US dollar Class – US\$	11.67	11.69	14.08	15.77	13.32
Euro Class - €	12.69	13.13	15.34	16.24	10.04
Sterling Class - £	6.29	N/A	N/A	N/A	N/A

### Lowest Redemption Price during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	28.61	19.44	15.35	11.87	9.27
Euro Class - €	20.27	15.46	11.93	9.87	8.08
Sterling Class - £	14.27	10.56	8.12	6.71	5.75
US dollar Class X – US\$	33.46	N/A	N/A	N/A	N/A

	<b>April 2003</b>	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>
US dollar Class – US\$	8.46	7.79	9.12	10.44	7.08
Euro Class - €	7.72	8.46	10.10	9.93	7.38
Sterling Class - £	5.28	N/A	N/A	N/A	N/A

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Argentina	-	1.41	-	-
Bermuda	1.67	1.93	-	-
Brazil	13.46	12.26	17.69	12.71
Canada	1.40	1.36	-	-
Cayman Islands	-	0.45	0.19	-
Cyprus	-	-	-	-
Czech Republic	-	-	2.04	0.72
Egypt	2.57	2.13	1.81	1.53
Hong Kong/China	18.59	12.74	6.92	8.00
Hungary	-	1.25	2.99	1.37
India	1.89	0.99	5.37	5.53
Indonesia	1.00	3.65	-	-
Israel	3.10	1.11	2.38	3.84
Jersey	1.27	-	-	-
Luxembourg	0.33	-	-	-
Malaysia	2.89	7.08	-	-
Mexico	2.65	2.78	2.96	2.58
Philippines	0.61	1.63	-	-
Russia	14.61	16.16	11.22	5.07
South Africa	5.45	7.35	4.50	6.87
South Korea	7.17	10.74	21.37	20.61
Taiwan	7.03	9.34	12.09	16.01
Thailand	2.64	1.04	3.27	5.69
Turkey	-	1.73	5.35	6.15
United Arab Emirates	2.44	-	-	-
United States	1.73	0.29	-	-
Venezuela	-	-	0.05	-
Vietnam	-	-	-	0.09
<b>Total Investments</b>	<b>92.50</b>	<b>97.42</b>	<b>100.20</b>	<b>96.77</b>
Cash	2.31	1.60	3.13	1.23
Other Net Assets/(Liabilities)	5.19	0.98	(3.33)	2.00
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*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.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Ishares MSCI Emerging Markets Index Fund	117,942	Ishares MSCI Emerging Markets Index Fund	95,224
China Mobile - ADR	73,746	Cia Vale Do Rio Doce - ADR	46,041
Teva Pharmaceutical Industries - ADR	51,832	Sberbank	33,558
Cia Vale Do Rio Doce - ADR	51,413	Taiwan Fertilizer	32,816
Gazprom OAO - ADR	51,106	China Mobile	30,162
Petroleo Brasileiro - ADR	50,091	Petroleo Brasileiro - ADR	29,259
Sasol	39,375	Turkiye Petrol Rafin	27,030
China Overseas Land & Investment	36,860	Cnooc	24,649
Sberbank	36,341	ICL-Israel Chemicals	24,632
Cnooc	35,807	China Construction Bank	23,903
America Movil ADR	30,845	Bank Rakyat Indonesia	23,790
Tupras Turkiye Petrol Rafine - GDR	29,166	Sasol	23,219
MTN Group	27,652	LG Chem	21,059
Guangzhou R&F Properties	27,387	Gamuda	20,984
China Construction Bank	26,782	Gold Fields	20,108
KT&G	25,997	Turkiye Garanti Bankasi	17,999
LG Chem - ADR	25,685	Teva Pharmaceutical Industries - GDR	17,734
Mobile Telesystems ADR	25,240	Evraz Group	17,673
NHN	25,045	Anglo Platinum	17,387
Randgold Resources ADR	24,961	Teva Pharmaceutical Industries - ADR	17,270

## Portfolio Statement

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss Equities And Convertibles	Currency	Nominal Holding	Fair Value US\$	% of NAV	
Bermuda	Credicorp	USD	246,692	19,612,014	1.67	
Brazil	Cia Vale do Rio Doce ADR	USD	856,550	25,619,411	2.18	
	Cia de Bebidas das Americas ADR	USD	321,385	22,664,070	1.93	
	Hypermarcas	BRL	833,020	7,564,923	0.64	
	Petroleo Brasileiro ADR	USD	596,356	60,207,344	5.13	
	Redecard	BRL	1,018,200	16,852,678	1.43	
	Unibanco - Uniao de Bancos Brasileiros GDR	USD	194,362	<u>25,247,624</u>	<u>2.15</u>	13.46
Canada	Yamana Gold	USD	1,324,904	16,481,806	1.40	
China	China Construction Bank	HKD	12,692,000	11,446,923	0.98	
	China Life Insurance ADR	USD	335,066	21,708,926	1.85	
	China Merchants Bank	HKD	4,708,320	19,661,667	1.67	
	Guangzhou R&F Properties	HKD	7,302,543	20,704,740	1.76	
	Industrial & Commercial Bank of China	HKD	12,804,000	<u>10,135,244</u>	<u>0.86</u>	7.12
Egypt	Commercial International Bank	EGP	714,901	12,013,792	1.02	
	Orascom Construction Industries GDR	USD	61,304	10,054,146	0.86	
	Orascom Hotels & Development	EGP	519,741	<u>8,071,442</u>	<u>0.69</u>	2.57
Hong Kong	China Mobile ADR	USD	772,156	66,490,353	5.66	
	China Overseas Land & Investment	HKD	14,560,041	30,634,432	2.61	
	China Overseas Land & Investment Warrant	HKD	3,701,425	1,994,443	0.17	
	CNOOC ADR	USD	106,900	19,200,309	1.63	
	Hengan International Group	HKD	4,617,721	<u>16,439,706</u>	<u>1.40</u>	11.47
India	Bharti Airtel	INR	511,750	11,291,402	0.96	
	Reliance Communications	INR	771,444	<u>10,930,770</u>	<u>0.93</u>	1.89
Indonesia	Telekomunikasi Indonesia	IDR	12,282,000	11,762,331	1.00	
Israel	Teva Pharmaceutical Industries ADR	USD	766,615	34,965,310	2.97	
	Teva Pharmaceutical Industries	ILS	31,922	<u>1,497,115</u>	<u>0.13</u>	3.10
Jersey	Randgold Resources ADR	USD	334,446	14,876,158	1.27	
Luxembourg	Evrax Group GDR	USD	37,043	3,870,990	0.33	
Malaysia	Bumiputra-Commerce Holdings	MYR	5,257,500	16,477,800	1.40	
	Bursa Malaysia	MYR	2,308,900	6,542,036	0.56	
	IOI	MYR	4,595,500	10,620,388	0.90	
	SP Setia	MYR	1,366,150	<u>307,073</u>	<u>0.03</u>	2.89
Mexico	America Movil ADR	USD	544,703	31,107,988	2.65	
Philippines	Metropolitan Bank & Trust	PHP	8,592,000	7,115,949	0.61	
Russia	Gazprom ADR	USD	331,207	17,322,126	1.47	
	LUKOIL ADR	USD	186,681	16,577,273	1.41	
	Mechel ADR	USD	75,857	10,698,113	0.91	
	Mobile Telesystems ADR	USD	343,295	25,747,125	2.19	
	Gazprom ADR	USD	1,044,062	54,604,443	4.65	
	Sberbank	USD	3,142,283	10,039,594	0.85	
	TGK-5	RUB	67,923,140	48,905	0.01	
	Vimpel-Communications ADR	USD	599,797	17,490,081	1.49	
	Wimm-Bill-Dann Foods ADR	USD	155,193	<u>19,104,258</u>	<u>1.63</u>	14.61
South Africa	Aveng	ZAR	1,447,942	10,855,331	0.92	
	MTN Group	ZAR	1,336,433	25,225,759	2.15	
	Sasol	ZAR	499,264	<u>27,995,217</u>	<u>2.38</u>	5.45
South Korea	GS Engineering & Construction	KRW	113,199	16,622,054	1.42	
	KT&G	KRW	292,425	24,162,544	2.06	
	NHN	KRW	94,455	21,777,778	1.85	
	Samsung Electronics	KRW	10,306	7,284,480	0.62	
	Samsung Heavy Industries	KRW	421,360	<u>14,304,008</u>	<u>1.22</u>	7.17
Taiwan	Asia Cement	TWD	10,910,000	19,615,092	1.67	
	Chunghwa Telem	TWD	6,254,000	16,106,923	1.37	
	Delta Electronics	TWD	3,873,750	11,628,875	0.99	
	Far Eastern Textile	TWD	9,113,770	15,279,319	1.30	
	Taiwan Semiconductor Manufacturing	TWD	1	2		
	Yuanta Financial Holding	TWD	20,970,000	<u>19,951,772</u>	<u>1.70</u>	7.03
Thailand	Bangkok Bank	THB	3,594,300	15,740,633	1.34	
	Kasikornbank	THB	5,520,600	<u>15,306,011</u>	<u>1.30</u>	2.64
UAE	Emaar Properties	AED	4,527,282	14,175,105	1.21	
	Union Properties	AED	10,380,472	<u>14,385,527</u>	<u>1.23</u>	2.44
United States	iShares MSCI Emerging Markets Index Fund - ETF	USD	141,573	20,344,040	1.73	

