

# BARINGS

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## **Baring Investment Umbrella Fund**

Annual Report & Audited Financial  
Statements

for the year ended 31 July 2017

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\* Collectively, these comprise the Authorised Corporate Director's report.

## Management and professional service details

### Authorised Corporate Director

Baring Fund Managers Limited

*Authorised and regulated by the Financial Conduct Authority ("FCA").*

### Investment Manager

Baring Asset Management Limited

155 Bishopsgate

London EC2M 3XY

United Kingdom

Telephone: + 44 207 628 6000

Facsimile: + 44 207 638 7928

### Directors

C. Biggins

J. Burns\*\*\*

N. Hayes\*\*

D. Stevenson

J. Swayne\*\*\*\*

A. Woolhouse\*

\* Angus Woolhouse resigned from his position as Director of Baring Fund Managers Limited with effect from 31 August 2016.

\*\* Nicola Hayes resigned from her position as Director of Baring Fund Managers Limited with effect from 24 November 2016.

\*\*\* John Burns resigned from his position as Director of Baring Fund Managers Limited with effect from 25 November 2016.

\*\*\*\* Julian Swayne was appointed as Director of Baring Fund Managers Limited with effect from 20 December 2016.

### Registered office

155 Bishopsgate

London EC2M 3XY

Telephone: 020 7628 6000

### Trustee & Depositary

National Westminster Bank Plc

Trustee & Depositary Services

Floor 1, 280 Bishopsgate

London EC2M 4RB

Authorised and regulated by the FCA.

### Registrar

Northern Trust Global Services Limited

P.O. Box 55736

50 Bank Street

Canary Wharf

London E14 5NT

Telephone: 0333 300 0372†

Fax: 020 7982 3924

† Telephone calls may be recorded and monitored.

### Independent Auditor

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

## Introduction

Baring Fund Managers Limited (“the Authorised Corporate Director” or “ACD”) has delegated its day-to-day investment management responsibilities in relation to the Baring Investment Umbrella Fund (“the Company”) to Baring Asset Management Limited (“the Investment Manager”), which is authorised and regulated by the Financial Conduct Authority (“FCA”).

As an investor in the Company, your money is pooled with that of other investors and invested by the ACD in equities and equity derivatives of companies in the agricultural industry. With accumulation (“Acc”) shares, any revenue is automatically accumulated within the Company and reflected in the price of the shares. As the Company’s objective is to generate long-term capital growth, any net revenue that is generated is automatically accumulated within the Company. As with all Companies managed by the ACD, the risk assumed in this portfolio is carefully monitored.

The Report of the ACD reviews the performance of the Company against the returns of the agricultural sector and analyses the investment environment that influenced the performance of the Company over the year under review. The ACD then gives an outlook for the markets and details how the Company will be invested in order to take full advantage of the foreseen opportunities. Finally, the Report of the ACD gives details of any revenue generated by the Company.

## Investment objective and policy

The investment objective of Baring Global Agriculture Fund (“the Fund”) is to achieve long-term capital growth by investing in the agricultural sector.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities in any company, including those in developed and emerging markets, where the majority of earnings of issuers or holding companies are derived from activities related to any commodities which are grown or raised, commonly known as agricultural or soft commodities.

These companies are likely to encompass, without being limited to: fertiliser, agricultural machinery, animal feed, seed and crop protection manufacturers, agricultural producers including farms, plantations and aquaculture, crop processors, grain and edible oil handlers and distributors, timber, pulp and paper, food ingredient companies, food manufacturers and food retailers.

For the remainder of its total assets, the Fund may invest outside of the agricultural sector as well as in fixed income and cash.

While the Fund will aim to diversify its investments, allocation to certain countries may be more than 30% of its total assets depending on Baring Asset Management Limited’s (“the Investment Manager’s”) assessment at different times.

In order to implement the investment policy, the Fund may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Fund may also invest in investment funds and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management and for investment purposes.

## How the Fund is managed

Baring Asset Management Limited’s (“the Investment Manager’s”) equity investment teams share the philosophy of quality Growth at a Reasonable Price (“GARP”). The Investment Manager is of the view that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, the Investment Manager believes that structured fundamental research and a disciplined investment process combining quality, growth and upside disciplines can allow us to identify attractively priced, long term growth companies which will outperform the market. This approach emphasises quality criteria when looking at companies and a three-to-five-year time horizon when forecasting company earnings. In determining upside, the Investment Manager uses consistent and transparent methods to place emphasis on discounted earnings models.

## Risk profile

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

- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated.

## Investment objective and policy (continued)

### Risk profile (continued)

- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative. Some derivative transactions may be entered into directly with an eligible person or institution (a "counterparty"). There is a risk that the counterparty may not meet its obligations or becomes insolvent, which could cause the Fund to incur a loss.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Natural events such as fire, drought, flood and disease may have an adverse impact on the agricultural and commodities markets. These markets may also fluctuate significantly due to changing market supply and demand relationships, for example.

Please refer to the Prospectus for the full risk profile.

### Constitution

The Baring Global Agriculture Fund ("the Fund") is a sub-fund of Baring Investment Umbrella Fund ("the Company"), an open-ended investment company ("OEIC") with only one sub-fund. The shareholders are not liable for the debts of the Company. The Company is structured as an umbrella company.

### Regulatory disclosure

This document has been issued by Baring Fund Managers Limited ("the Authorised Corporate Director" or "ACD"), who is authorised and regulated by the Financial Conduct Authority ("FCA").

Baring Investment Umbrella Fund ("the Company") is an open-ended investment company ("OEIC") which is incorporated in England and Wales under the open-ended investment companies regulations 2001 ("the Regulations") as an Undertakings for Collective Investments in Transferable Securities ("UCITS") scheme, which is authorised and regulated by the FCA.

Past performance is no indication of current or future performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Any references in this report to other investments held within an OEIC should not be read as a recommendation to the investor to buy and sell the same but are included as illustration only.

### The Fund at a glance on 31 July 2017

<b>Total Fund size at share class level:</b>		
Baring Global Agriculture Fund - Class A GBP Acc		£4,667,644
Baring Global Agriculture Fund - Class A EUR Acc		€541,390
Baring Global Agriculture Fund - Class A USD Acc		US\$10,705,123
Baring Global Agriculture Fund - Class I GBP Acc		£36,381,171
Baring Global Agriculture Fund - Class I USD Acc		US\$29
Baring Global Agriculture Fund - Class X GBP Acc		£18,069,269
<b>OCF*:</b>	<b>31/07/2017</b>	<b>31/07/2016</b>
Baring Global Agriculture Fund - Class A GBP Acc	1.83%	1.83%
Baring Global Agriculture Fund - Class A EUR Acc	1.83%	1.83%
Baring Global Agriculture Fund - Class A USD Acc	1.83%	1.83%
Baring Global Agriculture Fund - Class I GBP Acc	1.08%	1.08%
Baring Global Agriculture Fund - Class I USD Acc	1.08%	1.08%
Baring Global Agriculture Fund - Class X GBP Acc	0.33%	0.33%

\* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Fund and is deducted from the assets over the year. It includes fees paid for investment management, depositary and general charges.