## Portfolio Statement

As at 30 April 2008

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	Fair Value US\$	Fair Value US\$
<b>Total Investments at fair value through profit or loss</b>	1,086,563,691	92.50
Cash	27,168,420	2.31
Other Net Assets	60,999,898	5.19
<b>Total net assets attributable to holders of redeemable participating units</b>	<b><u>1,174,732,009</u></b>	<b><u>100.00</u></b>

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

<b>Portfolio Classification</b>	<b>% of Asset Value</b>
Transferable Securities	100.00
	<b><u>100.00</u></b>



## Balance Sheet

As at 30 April 2008

		<b>Baring Global Emerging Markets 30/04/2008 US\$</b>	<b>Baring Global Emerging Markets 30/04/2007 US\$</b>
<b>Assets</b>	<b>Notes</b>		
Financial assets at fair value through profit or loss	1	1,086,563,691	359,233,076
Receivable for securities sold	1	14,473,177	630,581
Receivable for units sold	1	141,704,672	179,187
Dividends and interest receivable	1	3,618,829	1,031,062
Other assets		1,760,621	1,605,671
Cash	1	27,168,420	5,891,709
<b>Total Assets</b>		<b>1,275,289,410</b>	<b>368,571,286</b>
<b>Liabilities</b>			
Management fee payable	2	1,199,176	453,909
Payable for units redeemed	1	99,872,174	332,100
Administration fee payable	2	365,242	136,173
Trustee fee payable	2	20,023	7,040
Accrued expenses	2	334,421	81,491
Other liabilities		37,111	144
<b>Total Liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b>101,828,147</b>	<b>1,010,857</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>1,173,461,263</b>	<b>367,560,429</b>
Adjustments from bid market prices to last traded market prices	1	1,270,746	1,162,668
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)=</b>		<b>1,174,732,009</b>	<b>368,723,097</b>
<b>Units In Issue (Note 5)</b>			
US dollar Class		30,516,815	11,719,385
Euro Class		1,335,108	561,192
Sterling Class		638,301	491,031
US dollar Class X		104,798	
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
\$		36.04	28.87
€		23.18	21.20
£		18.32	14.47
Class X \$		36.09	-

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

		<b>Baring Global Emerging Markets 30/04/2008 US\$</b>	<b>Baring Global Emerging Markets 30/04/2007 US\$</b>
Net assets attributable to holders of redeemable participating units at the beginning of the year		368,723,097	350,836,273
Increase in net assets for the year attributable to holders of redeemable participating units from operations		58,380,221	51,558,671
Issue of redeemable participating units for the year	5	1,201,390,363	121,567,072
Redemption of redeemable participating units for the year	5	(453,761,672)	(155,238,919)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>1,174,732,009</b>	<b>368,723,097</b>

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

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Global Emerging Markets 30/04/2008 US\$	Baring Global Emerging Markets 30/04/2007 US\$
<b>Investment income</b>			
Bank deposit interest	1	319,722	233,822
Dividend income	1	19,458,430	7,215,088
Stocklending fee income	1	760,289	178,535
Net fair value gain on financial assets at fair value through profit or loss		50,404,471	52,863,444
<b>Total investment income</b>		<b>70,942,912</b>	<b>60,490,889</b>
<b>Expenses</b>			
Management fees	1, 2		
Administration fees	2	10,197,749	4,921,826
Audit Fees	2	3,119,118	1,342,184
Trustee fees		18,635	10,777
General expenses	2	197,047	83,667
<b>Total operating expenses</b>		<b>13,797,005</b>	<b>6,527,803</b>
<b>Net income before finance costs</b>		<b>57,145,907</b>	<b>53,963,086</b>
<b>Finance costs</b>			
Net income equalisation	1	3,060,123	64,201
Distributions	4	(469,162)	(770,810)
<b>Total finance costs</b>		<b>2,590,961</b>	<b>(706,609)</b>
<b>Profit for the financial year</b>		<b>59,736,868</b>	<b>53,256,477</b>
Withholding tax on dividends and other investment income		(1,464,725)	(788,535)
<b>Operating profit</b>		<b>58,272,143</b>	<b>52,467,942</b>
Adjustments from bid market prices to last traded market prices		108,078	(909,271)
<b>Increase in net assets for the period attributable to holders of redeemable participating units from operations</b>		<b>58,380,221</b>	<b>51,558,671</b>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

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

## Baring Latin America Fund - Investment Manager's Report (Unaudited)

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	57.35	46.25	24.00

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008	01/05/2006 - 30/04/2007	01/05/2005 - 30/04/2006	01/05/2004 - 30/04/2005	01/05/2003 - 30/04/2004
	%	%	%	%	%
Baring Latin America Fund	24.45	31.79	96.08	44.01	32.18
MSCI Emerging Markets (Free) Latin America Index	45.95	28.46	89.36	44.50	41.54

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested in US dollar terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The investment objective of the Fund is to seek long-term capital growth primarily through investment in Latin American equities. It is the policy of the Manager to maintain diversification in terms of the countries to which investment exposure is maintained but there is no limit to the proportion of the assets which may be invested in any one country. However, the Manager will not invest more than 10% of NAV in the stock markets of Columbia and Peru without the prior consent of the regulator. Please refer to the Prospectus for the full Investment Objective and Policy.

## How We Manage the Fund

The Barings Latin America team employ a “bottom up” investment approach. This means we focus on the individual merits of a specific company as well as considering the impact on that company of market-level or macroeconomic trends, such as interest-rate rises. Within this, we manage the portfolio using a “Growth at a Reasonable Price”, or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors.

## Risk Profile

The Baring Latin America Fund is broadly invested in equity markets across the Latin American region. As a result, the Fund is exposed to the volatility which can characterise company share prices from time to time. Many of the countries forming this region are emerging equity markets and subject to high degrees of volatility as well as political risk. In addition to this, they tend to be highly sensitive to the global economic cycle.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. In addition, the approach we take in managing the Fund and keeping the number of holdings at a reasonably focused size means that the Fund may prove more volatile in performance than more broadly-based funds. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

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From 1 May 2008 the Fund's comparative index will change to the MSCI Latin America 10/40 Index. The stock weightings in the new index are a better match to the permitted stock limits in collective investment vehicles such as the Baring Latin America Fund and, as such, it is felt to be a more appropriate benchmark.

The Fund is now managed by James Syme, the Head of Baring Asset Management's Global Emerging Market Equities team, which covers more than 30 countries on 4 continents. James has fourteen years of investment experience.

## Strategy and Performance

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The Baring Latin America Fund delivered a strongly positive return for the twelve months to 30 April 2008, but was significantly behind the comparative index. Much of the underperformance relative to the index can be explained by the fact that the proportion of the Fund that can be made up by single investments is limited to 10%, while the index is unconstrained. Petrobras, which comprises more than 20% of the comparative index, rose more than 124% in the period under review.

The strong performance of the Fund was driven by our focus on the Brazilian and Mexican equity markets and our emphasis on the themes of commodity production, including foodstuffs, domestic consumer spending and the development of domestic credit markets.

Our investment strategy remains centred on an expectation that 2008 will see weaker economic growth and domestic demand in the OECD countries but continued strong growth in the developing world. We also expect emerging currencies to be stronger than most investors expect and we expect continued inflationary pressure across the world led by higher energy and food prices.

Whilst it is clear that the global economic environment is difficult, we detect signs of decoupling between emerging and developed economies and companies. We expect the Brazilian economy to have relatively strong and secure growth in 2008 and our strategy remains directed towards domestically focused companies in Brazil, including banks such as Unibanco, homebuilders such as Cyrela and consumer products firms such as Perdigao (food products) and Hypermarcas (branded consumer goods).

With strong economic growth in Peru and Colombia, we also remain exposed to domestic demand in these countries, through lenders Credicorp in Bermuda and Bancolombia, and Colombian retailer Almacenes Exito. We currently have no exposure to Chile.

In Mexico, we favour companies with structural rather than cyclical growth potential. These include mobile telecom operator America Moviles and banks Banorte and Inbursa. The close economic connection between Mexico and the US may lead to slower growth in Mexico in 2008.

## Review of the Market

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In the early part of the year under review emerging market equities performed well, driven by optimism amongst investors regarding the outlook for economic growth in emerging countries. The summer, however, saw a sudden deterioration in liquidity and higher yields in global fixed income markets on uncertainty about risk in the lower quality US debt markets. This led to high volatility in emerging markets as well as other financial markets.