## Regulatory disclosure (continued)

### The Fund at a glance on 31 July 2017 (continued)

<b>Initial charge:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	5.00%
Baring Global Agriculture Fund - Class A EUR Acc	5.00%
Baring Global Agriculture Fund - Class A USD Acc	5.00%
Baring Global Agriculture Fund - Class I GBP Acc	0.00%
Baring Global Agriculture Fund - Class I USD Acc	0.00%
Baring Global Agriculture Fund - Class X GBP	0.00%
<b>Annual charge:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	1.50%
Baring Global Agriculture Fund - Class A EUR Acc	1.50%
Baring Global Agriculture Fund - Class A USD Acc	1.50%
Baring Global Agriculture Fund - Class I GBP Acc	0.75%
Baring Global Agriculture Fund - Class I USD Acc	0.75%
Baring Global Agriculture Fund - Class X GBP Acc	0.00%
<b>Annualised net yield**:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	Nil
Baring Global Agriculture Fund - Class A EUR Acc	Nil
Baring Global Agriculture Fund - Class A USD Acc	Nil
Baring Global Agriculture Fund - Class I GBP Acc	0.55%
Baring Global Agriculture Fund - Class I USD Acc	1.02%
Baring Global Agriculture Fund - Class X GBP Acc	1.27%
<b>Minimum initial investment:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	£1,000
Baring Global Agriculture Fund - Class A EUR Acc	£1,000 equivalent
Baring Global Agriculture Fund - Class A USD Acc	£1,000 equivalent
Baring Global Agriculture Fund - Class I GBP Acc	£10,000,000
Baring Global Agriculture Fund - Class I USD Acc	£10,000,000 equivalent
Baring Global Agriculture Fund - Class X GBP Acc	Discretionary
<b>Subsequent investment:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	£500
Baring Global Agriculture Fund - Class A EUR Acc	£500 equivalent
Baring Global Agriculture Fund - Class A USD Acc	£500 equivalent
Baring Global Agriculture Fund - Class I GBP Acc	£500
Baring Global Agriculture Fund - Class I USD Acc	£500 equivalent
Baring Global Agriculture Fund - Class X GBP Acc	Discretionary
<b>Revenue available per share:</b>	
Baring Global Agriculture Fund - Class A GBP Acc	Nil
Baring Global Agriculture Fund - Class A EUR Acc	Nil
Baring Global Agriculture Fund - Class A USD Acc	Nil
Baring Global Agriculture Fund - Class I GBP Acc	1.0093p
Baring Global Agriculture Fund - Class I USD Acc	US\$0.0236
Baring Global Agriculture Fund - Class X GBP Acc	2.1524p

\*\* Calculated based on mid-price.

## Regulatory disclosure (continued)

The Fund at a glance on 31 July 2017 (continued)

Price per share	Mid-price
Baring Global Agriculture Fund - Class A GBP Acc	206.80p
Baring Global Agriculture Fund - Class A EUR Acc	€2.319
Baring Global Agriculture Fund - Class A USD Acc	US\$2.728
Baring Global Agriculture Fund - Class I GBP Acc	219.40p
Baring Global Agriculture Fund - Class I USD Acc	US\$2.897
Baring Global Agriculture Fund - Class X GBP Acc	239.10p

### Revenue allocations and reports

Revenue allocations are made on 30 November (final) and 31 March (interim) of each year, where applicable, and forwarded to shareholders together with tax vouchers. The annual report and financial statements for the year-end to 31 July and an interim report and financial statements for the period-end to 31 January will be available on the Baring Asset Management Limited website at [www.barings.com](http://www.barings.com).

### Inspection of documents

Copies of the Instrument of Incorporation (including details of all amendments thereto), the Prospectus, Key Investor Information Document(s) (“KIID(s)”) and the most recent annual and interim reports and financial statements of the Company may be obtained from the registered office of the ACD during normal business hours. The ACD may charge a reasonable fee for copying documents which are not required to be available free of charge.

The register of holders of the Company is kept at the office of the Registrar, P.O. Box 55736, 50 Bank Street, Canary Wharf, London E14 5NT, and may be inspected at that address on any business day between 9:00 a.m. and 5:00 p.m.

PricewaterhouseCoopers LLP (“the Independent Auditor”) expresses its opinion on the English version of the annual report and financial statements, and accepts no responsibility for any translations of those financial statements.

### Soft commission arrangements

The ACD and its associates do not receive cash or offer rebates to brokers or dealers in respect of transactions for Baring Asset Management Limited (“the Investment Manager”). The Investment Manager uses the research commission portion of executed trades for provision of research for the benefit of Baring Global Agriculture Fund (“the Fund”). Execution of transactions will be consistent with our best execution policy. The Investment Manager has engaged in such activities during the year.

### Soft commission arrangements (2018)

Barings, like many of its peers, is currently analysing the impact of the Markets in Financial Instruments Directive (“MiFID11”) requirements and will be updating our policies/documentation later this year.

### Market timing

Repeatedly purchasing and selling shares in the Fund in response to short-term market fluctuations — known as ‘market timing’ — can disrupt the ACD’s investment strategy and increase the Fund’s expenses to the prejudice of all shareholders. The Fund is not intended for market timing or excessive trading. To deter these activities, the ACD may refuse to accept an application for shares from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Fund. The ACD also reserves the right to redeem shares which it reasonably believes have been purchased by shareholders engaged in market timing.

### Publication of prices

The ACD will publish the most recent price of each share class of the Fund on the Baring Asset Management Limited website at [www.barings.com](http://www.barings.com).

## **Regulatory disclosure (continued)**

### **Dealing basis**

The ACD's basis for dealing in purchases and sales of the Fund's shares is 'forward'. This means that the price used for any deal will be calculated at the next valuation point following receipt of the investor's instruction.

### **Fees and expenses**

The ACD's periodic charge is calculated on each business day, based on the value of the property of the Fund on the immediately preceding business day, and is paid to the ACD monthly, in arrears, on the first business day of the calendar month immediately following. The current periodic charge is 1.50% per annum for Class A, 0.75% per annum in respect of Class I and 0% in respect of Class X.

### **Key changes during the year**

Angus Woolhouse resigned from his position as Director of Baring Fund Managers Limited with effect from 31 August 2016.

Nicola Hayes resigned from her position as Director of Baring Fund Managers Limited with effect from 24 November 2016.

John Burns resigned from his position as Director of Baring Fund Managers Limited with effect from 25 November 2016.

Julian Swayne was appointed as Director of Baring Fund Managers Limited with effect from 20 December 2016.

The Prospectus has been updated to reflect the following additional disclosures.

### **SFTR (Securities Financing Transaction Regulation) disclosure**

The SFTR applies to the Manager as a UCITS management company and requires the Manager to comply with a series of obligations. In particular, the Manager will be required to provide investors with information on the use of securities financing transactions ("SFTs") and total return swaps ("TRSs") by the Company in all interim and annual reports published from 13 January 2017.

During the year 1 August 2016 to 31 July 2017, the Fund did not enter into SFTs and TRSs. Should this change in the future, annual reports for the Company will disclose all required information of the use of SFTs and TRSs.

### **Remuneration disclosure**

#### **Remuneration - Baring Global Agriculture Fund**

The Authorised Fund Manager ("AFM") of the Baring Global Agriculture Fund ("the Fund") is Baring Fund Managers Limited ("the Authorised Corporate Director" or "ACD"), authorised by the Financial Conduct Authority ("FCA") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the UCITS Directive.

The ACD's Remuneration Policy ensures that the remuneration arrangements of the AFM's remuneration "Identified staff" as defined in "ESMA's Guidelines on Sound Remuneration Policy under the UCITS directive, ESMA 2013/201" ("the ESMA Guidelines"), (as amended) are:

- (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of ACD or the Fund; and
- (ii) consistent with ACD's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The ACD is also subject to the FCA's UCITS Remuneration Code (SYSC 19E) and must comply with the UCITS remuneration principles in a way and to the extent that is appropriate to its size and business.

#### **Remuneration Committee**

Due to the size and nature of ACD, the Board considers it appropriate to disapply the requirement to appoint a remuneration committee.

Baring Asset Management Limited ("the Investment Manager") employs and remunerates UK staff. The Investment Manager is also the appointed delegate to carry out Investment Management and is authorised in the UK by the FCA.

The Investment Manager has a Remuneration Committee to ensure the fair and proportionate application of the remuneration rules and requirements and to ensure that potential conflicts arising from remuneration are managed and mitigated appropriately. All staff are subject to an annual appraisal process, which includes both financial and non-financial criteria as appropriate.

## Regulatory disclosure (continued)

### Remuneration disclosure (continued)

#### UCITS Remuneration identified staff

Baring Fund Managers Limited (“the Authorised Corporate Director” or “ACD”) must determine its identified staff, whose professional activities have a material impact on its risk profile. Identified staff consists of staff whose professional activities have a material impact on the risk profiles of the ACD or the Fund, which includes senior managers, controlled functions and risk takers.