In September 2007 the US Federal Reserve began a series of aggressive interest rate cuts to support the financial markets. These rate cuts helped lift Latin American equity markets and the MSCI Latin America Index finished the period up strongly in US dollar terms.

Countries with significant commodity exports, including Peru and Brazil were the strongest performers in the period, as continued strong economic growth in emerging markets and a weak US dollar lifted commodity and energy prices. Markets with strong economic links through exports to the US underperformed, notably Mexico. In terms of sectors, Energy and Materials were the best performers.

We took the decision to sell our Chilean holdings during the review period, as we became concerned about the effects of rising inflation and interest rates. Mexican stocks perceived as economically sensitive were sold as the outlook for the US economy deteriorated, including homebuilder Urbi and cement companies Cemex and Corporacion Moctezuma. In Brazil, we maintained diversified exposure to the energy, commodity and domestic demand sectors, while exposure was increased in domestic sectors in Peru and Colombia. Both of these Andean countries are experiencing rapid economic growth.

## Market Outlook

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Although investors remain concerned about both growth and risk in developed economies, the pattern is different in the emerging world. Slowdowns in real estate markets and in consumer spending have led to the continued downgrading of expectations of economic growth in developed countries. Although this has led to lower earnings expectations for developed market companies in 2008 and 2009, companies in emerging markets continue to attract earnings estimate upgrades.

It remains our view that we are now entering the final stage of recovery from the various crises in emerging markets in the late 1990s. Undervalued currencies allow low interest rates and a rapid growth in credit-extension to companies and households with low borrowings, enabling them to satisfy pent-up demand for consumer goods and services, as well as corporate capital expenditure. This is the pattern being seen in Brazil, Peru and Colombia, and we remain broadly positive on financial and consumer sectors in these countries.

With emerging market purchasing power increasing as incomes rise and currencies strengthen, energy and commodity prices should be well supported. With inflation rising and the US dollar weakening, we continue to see investment opportunities in oil, gold and agriculture-related commodity producers. This environment is particularly beneficial for Latin American economies, with Brazil, a major exporter of metals and agricultural commodities, and Peru, a major exporter of metals, notable winners. Mexican government spending is also closely tied to oil revenues, with high oil prices allowing fiscal support for the economy, potentially offsetting the effects of a weaker US economy. In Chile, though, strong liquidity growth from exports has driven inflation up markedly, leading to significantly higher interest rates and a slowing economy.

At the time of writing, US short term interest rates sit well below reported inflation levels, while inflation is a visible economic challenge across the world. In recognition of this we have chosen to maintain meaningful exposure to areas which are expected to perform well in an environment of rising inflation, including food (and related products such as fertilisers) and gold. Holdings in this category include Fertilizantes Fosfatados and Yamana Gold.

We still believe that Latin American economies have the potential for strong domestic consumption and investment growth. The region has low levels of borrowing, even in Mexico, the most developed Latin American economy. With the development of Latin American credit markets and strong economic growth, banks across the region are experiencing strong loan growth, which in turn feeds through to consumer spending and demand for housing. Meanwhile both government spending and high commodity prices are driving infrastructure investment across the region.

Our expectation, therefore, is for the commodity export, consumer and investment segments of the key Latin American economies to grow very strongly in 2008. This should create a highly beneficial environment for Latin American companies.

## Portfolio Information

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<b>Equities and Convertibles</b>	<b>% of NAV</b>
Cia Vale do Rio Doce	10.0
Petroleo Brasileiro	10.0
America Movil	8.6
Bradespar	4.3
iShares MSCI Brazil Index Fund	2.8
MMX Mineracao	2.4
Grupo Financiero Inbur	2.3
Lupatech	2.2
Anhanguera Educacional Participacoes	2.2
Usinas Siderurgicas de Minas Gerais	2.2

**Baring Asset Management Limited**

**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	64.47	46.56	35.88	20.49	14.79
Euro Class - €	44.70	34.31	29.02	15.51	12.24
	<b>April 2003</b>	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>
US dollar Class – US\$	11.64	12.29	13.45	15.07	17.00
Euro Class - €	12.84	13.98	15.28	15.57	10.22

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>
US dollar Class – US\$	44.02	27.23	18.23	11.32	9.59
Euro Class - €	32.70	21.66	14.26	9.58	8.19
	<b>April 2003</b>	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>
US dollar Class – US\$	7.17	8.44	10.05	9.11	6.93
Euro Class - €	7.12	9.15	11.17	8.39	10.22



## Statement of Movements in Portfolio Holdings

	30/04/2008	30/04/2007	30/04/2006	30/04/2005
	% of NAV*	% of NAV*	% of NAV*	% of NAV*
Argentina	-	1.87	-	1.53
Bermuda	2.11	1.94	-	-
Brazil	65.59	54.75	57.21	55.70
Canada	2.38	2.71	-	-
Chile	-	3.20	5.21	3.54
Columbia	3.90	-	-	-
Luxembourg	1.99	-	-	-
Mexico	16.52	23.73	31.49	31.43
Norway	0.04	0.87	-	-
Peru	-	-	-	1.35
United Kingdom	1.75	-	-	-
United States	4.77	9.13	-	-
Venezuela	-	-	0.05	-
Open Forwards	-	-	0.01	-
<b>Total Investments</b>	<b>99.05</b>	<b>98.20</b>	<b>93.97</b>	<b>93.55</b>
(Overdraft)	(1.57)	(1.51)	3.94	1.69
Other Net Assets	2.52	3.31	2.09	4.76
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*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.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
iShares MSCI	133,190	iShares MSCI	125,588
iShares MSCI Mexico Index Fund	117,197	iShares MSCI Mexico Index Fund	109,090
America Movil	77,191	Bradespar	25,757
Bradespar	60,799	Petroleo Brasileiro - ADR Preference	23,992
Cia Vale do Rio Doce	30,662	Cencosud SA	22,611
Randon Participacoes	30,126	Aracruz Celulose ADR A	22,299
Anhanguera Educaciunits(	29,681	Net Servicios	21,365
Sao Martinho	28,092	Redecard - BDR	21,355
Lupatech	27,804	Souza Cruz	20,865
Bovespa Holding	27,704	Randon Participacoes	20,538
Cyrela Brazil Realcom	27,261	Banco Itau Holding Financeira - ADR	20,372
BanColombia - GDR	27,184	Itausa Inv Itau Sapref	20,054
Grupo Financiero	27,120	Urbi Desarrollos Urbanos	20,004
Cia De Bebidas das Americas	26,802	GPO Mexico	19,876
Megacable	26,727	Grupo Aeroportuario	19,734
Perdigao	26,409	Megacable	19,695
Petroleo Brasileiro - ADR Preference	25,720	Bunge	19,071
Almacenes Exito GDR	25,532	Marcopolo Pref	18,150
Redecard - BDR	25,362	All America Latina	18,107
Banco Itau Holding Financeira - ADR	24,497	Porto Seguro	17,413