#### a) Senior Managers and controlled functions

The Directors have waived their entitlement to receive a director’s fee from the ACD. The Directors are all employees of the Investment Manager and accordingly are remunerated by the Investment Manager.

#### b) Risk takers

Risk takers as defined by the ACD Remuneration Policy are as follows:

- i. The Permanent Risk Management Function (“PRMF”): the ACD’s PRMF comprises of an Organisational Risk team and an Investment Risk team. The individuals who discharge these functions are identified staff and are remunerated by the Investment Manager. Their remuneration is not directly linked to the performance of the Fund.
- ii. Investment Managers: The ACD has delegated investment management to the Investment Manager and accordingly the investment managers are remunerated by the Investment Manager under an equivalent remuneration regime (the Investment Manager and its subsidiaries are subject to remuneration rules contained in the Capital Requirements Directive (“CRD”) and these are considered to be equally as effective as those contained in the UCITS directive).

#### Remuneration Disclosure: Baring Global Agriculture Fund

The table below summarises the fixed and variable remuneration paid to identified staff (for the financial year-end 31 December 2016) as well as other Barings staff (remunerated by the Investment Manager) that carry out activities for the ACD. The disclosures below show remuneration relevant to the Fund, apportioned using total Barings’ Assets Under Management (“AUM”).

	Number of beneficiaries	Total Fixed Remuneration for the period	Total Variable Remuneration for the period	Total Remuneration
Level				
AFM Staff	328	£168,517	£162,872	£331,389
Identified staff	7	£103,299	£120,410	£223,709

#### Notes:

1. ACD’s staff: this assumes all UK staff employed by the Investment Manager (and global investment managers managing ACD’s funds) carry out some activities on behalf of the ACD. Remuneration is apportioned based on the relevant AUM. Other than the identified staff noted above, none of the staff are considered to be senior managers or others whose actions may have a material impact on the risk profile of the Fund.
2. Identified staff: These are as defined in the ACD’s Remuneration Policy; no direct payments are received by identified staff from the ACD. Remuneration is paid by the Investment Manager and is apportioned on an AUM basis.
3. Variable remuneration consists of cash bonus and deferred awards awarded in the year.
4. The Fund does not pay either performance related fees or carried interests to any person.

## **General information for overseas investors (Austria, France, Germany, Sweden and Switzerland)**

### **Austrian paying and information agent**

UniCredit Bank Austria AG  
Schottengasse 6-8  
1010 Vienna  
Austria

### **French paying agent**

BNP Paribas Securities Services  
9 Rue du Débarcadère  
93 761 Pantin Cedex  
France

### **German paying and information agent**

Deutsche Bank AG  
Global Transaction Banking  
Issuer Services - Global Securities Services  
Post IPO Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Germany

### **Further German information agent**

Baring Asset Management GmbH  
Ulmenstraße 37-39  
60325 Frankfurt am Main  
Germany

### **Swedish paying agent**

Skandinaviska Enskilda Banken AB (publ)  
Merchant Banking  
Global Funds, RB6  
Rissneleden 110  
SE-106 40 Stockholm  
Sweden

### **Swiss paying agent**

BNP Paribas Securities Services, Paris  
Succursale de Zurich  
Selnaustrasse 16  
8002  
Zurich  
Switzerland

The Prospectus, the Key Investor Information Document(s) ("KIID(s)"), a list of portfolio changes, the Instrument of Incorporation as well as the annual and the interim reports and financial statements are available free of charge in hard copy at the office of the French and Swedish agents listed above.

## General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (continued)

### Notice for German investors

#### Special risks resulting from additional German tax publication requirements in Germany

A foreign investment company such as Baring Fund Managers Limited (“the Authorised Corporate Director” or “ACD”) must provide documentation to the German fiscal authorities upon request, e.g. in order to verify the accuracy of the additional German published tax information. German investors will use this for their tax returns. 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 ACD’s calculation methodology in every material respect. In addition, you should be aware that 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 financial year.