## Portfolio Statement

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss	Nominal Holding	Fair Value US\$	% of NAV	
	Equities and Convertibles	Currency			
Bermuda	Credicorp	USD	336,100	26,719,950	2.11
Brazil	Anhanguera Educacional Participacoes	BRL	1,788,600	27,770,038	2.19
	Banco Itau Holding Financeira ADR	USD	1,037,421	26,703,217	2.11
	Banco Bradesco	BRL	1,256,129	26,163,221	2.06
	Bovespa	BRL	1,650,700	20,532,201	1.62
	Bradespar	BRL	2,082,500	54,966,384	4.34
	Cia de Bebidas das Americas	BRL	302,600	21,251,853	1.68
	Cia Vale do Rio Doce ADR	USD	1,361,338	40,717,620	3.21
	Cia Vale do Rio Doce ADR	USD	1,715,261	63,052,994	4.98
	Cia Vale do Rio Doce - Preference	BRL	767,104	22,925,929	1.81
	Cyrela Brazil Realty	BRL	1,752,000	24,645,840	1.95
	Fertilizantes Fosfatados	BRL	466,283	26,270,080	2.07
	Gerdau ADR	USD	744,500	27,137,025	2.14
	Global Village Telecom	BRL	1,175,100	25,838,706	2.04
	Hypermarcas	BRL	2,146,535	19,493,375	1.54
	lochpe Maxion	BRL	1,088,000	21,035,857	1.66
	Lupatech	BRL	815,400	27,713,472	2.19
	MMX Mineracao e Metalicos	BRL	948,000	29,992,969	2.37
	Parapanema	BRL	579,400	4,131,297	0.33
	Perdigao	BRL	967,900	24,101,096	1.90
	Petroleo Brasileiro ADR	USD	703,679	67,510,963	5.33
	Petroleo Brasileiro ADR Preference	USD	502,744	58,685,307	4.63
	Randon Participacoes	BRL	156,400	1,317,689	0.10
	Sadia ADR	USD	1,291,900	26,574,383	2.10
	Sao Martinho	BRL	1,476,200	20,766,090	1.64
	Tele Norte Leste Participacoes	BRL	275,200	8,010,274	0.63
	Telemar Norte Leste	BRL	260,400	13,746,215	1.08
	Terna Participacoes	BRL	1,263,600	21,921,254	1.73
	Tractebel Energia	BRL	1,925,300	25,267,588	1.99
	Unibanco - Uniao de Bancos Brasileiros GDR	USD	188,284	24,458,092	1.93
	Usinas Siderurgicas de Minas Gerais Unit	BRL	183,700	11,876,784	0.94
	Usinas Siderurgicas de Minas Gerais	BRL	229,400	15,382,488	1.21
	Weg	BRL	100,000	1,124,912	0.09
Canada	Pacific Rubiales	CAD	4,667,857	6,524,588	0.51
	Solana Resources	CAD	1,393,390	5,456,149	0.43
	Yamana Gold	USD	1,463,876	18,210,617	1.44
Colombia	Almacenes Exito GDR	USD	2,983,899	23,130,887	1.83
	BanColombia ADR	USD	683,064	26,270,641	2.07
Luxembourg	Millicom International Cellular	USD	233,100	25,174,800	1.99
Mexico	America Movil	MXN	10,726,021	30,601,578	2.42
	America Movil ADR	USD	1,379,900	78,806,089	6.22
	Grupo Financiero Banorte	MXN	5,485,732	23,421,724	1.85
	Grupo Aeroportuario del Pacifico ADR	USD	516,444	20,714,569	1.64
	Grupo Financiero Inbursa	MXN	9,371,800	29,521,121	2.33
	Wal-Mart de Mexico	USD	6,389,488	26,140,661	2.06
Norway	Norse Energy	NOK	406,000	508,089	0.04
United Kingdom	Wellstream	GBP	915,032	22,226,682	1.75
United States	iShares MSCI Brazil Index Fund	USD	420,688	35,287,309	2.78
	iShares MSCI Mexico Index Fund	USD	434,930	25,199,844	1.99
	<b>Total Investments at fair value through profit or loss</b>			1,255,000,511	99.05
	Cash			(19,916,813)	(1.57)
	Other Net Assets			31,959,688	2.52
	<b>Total Net Assets attributable to holders of redeemable participating units</b>			<b>1,267,043,386</b>	<b>100.00</b>

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

### Portfolio Classification

	% of Asset Value
Transferable Securities	100.00
	<u>100.00</u>

## Balance Sheet

As at 30 April 2008

	Notes	Baring Latin America 30/04/2008 US\$	Baring Latin America 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	1,255,000,511	388,505,230
Receivable for securities sold	1	20,052,566	10,353,719
Receivable for units sold	1	9,771,305	8,552,597
Dividends and interest receivable	1	3,533,818	1,148,801
Other assets		170,146	42,234
<b>Total Assets</b>		<b>1,288,528,346</b>	<b>408,602,581</b>
<b>Liabilities</b>			
Bank Overdraft	11	19,916,813	5,952,254
Management fee payable	2	1,328,953	404,962
Payable for securities purchased	1	-	7,165,189
Payable for units redeemed	1	1,502,071	890,264
Administration fee payable	2	478,423	145,779
Trustee fee payable	2	26,661	8,099
Accrued expenses	2	778,834	81,299
Other liabilities		11,245	12,491
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>24,043,000</b>	<b>14,660,337</b>
<b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>1,264,485,346</b>	<b>393,942,244</b>
Adjustments from bid market prices to last traded market prices	1	2,558,040	1,688,141
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)-</b>		<b>1,267,043,386</b>	<b>395,630,385</b>
<b>Units In Issue (Note 5)</b>			
	US dollar Class	19,898,199	6,987,632
	Euro Class	2,193,266	1,565,694
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	57.35	46.25
	€	36.89	33.97

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders For the year ended 30 April 2008

	Notes	Baring Latin America 30/04/2008 US\$	Baring Latin America 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		395,630,385	325,414,974
Increase in net assets for the year attributable to holders of redeemable participating units from operations		126,940,305	101,480,437
Issue of redeemable participating units for the year	5	2,357,044,672	651,367,562
Redemption of redeemable participating units for the year	5	(1,612,571,976)	(682,632,588)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year-</b>		<b>1,267,043,386</b>	<b>395,630,385</b>

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

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Latin America 30/04/2008 US\$	Baring Latin America 30/04/2007 US\$
<b>Investment income</b>			
Bank deposit interest	1	1,012,628	321,636
Dividend income	1	22,455,416	7,200,282
Stocklending fee income	1	1,261,189	243,878
Net fair value gains on financial assets at fair value through profit or loss		118,558,055	101,893,870
<b>Total investment income</b>		<u>143,287,288</u>	<u>109,659,666</u>
<b>Expenses</b>			
Management fees	1, 2		
Administration fees	2	11,601,290	4,264,416
Audit Fees		4,176,464	1,535,190
Trustee fees		39,900	10,777
General expenses	2	232,026	85,288
<b>Total operating expenses</b>	2	<u>201,944</u>	<u>248,186</u>
<b>Net income before finance costs</b>		<u>16,251,624</u>	<u>6,143,857</u>
		127,035,664	103,515,809
<b>Finance costs</b>			
Net income equalisation	1	1,678,062	(42,763)
Distributions	4	(1,463,745)	(2,339,328)
<b>Total Finance costs</b>		<u>214,317</u>	<u>(2,382,091)</u>
<b>Profit for the financial year</b>		127,249,981	101,133,718
Withholding tax on dividends and other investment income		(1,179,575)	(253,128)
<b>Operating profit</b>		<u>126,070,406</u>	<u>100,880,590</u>
Adjustments from bid market prices to last traded market prices		869,899	599,847
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>126,940,305</u>	<u>101,480,437</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

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

## Managers' Statement

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The financial statements were approved by the Board of Directors of the Managers of Baring International Fund Managers (Ireland) Limited on 31 July 2008 and signed on its behalf by:

Anthony Cooney

Mark Thorne

Directors

## Notes to the Financial Statements

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### 1. Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements under Irish GAAP are set out below.

#### **Basis of preparation**

The Baring Emerging Markets Umbrella Fund (the "Trust") has been authorised by the Financial Regulator as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed, supplemented or consolidated from time to time. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the financial statements have been adapted from those contained in the FRS 3 "Reporting Financial Performance" so that, in the opinion of the Managers, they more appropriately reflect the nature of the Trust's business as an investment fund.

The Trust has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

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

#### **Adoption of new accounting standard**

The Fund adopted Financial Reporting Standard No. 29: "Financial Instruments: Disclosures" ("FRS 29") during the year. FRS 29 replaces the disclosure requirements of FRS 25: "Financial Instruments: Disclosure and Presentation", and is effective for accounting periods commencing on or after 1 January, 2008.

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities, including derivative financial instruments held at fair value through profit or loss.

#### **Foreign exchange translation**

##### **(a) Functional and presentation currency**

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Funds is the US dollar, which reflects the fact that the majority of the redeemable participating units have been subscribed in US dollars. The presentation currency is US dollars.

##### **(b) Transactions and balances**

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

Proceeds from subscriptions and amounts paid on redemption of redeemable participating units are translated at actual exchange rates, which approximate the rates prevailing at the dates of the transactions.

#### **Financial assets and liabilities at fair value through profit or loss**

##### **(a) Classification**

The Funds classify their investments in equity securities, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors of the Managers at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds documented investment

## Notes to the Financial Statements

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### 1. Principal Accounting Policies (continued)

#### Financial assets and liabilities at fair value through profit or loss (continued)

##### (a) Classification

strategy. The Funds' policy is for the Investment Manager and the Board of Directors of the Managers to evaluate the information about these financial assets on a fair value basis together with other related financial information. These financial assets are expected to be realised within 12 months of the Balance Sheet date.

##### (b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### (c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Profit and Loss Account. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Profit and Loss Account in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within dividend income when the Funds' right to receive payments is established. Financial instruments were valued at 12 noon Dublin time on 30 April 2008 in accordance with the Trust Prospectus.

##### (d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

#### Income from investments

Interest income and expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

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

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any withholding taxes, which is disclosed separately in the Profit and Loss Account, and net of any tax credits.

## Notes to the Financial Statements

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### 1. Principal Accounting Policies (continued)

#### Cash and other liquid assets

Cash and other liquid assets will be valued at their face value together with interest accrued, where applicable.

#### Receivables

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

#### Offsetting financial instruments

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

#### Redeemable Participating Units

Redeemable participating units are redeemable at the unitholder's option and are classified as financial liabilities.

The participating unit can be put back to the Trust at any time for cash equal to a proportionate unit of the Trust's net asset value. The participating unit is carried at the redemption amount that is payable at the Balance Sheet date if the Unitholder exercised their right to put the unit back to the Trust.

In accordance with the provisions of the Trust Deed, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations. However, as stated above the accounting policy of the Trust for the purpose of compliance with FRS 26 and for reporting purposes, is to value its investments at the relevant bid market prices on the Balance Sheet date. As at 30 April 2008, the difference between the valuation stated in the financial statements for investments and the valuation methodology indicated in the Trust Deed, results in a decrease in value of investments, this difference is disclosed on the face of each Fund's Balance Sheet.

Net assets attributable to holders of redeemable participating units represent a liability in the Balance Sheet, carried at the redemption amount that would be payable at the Balance Sheet date if the Unitholder exercised the right to redeem the unit to the Fund. Consequently, the differences described above adjust the carrying amount of the net assets attributable to redeemable unitholders and are recognised in the Profit & Loss Account.

The cumulative differences are included as "Adjustments from bid market prices to last traded market prices" on the Balance Sheet.

#### Operating Expenses

The Trust is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. The Managers meet all other expenses incurred by it in connection with its services.



## Notes to the Financial Statements

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### 1. Principal Accounting Policies (continued)

#### Distributions

Note 4 discloses all distributions declared and paid during the year. Distributions in respect of the Baring Emerging Opportunities Fund, Baring Global Emerging Markets Fund and the Baring Latin America Fund are normally paid annually not later than 30 June each year. Distributions may be declared from net income and net fair value gains on financial assets at fair value through profit or loss. Unitholders should note that distributions below US\$100/£50/€100 are automatically reinvested. The distribution on these units is recognised in the Profit and Loss Account as finance costs on an ex date basis.

#### Net Income Equalisation

Net income equalisation is accrued net income included in the price of units purchased and redeemed during the accounting year. The subscription price of Units is deemed to include an equalisation payment calculated by reference to the net accrued income of the relevant Fund and the first distribution in respect of any Unit will include a payment of income usually equal to the amount of such equalisation payment. The redemption price of each Unit will also include an equalisation payment in respect of the net accrued income of the relevant Fund up to the date of redemption. Net Income equalisation is accounted for as a finance cost in the Profit and Loss Account.

#### Stocklending

The Trust has entered into a stocklending arrangement with Northern Trust Company from 26 October 2005. All income received from stocklending is reported in the Trust's Profit and Loss Account on an accruals basis.

### 2. Fees And Other Expenses

#### Management Fees

The Managers currently make a charge in respect of each Fund at the following percentage rate per annum of the value of the net assets of the Fund.

Baring Emerging Opportunities Fund	1.75%	Baring Global Emerging Markets Fund	1.50%
Baring Latin America Fund	1.25%		

The management fee is payable monthly in arrears and is calculated by reference to the value of the net assets of each Fund as at each day on which the value of the net assets of the relevant Fund is calculated. The foregoing charges may be increased up to the relevant amount specified in the Prospectus on giving not less than three months notice to Unitholders. Where the Net Asset Value of any Fund includes interests in any investment fund managed by a company related to the Investment Manager (a "Barings Fund") the fee payable to the Managers relating to the holding is reduced by the percentage rate and (if any) charged to the Barings Fund for comparable management services. The rates have not changed since the prior year.

#### Administration Fees

The Administrator currently makes a charge in respect of the Barings Global Emerging Market Fund and Barings Emerging Opportunities Fund at the rate of 0.575% per annum of the net asset value of each fund up to a net asset value of US\$50,000,000 and at a rate of 0.45% per annum of the net asset value of those Funds in excess thereof, with a minimum fee payable by each Fund of £30,000 per annum. With respect to the Barings Latin America Fund, the Administrator currently makes a charge at the rate of 0.45% per annum of the net asset value of the Fund with a minimum fee payable of £24,000 per annum. Such fees are paid monthly in arrears and are also payable out of the assets of the Trust.

#### Trustee Fee

The Trustee is entitled under the Trust Deed to receive out of the assets of the Trust a fee at the rate of 0.025% per annum of the value of the net assets of each Fund, payable monthly in arrears. The fee will be subject to a minimum of £6,000 per annum for each Fund. The Trustee is entitled to be reimbursed all fees and charges of custodians and sub-custodians appointed by it and all other expenses incurred by it. The rates have not changed since the prior year.

## Notes to the Financial Statements

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### 2. Fees And Other Expenses (continued)

#### Other Expenses

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

Expenses are charged to the Fund in respect of which they are incurred or, where an expense is not considered by the Trustee to be attributable to any one Fund, the expense will normally be allocated by the Trustee to all Funds pro rata to the value of the net assets of the relevant Funds.

#### Trailer fees and Reimbursements

Please see information for Investors in Switzerland, page 44.

### 3. Related Party Disclosures

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.

#### (a) Management fee

The Fund is managed by Baring Asset Management Limited (the 'Investment Manager'), an investment management company incorporated in London on 6 April 1994. The Investment Manager is part of the Baring Asset Management group and is a wholly owned subsidiary of MassMutual. Under the terms of the management agreement dated 29 October 2004, the Fund appointed Baring Asset Management (Asia) Limited as an Investment Manager to provide management and advisory services to the Fund, due to reorganisation within Baring the management agreement was transferred to Baring Asset Management Limited on 20 December 2006. The management fee rate on the Fund classes is disclosed in Note 2. The outstanding amounts payable as at the year end for Management fee are disclosed on each Fund's Balance Sheet. Richard Bellis, Ian Pascal and Paul Savage are connected through employment with the Managers.

#### (b) Trustee fee

The Fund has engaged the services of Northern Trust Fiduciary Services (Ireland) Limited to provide trustee services for a fee. The Trustee shall be entitled to receive out of the assets of each Fund a total fee of 0.025% of the net assets of that Fund (plus VAT, if any). Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Trustee is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The outstanding amounts payable as at the year end for Trustee fee are disclosed on each Fund's Balance Sheet.

#### (c) Administration fee

The Fund has engaged the services of Northern Trust International Fund Administration Services (Ireland) Limited to provide administration services for a fee. The administration fee on the Fund classes is disclosed in Note 2. Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Administrator is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The outstanding amounts payable as at the year end for Administration fee are disclosed on each Fund's Balance Sheet. Anthony Cooney is a director of the Administrator.

#### (d) Legal fee

Mark Thorne is a partner of the Legal Advisor and a director of the Managers. The fees paid to Dillon Eustace during the year amounted to US\$13,477 (2007:US\$829).

#### (e) Stocklending income

Northern Trust Company entered into an agreement with the Trust on 26 October 2005 to provide a stocklending service in order for the Trust to generate additional income. All stocklending income earned during the year is disclosed in Note 13.

## Notes to the Financial Statements

### 4. Distributions

The following distributions were declared as at 1 May 2007 in respect of the Trust:

	Distribution Per Unit	Date Declared	Date Paid	Amount Available For Distribution	Distributed Amount	Undistributed Amount (68)
Baring Global Emerging Markets Fund Relevant Period	0.037 01/05/2006 – 30/04/2007	01/05/07	23/05/07	469,094	469,162	(68)
Baring Latin America Fund Relevant Period	0.173 01/05/2006 – 30/04/2007	01/05/07	23/05/07	1,463,740	1,463,745	(5)

In the year ended 30 April 2007 the following Funds declared and paid distributions as follows:

	Distribution Per Unit	Date Declared	Date Paid	Amount US\$	Relevant Year
Baring Emerging Opportunities Fund	0.128	02/05/06	23/05/06	269,922	01/05/2005 – 30/04/2006
Baring Global Emerging Markets Fund	0.055	02/05/06	23/05/06	770,810	01/05/2005 – 30/04/2006
Baring Latin America Fund	0.254	02/05/06	23/05/06	2,339,328	01/05/2005 – 30/04/2006

The following distributions were declared in respect of the Trust on 1 May 2008 and are therefore not accrued in the financial statements for the year ended 30 April 2008:

	Distribution Per Unit	Date Declared	Date Paid	Amount US\$	Relevant Year
Baring Global Emerging Markets Fund Class A	0.266	01/05/08	23/05/08	8,664,689	01/05/2007 – 30/04/2008
Baring Global Emerging Markets Fund Class X	0.078	01/05/08	23/05/08	8,200	01/05/2007 – 30/04/2008
Baring Latin America Fund	0.462	01/05/08	23/05/08	10,198,563	01/05/2007 – 30/04/2008
Baring Emerging Opportunities Fund	0.379	01/05/08	23/05/08	116,778	01/05/2007 – 30/04/2008

### 5. Units Issued and Redeemed

#### Baring Emerging Opportunities Fund

##### By Number:

	US\$ Units	£ Units	€ Units
Units in issue as at 1 May 2007	3,987,175	52,888	38,406
Units issued during the year	3,324,411	18,395	42,354
Units redeemed during the year	(7,102,856)	(21,087)	(31,508)
Units in issue as at 30 April 2008	208,730	50,196	49,253

##### By Value:

	US\$	£	€
Net Asset Value of Units issued	113,988,679	345,479	1,160,256
Net Asset Value of Units redeemed	(300,104,363)	(399,277)	(794,145)
Net Value of Units issued during the year	(186,115,684)	53,798	366,111