#### Information for investors in Switzerland

The ACD has appointed BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland, as representative and paying agent for shares distributed in Switzerland. Investors can obtain free of charge the Prospectus, KIID(s), the last annual and interim reports, copies of the Instrument of Incorporation (and any amendments thereto), as well as a list of the purchases and sales made on behalf of Baring Global Agriculture Fund (“the Fund”), in French, from the representative at the above address. Official publications for the Fund are found on the internet at [www.fundinfo.com](http://www.fundinfo.com). Share prices (Net Asset Value with the words “plus commissions”) are published daily on the internet at [www.fundinfo.com](http://www.fundinfo.com).

#### Important information to the performance tables on page 13

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. Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares, nor the effect of the ACDs’ preliminary charge. In conformity with a Guideline of the Swiss Funds Association (“SFA”) dated 16 May 2008, the ACD is providing the below additional information regarding performance.

#### Total Expense Ratio (“TER”)

Following a Guideline of the SFA dated 16 May 2008, the ACD is required to publish a TER for the Fund for the first part of the current accounting year and the second part of the previous accounting year. The TER has been established by the ACD and draws upon the data contained in the “Statement of total return” (Managers’ management fee, registration fees, depositary fees, safe custody charges, audit fees, Financial Services Authority (“FSA”) and other regulatory fees and taxation fees as well as any further fees and costs listed in the “Statement of total return” account and which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above Guideline.

The TER for each class for the year ending 31 July 2017 and year ending 31 July 2016 are as follows:

	TER as at 31 July 2017 %	TER as at 31 July 2016 %
Baring Global Agriculture Fund - Class A GBP Acc	1.82	1.82
Baring Global Agriculture Fund - Class A EUR Acc	1.82	1.82
Baring Global Agriculture Fund - Class A USD Acc	1.82	1.82
Baring Global Agriculture Fund - Class I GBP Acc	1.07	1.07
Baring Global Agriculture Fund - Class I USD Acc	1.07	1.07
Baring Global Agriculture Fund - Class X GBP Acc	0.32	0.32

## **General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (continued)**

### **Trailer Fees and Reimbursements**

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

- authorised sales agents (distributors) within the meaning of Article 19, Para 1, Collective Investment Schemes Act ("CISA");
- sales agents (distributors) exempted from the authorisation requirement within the meaning of Article 19, Para 4, CISA;
- sales partners who place fund shares exclusively with institutional investors with professional treasury facilities; and/or
- sales partners who place fund shares 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 shares for third parties:

- life insurance companies (in respect of fund shares 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 shares held for the account of beneficiaries);
- investment foundations (in respect of fund shares held for the account of in-house funds);
- Swiss fund management companies (in respect of fund shares held for the account of the funds managed); and
- foreign fund management companies and providers (in respect of fund shares held for the account of managed funds and investing shareholders); and/or
- investment companies (in respect of the investment of the company assets).

## General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (continued)

### Performance record to 31 July 2017

	01/08/2016 - 31/07/2017 %	01/08/2015 - 31/07/2016 %	01/08/2014 - 31/07/2015 %	01/08/2013 - 31/07/2014 %	01/08/2012 - 31/07/2013 %
Baring Global Agriculture Fund - Class A GBP Acc (GBP terms)	12.70	10.01	5.46	(0.56)	8.67
DAX Global Agribusiness Total, Gross Return (GBP terms)	14.46	10.79	6.88	0.48	6.90
Baring Global Agriculture Fund - Class A EUR Acc (EUR terms)	6.28	(7.97)	18.65	9.55	(2.40)
Baring Global Agriculture Fund - Class A USD Acc (USD terms)	12.22	(6.86)	(2.67)	10.47	5.34
Baring Global Agriculture Fund - Class I GBP Acc (GBP terms)	13.56	10.99	6.33	0.28	9.66
Baring Global Agriculture Fund - Class I USD Acc (USD terms)*	13.88	16.91	N/A	N/A	N/A
Baring Global Agriculture Fund - Class X GBP Acc (GBP terms)	14.35	11.93	7.17	1.10	10.47

Performance figures are shown net of fees and charges, on a published NAV per share basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings/DAX Global Agribusiness Index.