#### Baring Global Emerging Markets Fund

#### Baring Latin America Fund

##### By Number:

	US\$ Units	US\$ Class X Units	£ Units	€ Units	US\$ Units	€ Units
Units in issue as at 1 May 2007	11,719,385	-	491,031	561,192	6,987,632	1,565,694
Units issued during the year	30,560,218	104,798	428,055	1,495,428	38,115,489	4,598,091
Units redeemed during the year	(11,762,788)	-	(280,785)	(721,513)	(25,204,922)	(3,970,519)
Units in issue as at 30 April 2008	30,516,815	104,798	638,301	1,335,108	19,898,199	2,193,266

##### By Value:

	US\$	£	€	US\$	€
Net Asset Value of Units issued	1,127,220,342	3,684,713	7,570,916	38,076,928	2,099,421,564
Net Asset Value of Units redeemed	(418,140,582)	-	(4,647,779)	(17,254,206)	(1,393,960,199)
Net Value of Units issued during the year	709,079,760	3,684,713	2,923,137	20,822,722	705,461,365

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

#### Comparatives 30 April 2007

#### Baring Emerging Opportunities Fund

<b>By Number:</b>	<b>US\$ Units</b>	<b>£ Units</b>	<b>€Units</b>
Units in issue as at 1 May 2006	2,008,079	58,849	48,952
Units issued during the year	2,271,583	25,647	75,089
Units redeemed during the year	(292,487)	(31,608)	(85,635)
Units in issue as at 30 April 2007	<u>3,987,175</u>	<u>52,888</u>	<u>38,406</u>

  

<b>By Value:</b>	<b>US\$</b>	<b>£</b>	<b>€</b>
Net Asset Value of Units issued	63,852,599	379,163	1,554,350
Net Asset Value of Units redeemed	(7,366,613)	(443,874)	(1,788,804)
Net Value of Units issued/(redeemed) during the year	<u>56,485,986</u>	<u>(64,711)</u>	<u>(234,454)</u>

<b>By Number:</b>	<b>Baring Global Emerging Markets Fund</b>			<b>Baring Latin America Fund</b>	
	<b>US\$ Units</b>	<b>£ Units</b>	<b>€Units</b>	<b>US\$ Units</b>	<b>€Units</b>
Units in issue as at 1 May 2006	12,838,280	548,059	714,714	7,524,677	1,684,939
Units issued during the year	4,158,374	163,717	689,377	16,085,655	1,656,887
Units redeemed during the year	(5,277,269)	(220,745)	(842,899)	(16,622,700)	(1,776,132)
Units in issue as at 30 April 2007	<u>11,719,385</u>	<u>491,031</u>	<u>561,192</u>	<u>6,987,632</u>	<u>1,565,694</u>

  

<b>By Value:</b>	<b>US\$</b>	<b>£</b>	<b>€</b>	<b>US\$</b>	<b>€</b>
Net Asset Value of Units issued	101,162,588	2,099,201	12,970,060	591,164,643	46,652,814
Net Asset Value of Units redeemed	(128,514,996)	(2,817,904)	(16,423,486)	(617,465,971)	(50,300,443)
Net Value of Units redeemed during the year	<u>(27,352,408)</u>	<u>(718,703)</u>	<u>(3,453,426)</u>	<u>(26,301,328)</u>	<u>(3,647,629)</u>

### 6. Soft Commission Arrangements

There were no soft commission arrangements affecting the Trust during the year ended 30 April 2008.

### 7. Comparative Statistics

	<b>Audited 2008</b>	<b>Audited 2008</b>	<b>Audited 2008</b>	<b>Audited 2008</b>	<b>Audited 2007</b>	<b>Audited 2007</b>	<b>Audited 2007</b>
<b>Net Asset Value per Unit</b>	<b>US\$</b>	<b>Class X US\$</b>	<b>£</b>	<b>€</b>	<b>US\$</b>	<b>£</b>	<b>€</b>
Baring Emerging Opportunities Fund	38.63	-	19.64	24.84	31.20	15.64	22.92
Baring Global Emerging Markets Fund	36.04	36.09	18.32	23.18	28.87	14.47	21.20
Baring Latin America Fund	57.35	-	-	36.89	46.25	-	33.97

	<b>Audited 2006</b>	<b>Audited 2006</b>	<b>Audited 2006</b>
<b>Net Asset Value per Unit</b>	<b>US\$</b>	<b>£</b>	<b>€</b>
Baring Emerging Opportunities Fund	26.65	14.74	21.23
Baring Global Emerging Markets Fund	24.88	13.76	19.82
Baring Latin America Fund	35.33	-	28.15

	<b>Audited 2008</b>	<b>Audited 2007</b>	<b>Audited 2006</b>
<b>Net Asset Value</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Baring Emerging Opportunities Fund	11,901,906	127,254,677	56,394,111
Baring Global Emerging Markets Fund	1,174,732,009	368,723,097	350,836,273
Baring Latin America Fund	1,267,043,386	395,630,385	325,414,974

## Notes to the Financial Statements

### 8. Exchange Rates

	Exchange rate to US\$		Exchange rate to US\$
Arab Emirates dirham	3.6729	Israeli shekel	3.4265
Brazilian real	1.7068	Malaysian ringgit	3.1588
Canadian dollar	1.0088	Mexican peso	10.5397
Chilean peso	459.8500	New Taiwan dollar	30.4800
Danish kroner	4.8001	New Turkish lira	1.2928
Egyptian pound	5.3800	Norwegian krone	5.1301
Euro	0.6432	Philippines peso	42.2600
Hong Kong dollar	7.7946	Pound sterling	0.5084
Hungarian forint	162.9250	South African rand	7.6083
Indian rupee	9241.0000	South Korean won	1004.5
Indonesian rupiah	40.5950	Thai baht	31.7400

### Comparatives 30 April 2007

	Exchange rate to US\$		Exchange rate to US\$
Brazilian real	2.0316	Malaysian ringgit	3.4220
Canadian dollar	1.1160	Mexican peso	10.9344
Chilean peso	526.4500	New Taiwan dollar	33.2760
Czech koruna	0.7346	New Turkish lira	1.3660
Euro	7.8204	Norwegian krone	5.9705
Hong Kong dollar	181.5900	Philippines peso	47.5500
Hungarian forint	41.1825	Pound sterling	0.5014
Indian rupee	9084.5000	South African rand	7.0947
Israeli shekel	4.0232	South Korean won	930.9000
		Thai baht	34.7725

### 9. Financial Risk Management

#### Strategy in Using Financial Instruments

The sub-Funds of the Trust, hereafter the "Funds" are exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks include but are not limited to credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Funds take exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Funds' net assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in a way that is consistent with the Funds' investment objective and policy.

The investment objective of the Funds is disclosed in the Investment Manager reports. The risks, and the measures adopted by the Fund for managing these risks, are detailed below.

The main risks arising from the Fund's financial instruments are market, foreign currency, interest rate, credit and liquidity risk. The Managers review and agree policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the year to which these Financial Statements relate.

#### (a) Market price risk

Market price risk is defined in FRS 29 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The Funds' assets consist principally of equity instruments. The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Funds' performance. The Funds have adopted a number of investment restrictions which are set out in the Trust's Prospectus which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with the Funds' policy, the Investment Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors of the Manager, which reviews the information on the Funds' overall market exposures provided by the Investment Manager at its periodic meetings.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (a) Market price risk (continued)

The Investment Manager uses three techniques to help in the risk management process, monitoring of compliance and quantitative limits, prevention of limit breaches and trade monitoring. These techniques allow the Investment Manager to ensure that the Funds remain in compliance with the restriction in the Prospectus and the UCITS rules by which the Funds are governed.

In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis. The maximum risk arising from an investment in an equity only financial instrument is determined by the fair value of the financial instruments. The overall market exposures and concentration of risk can be seen on the Portfolio Statement and Balance Sheet of each Fund. The Fund's market price risk is affected by two main components: changes in market prices and currency exchange rates. FRS 29 requires a sensitivity analysis showing how the net asset value of the Funds would be affected by changes in each of these factors.

Currency exchange rate movements are dealt with under the relevant headings below. Changes in market prices primarily affect the fair value of the Funds' exposures to equity securities, related derivatives and other instruments. For the purposes of compliance with FRS 29 assuming that the securities held on the below portfolios as at 30 April 2008 remain unchanged, a simultaneous increase or decrease in the comparative index which is found in the Investment Manager's reports of each Fund by 10% might be expected to increase or decrease net assets attributable to participating unitholders by: (see table below).

Fund	Date	% Movement	Change in value
Baring Emerging Opportunities Fund	30/04/2008	10.00	US\$1,204,897
Baring Global Emerging Markets Fund	30/04/2008	10.00	US\$115,006,438
Baring Latin America Fund	30/04/2008	10.00	US\$134,360,019

Comparative 30 April 2007

Fund	Date	% Movement	Change in value
Baring Emerging Opportunities Fund	30/04/2007	10.00	US\$11,977,635
Baring Global Emerging Markets Fund	30/04/2007	10.00	US\$36,780,588
Baring Latin America Fund	30/04/2007	10.00	US\$38,166,002

Some limitations of sensitivity analysis are;

- the methodology is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

#### (b) Foreign currency risk

Currency risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Funds are exposed to currency risk as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Funds, which is the US dollar.

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

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

The Investment Manager used Forward Foreign Currency Contracts on all Funds as a tool and technique to hedge these Funds currency exposure.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (b) Foreign currency risk

At 30 April 2008 and 30 April 2007, the Fund's currency exposures were as follows

	Net Non Monetary Assets		Net Monetary Assets		Total	
	30/04/2008 (US\$'000)	30/04/2007 (US\$'000)	30/04/2008 (US\$'000)	30/04/2007 (US\$'000)	30/04/2008 (US\$'000)	30/04/2007 (US\$'000)
<b>Emerging Opportunities</b>						
AE Dirham	334	-	3	-	337	-
Brazilian Real	263	3,205	(15)	-	248	3,205
Egyptian Pound	237	-	-	-	237	-
Euro	-	(12)	-	12	-	-
Hong Kong Dollar	1,557	14,585	-	-	1,557	14,585
Hungarian Forint	-	1,407	-	-	-	1,407
Indonesian Rupiah	146	4,380	-	-	146	4,380
Israel Shekel	-	1,317	1	-	1	1,317
Indian Rupee	231	139	-	-	231	139
South Korean Won	881	11,985	1	-	882	11,985
Mexican Peso	-	1,106	-	-	-	1,106
Malaysian Ringgit	405	8,930	2	54	407	8,984
Philippine Peso	80	678	-	-	80	678
Thai Baht	322	1,123	2	-	324	1,123
New Turkish Lira	-	2,069	-	15	-	2,084
New Taiwan Dollar	893	10,489	187	1	1,080	10,490
South African Rand	720	8,617	-	-	720	8,617
<b>Total</b>	<b>6,069</b>	<b>70,018</b>	<b>181</b>	<b>82</b>	<b>6,250</b>	<b>70,100</b>
<b>Global Emerging Markets</b>						
AE Dirham	28,589	-	204	-	28,793	-
Brazilian Real	22,499	7,663	-	-	22,499	7,663
Egyptian Pound	20,129	-	-	-	20,129	-
Euro	1,432	2	(3)	(5)	1,429	(3)
Pound Sterling	(7)	1	299	304	292	305
Hong Kong Dollar	109,821	28,279	(1)	-	109,820	28,279
Indonesian Rupiah	11,762	13,569	-	-	11,762	13,569
Israel Shekel	1334	4,091	101	-	1,435	4,091
Indian Rupee	19,837	-	-	-	19,837	-
South Korean Won	75,091	39,648	91	-	75,182	39,648
Mexican Peso	-	3,436	-	-	-	3,436
Malaysian Ringgit	34,031	26,226	135	180	34,166	26,406
Philippine Peso	7,116	2,734	-	-	7,116	2,734
Thai Baht	27,811	3,865	126	-	27,937	3,865
New Taiwan Dollar	73,554	34,532	14,559	1	88,113	34,533
New Turkish Lira	-	6,392	-	41	-	6,433
South African Rand	61,079	27,155	-	-	61,079	27,155
<b>Total</b>	<b>494,078</b>	<b>197,593</b>	<b>15,511</b>	<b>521</b>	<b>509,589</b>	<b>198,114</b>
<b>Latin America</b>						
Brazilian Real	500,178	130,141	4,884	217	505,062	130,358
Canadian Dollar	12,027	7,368	-	-	12,027	7,368
Chilean Peso	-	12,689	-	13	-	12,702
Euro	2,336	(111)	70	(68)	2,406	(179)
Pound Sterling	22,227	-	-	-	22,227	-
Mexican Peso	128,886	62,368	-	149	128,886	62,517
Norwegian Krone	510	3,508	-	-	510	3,508
<b>Total</b>	<b>666,164</b>	<b>215,963</b>	<b>4,954</b>	<b>311</b>	<b>671,118</b>	<b>216,274</b>



## Notes to the Financial Statements

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### 9. Financial Risk Management (continued)

#### (c) Interest Rate Risk

The majority of the Funds financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short-term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

#### (d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of shares. However, the Managers are entitled, with the approval of the Trustee, to limit the number of Units of any class realised on any Dealing Day to 10% of the total number of Units of that class in issue. There are also a number of circumstances when the Managers may, with the approval of the Trustee, suspend temporarily the right of Unitholders to require the realisation of Units of any class and/or may delay the payment of any monies in respect of any such realisation.

The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' liquidity on a daily basis and reports regularly to the Board of Directors of the Managers, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings. The Fund has an agreed temporary overdraft facility with its Custodian to allow for temporary timing/matching differences on trades and subscriptions and redemptions (as in the case of Baring Latin America Fund, refer to Balance Sheet).

At 30 April, 2008 and 30 April, 2007, the Funds' financial liabilities, as disclosed on the Balance Sheet, were all due within one month.

#### (e) Credit Risk

As the Funds invest primarily in publicly traded equity securities the Funds are not exposed to credit risk from these positions.

However, the Funds will be exposed to a credit risk on parties with whom it trades and will bear the risk of settlement default. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Funds are exposed to credit risk on cash and investment balances held with the Trustee. The Investment Manager reviews concentrations of credit risk on a fortnightly basis. All exposures to counterparty credit risk are monitored by the Barings Asset Management ("BAM") Counterparty Credit Committee and are subject to BAM's Counterparty Credit Policy (CCP). BAM requires a minimum credit rating of Dunn and Bradstreet 3, but also actively avoids exposure to entities having an S&P rating of less than AA-, even where the D&B rating is 3 or better. Adherence to the Policy is very rigidly enforced. Any changes to ratings which cause divergence from Policy are acted on immediately without exception. Application for IPOs for example is subject to the credit rating of the entity to whose balance sheet the application will expose the investing fund. Where no satisfactory rating is applied, BAM insists that monies are paid into a ring-fenced 'Client Money' account hence avoiding exposure not permitted by the CCP.

The Funds minimise concentrations of credit risk by undertaking transactions with a large number of regulated counterparties on recognised and reputable exchanges.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement period involved. The maximum exposure related to unsettled trades equals the amounts shown on the Balance Sheet. There was no past due or impaired assets as of 30 April 2008. (2007: \$Nil)



## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (e) Credit Risk

The Trustee of the Funds, Northern Trust Fiduciary Services (Ireland) Limited which is part of the Northern Trust Company has a high rating, as rated by various rating agencies.

The net assets (market value of investments, cash and receivables/payables relating to securities) exposed to credit risk at year end amounted to

Fund	30/04/2008 US\$ '000	30/04/2007 US\$ '000
Baring Emerging Opportunities Fund	US\$11,858,760	US\$116,230,007
Baring Global Emerging Markets Fund	US\$1,128,205,292	US\$365,755,366
Baring Latin America Fund	US\$1,255,136,264	US\$385,741,506

### 10. Statement of Portfolio Movements

A statement of changes in the composition of the investment portfolio will be issued to Unitholders, free of charge, on request. Unitholders resident in Germany may, if they so wish, obtain a copy of the breakdown from the German Paying and Information Agent.

### 11. Bank Overdraft

On 30 April 2008 there was a bank overdraft on the Baring Latin America Fund of US\$19,916,813 (2007: US\$5,952,254). This was held with Northern Trust (Guernsey) Limited. The assets of the Fund were held as collateral for the overdraft.

### 12. Taxation

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

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to unitholders or any encashment, redemption, cancellation or transfer of units.

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

- (a) a unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Trust, and
- (b) certain exempted Irish tax resident unitholders who have provided the Trust with the necessary signed statutory declarations. Dividends, interest and capital gains (if any) received on investments made by the Trust 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 Trust or its unitholders.

### 13. Stocklending

A summary of the activity is detailed below:

Fund	Aggregate value of securities on loan at 30/04/2008 US\$	Value of collateral held at 30/04/2008 US\$	Net Income from stocklending received during the year US\$	Net stocklending income receivable 30/04/2008 US\$
Baring Emerging Opportunities Fund	4,698,382	4,870,517	157,945	1,032
Baring Global Emerging Markets Fund	279,826,986	289,248,622	760,289	64,352
Baring Latin America Fund	265,179,719	272,112,840	1,261,189	160,215

## Notes to the Financial Statements

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### 13. Stocklending (continued)

#### Comparatives 30 April 2007

Fund	Aggregate value of securities on loan at 30/04/2007 US\$	Value of collateral held at 30/04/2007 US\$	Net Income from stocklending received during the year US\$	Net Stocklending income receivable 30/04/2007 US\$
Baring Emerging Opportunities Fund	28,644,857	29,827,755	64,464	8,924
Baring Global Emerging Markets Fund	64,422,966	66,803,944	178,535	16,467
Baring Latin America Fund	69,464,482	71,416,074	243,878	42,234

### 14. Changes in Directors of the Managers

William Collins resigned from the Board of Directors of the Managers on 3 August 2007. Richard Bellis was appointed on 14 August 2007.

### 15. Subsequent Events

There have been no events subsequent to the year end, which, in the opinion of the Directors of the Managers, may have had an impact on the financial statements for the year ended 30 April 2008, except for the distributions declared on 1 May 2008 which are detailed in Note 4.

### 16. Approval of Financial Statements

The financial statements were approved by the Board of Directors of the Managers on 31 July 2008.

## Information For Investors in Switzerland – (Unaudited)

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The Managers have appointed ING Bank (Switzerland) Limited, 30, avenue de Frontenex, CH-1211, Geneva 6, Switzerland, as representative and paying agent for Switzerland. For Units distributed in Switzerland, the performance place is at ING Bank (Switzerland) Limited's address. Investors can obtain, free of charge, the Prospectus, the Simplified Prospectus (both also available for potential investors), the last annual and interim reports and copies of the Trust Deed and amendments to the Trust Deed if any, in German, and a list of the purchases and sales made on behalf of the Fund from the representative at the above address. Official publications for the Fund are made in the AGEFI and the Swiss Official Trade Gazette. Unit prices (Net Asset Value with the words "commissions not included") are published daily in the AGEFI.

Following a Guideline from the Swiss Funds Association (the "SFA") dated 16 May 2008, the Managers are supplying performance data in conformity with the said Guideline. This data can be found below and under each of the Fund reports on pages 5, 12 and 21. Further, the Managers are required to provide the below additional information on performance.

There is no appropriate benchmark for the Funds. Any reference to an index is for comparison purposes only. The following comparative indices are used as in the Managers' opinion and in the light of the investment policy of the relevant Fund, they are the most appropriate selection for comparison.

### **Baring Emerging Opportunities Fund & Baring Global Emerging Markets Fund**

The MSCI (Morgan Stanley Capital International) Emerging Markets Index is a free float-adjusted market capitalisation-weighted index that is designed to measure equity market performance in the global emerging markets.

### **Baring Latin America Fund**

The MSCI (Morgan Stanley Capital International) Emerging Markets Latin America Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance in Latin America. It currently consists of the following emerging market country indices: Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela.

**Past performance is no indication of current or future performance. The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.**

Investors should contact the Swiss representative at the above address should they require additional information e.g. on performance including the composition of the relevant indices where applicable.

## Total Expense Ratio

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Pursuant to a Guideline from the Swiss Funds Association (SFA) dated 16 May 2008, the Funds are required to publish a Total Expense Ratio (TER) for the last twelve-month period ended 30 April 2008.

The Total Expense Ratio for each Fund for the last twelve months is as follows:

### **Name of Fund**

	<b>30/04/2008</b>	<b>30/04/2007</b>
	<b>TER in %</b>	<b>TER in %</b>
Baring Emerging Opportunities Fund	2.30	2.34
Baring Global Emerging Markets Fund	2.00	2.01
Baring Latin America Fund	1.74	1.80

This information was established by the Managers, Baring International Fund Managers (Ireland) Limited and is based on the data contained in the Profit & Loss Account for the financial year ended 30 April 2008 (Fund management fees, administration fees, trustee fees, taxes and duties, all other commissions and expenses appearing as per the breakdown of the Profit & Loss Account and not already included in any of the foregoing categories).

## Information For Investors in Switzerland – (Unaudited) (continued)

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### Portfolio Turnover Rate

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The Portfolio Turnover Rate (PTR) has been established in conformity with a Guideline from the Swiss Funds Association (SFA) of 16 May 2008, using as reference period the current accounting year, i.e. the last twelve-month period ended 30 April 2008.

The Portfolio Turnover numbers for each Fund for the twelve-month period ended 30 April 2008 are as follows:

Name of Fund	30/04/2008	30/04/2007
	PTR in %	PTR in %
Baring Emerging Opportunities Fund	177.67	152.42
Baring Global Emerging Markets Fund	271.55	148.72
Baring Latin America Fund	82.15	69.48

### Trailer Fees and Reimbursements

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Trailer fees (Bestandespflegekommissionen) may only be paid to the sales agents/partners indicated below:

- authorized sales agents (distributors) within the meaning of Article 19, Para 1, KAG;
- sales agents (distributors) exempted from the authorization requirement within the meaning of Article 19, Para 4, KAG;
- sales partners who place fund units exclusively with institutional investors with professional treasury facilities; and/or
- sales partners who place fund units with their clients exclusively on the basis of a written commission-based asset management mandate.

Reimbursements (Rückvergütungen) may only be paid to the institutional investors detailed below who from a commercial perspective are holding the fund units for third parties:

- life insurance companies (in respect of fund units held for the account of insured persons or to cover obligations towards insured persons);
- pension funds and other retirement provision institutions (in respect of fund units held for the account of beneficiaries);
- investment foundations (in respect of fund units held for the account of in-house funds);
- Swiss fund management companies (in respect of fund units held for the account of the funds managed);
- foreign fund management companies and providers (in respect of fund units held for the account of managed funds and investing unitholders); and/or
- investment companies (in respect of the investment of the company assets).

## Information For Investors In Germany (Unaudited)

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The full and the simplified prospectus, a list of portfolio changes, the trust deed, the annual and the semi-annual reports are available free of charge in hard copy at the German Paying and Information Agent's office. The Net Asset Value per Unit, the issue and redemption prices as well as any notices to Unitholders may be obtained at the German Paying and Information Agent on each bank business day in Frankfurt am Main, Germany. All information available to Unitholders at the main office is also available through the German Paying and Information Agent's office.

### **Special Risks Resulting From New Tax Publication Requirements in Germany**

Foreign investment companies must provide documentation to the German fiscal authorities upon request, e.g. in order to verify the accuracy of the published tax information. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the investment companies' calculation methodology in every material respect. In addition, if it transpires that these publications are incorrect, any subsequent correction will, as a general rule, not have retrospective effect and will, as a general rule, only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current year.

## Market Timing (Unaudited)

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Repeatedly purchasing and selling Units in the Funds in response to short-term market fluctuations – known as 'market timing' – can disrupt the Manager's investment strategy and increase the Funds' expenses to the prejudice of all Unitholders. The Funds are not intended for market timing or excessive trading. To deter these activities, the Managers may refuse to accept an application for Units from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive to the Funds.

The Managers' reserve the right to redeem 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.

## UK Distributor Status (Unaudited)

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The Managers intend to apply to the Board of Inland Revenue to have The Baring Emerging Markets Umbrella Fund certified as distributing funds for the purposes of Chapter V of Part XVII of the UK Income and Companies Taxes Act 1998 in respect of the current and all subsequent accounting periods.

The Baring Emerging Markets Umbrella Fund has been certified as a distributing fund for the twelve months ended 30 April 2007. The application for the year ended 30 April 2008 has been submitted to the Inland Revenue and is still being processed.

## European Union Taxation of Savings Income Directive (Unaudited)

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On 3 June 2003 the European Commission published a new directive regarding the taxation of savings income ('the Directive'). From 1 July 2005 Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions and realisation payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding tax system in relation to such payments.

Accordingly, the Trustee, Administrator, paying agent or such other entity considered a "paying agent" (for the purposes of the Directive a "paying agent" is the economic operator who pays interest to or secures the payment of interest for the immediate benefit of the beneficial owner) for the purposes of the Directive may be required to disclose details of or withhold tax on distributions and/or realisation payments by the Unit Trust to Unitholders who are individuals or residual entities (located in another EU Member State) to the taxation authority in the home jurisdiction of the paying agent who will pass such details or tax to the Member State where the investor resides. Investors should note that Switzerland and the EU have entered into a bilateral agreement, effective from 1 July 2005, which introduces measures equivalent to the EU Tax Savings Directive in Switzerland. Generally these measures require tax to be withheld on interest payment made by paying agents to EU residents.

As Ireland has opted for exchange of information rather than a withholding tax system, since the Directive became effective, the principle consequence for Unitholders will be that details of relevant savings income will be disclosed to the EU member states in which Unitholders are resident. The Directive has been enacted into Irish legislation and the reporting of any relevant payments of interest made by the Unit Trust, together with various specified information relating to recipients who are individuals or residual entities resident in EU states other than Ireland applied from 1 July 2005.

The above is in accordance with the Irish regulations as at 30 April 2008

All Funds within the umbrella are deemed to be out of scope of the Directive and the above rules will therefore not apply to these Funds. This is because at 30 April 2008 less than 15% of their assets were invested in interest bearing securities.

The information regarding which funds fall within or outside the scope of the Directive under Irish regulations will be applicable at least until the next set of audited accounts are published.

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