\* The Class I USD Acc share class was launched on 20 January 2016.

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The Fund was launched on 16 January 2009.

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

## Fund information

Change in net assets per share	Baring Global Agriculture Fund - Class A GBP Acc			Baring Global Agriculture Fund - Class A EUR Acc		
	31/07/2017 (p)	31/07/2016 (p)	31/07/2015 (p)	31/07/2017 (€)	31/07/2016 (€)	31/07/2015 (€)
Opening net asset value per share	183.26	166.84	158.04	2.179	2.371	1.998
Return before operating charges	23.37	16.45	8.83	0.178	(0.152)	0.413
Operating charges (calculated at average price)	(0.04)	(0.03)	(0.03)	(0.040)	(0.040)	(0.040)
Return after operating charges	23.33	16.42	8.80	0.138	(0.192)	0.373
Closing net asset value per share	206.59	183.26	166.84	2.317	2.179	2.371
Retained distributions on Acc on shares	0.00	0.26	0.00	0.00	0.01	0.00
After direct transaction costs*	0.35	0.59	0.77	0.35	0.59	0.77
<b>Performance</b>						
Return after charges	12.73%	9.84%	5.57%	6.33%	(8.10%)	18.67%
<b>Other information</b>						
Closing net asset value (£'000/€000)	4,668	5,170	11,479	541	1,280	1,275
Closing number of shares	2,259,422	2,821,249	6,879,994	233,651	587,238	537,687
Operating charges	1.83%	1.83%	1.65%	1.83%	1.83%	1.65%
Direct transaction costs	0.16	0.35	0.42	0.16	0.35	0.42
<b>Prices**</b>						
Highest share price	212.70	184.60	184.50	2.486	2.403	2.599
Lowest share price	180.90	140.00	154.70	2.134	1.875	1.946

\* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Fund and share class returns before operating charges.

\*\* High/low prices included in the table above are for the accounting year from 1 August to 31 July.

## Fund information (continued)

Change in net assets per share	Baring Global Agriculture Fund - Class A USD Acc			Baring Global Agriculture Fund - Class I GBP Acc		
	31/07/2017 (\$)	31/07/2016 (\$)	31/07/2015 (\$)	31/07/2017 (p)	31/07/2016 (p)	31/07/2015 (p)
Opening net asset value per share	2.428	2.609	2.681	192.96	174.16	163.85
Return before operating charges	0.348	(0.141)	(0.032)	26.24	18.82	10.33
Operating charges (calculated at average price)	(0.050)	(0.040)	(0.040)	(0.02)	(0.02)	(0.02)
Return after operating charges	0.298	(0.181)	(0.072)	26.22	18.80	10.31
Closing net asset value per share	2.726	2.428	2.609	219.18	192.96	174.16
Retained distributions on Acc on shares	0.00	0.01	0.00	1.01	1.79	1.19
After direct transaction costs*	0.35	0.59	0.77	0.35	0.59	0.77
<b>Performance</b>						
Return after charges	12.27%	(6.94%)	(2.69%)	13.59%	10.79%	6.29%
<b>Other information</b>						
Closing net asset value (\$'000/£'000)	10,705	12,212	10,142	36,381	34,346	42,723
Closing number of shares	3,927,614	5,030,163	3,887,221	16,599,052	17,799,546	24,530,363
Operating charges	1.83%	1.83%	1.65%	1.08%	1.08%	0.91%
Direct transaction costs	0.16	0.35	0.42	0.16	0.35	0.42
<b>Prices**</b>						
Highest share price	2.740	2.642	2.854	225.10	194.30	192.50
Lowest share price	2.358	2.084	2.485	190.50	146.50	160.70

\* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Fund and share class returns before operating charges.

\*\* High/low prices included in the table above are for the accounting year from 1 August to 31 July.

## Fund information (continued)

Change in net assets per share	Baring Global Agriculture Fund - Class I USD Acc*			Baring Global Agriculture Fund - Class X GBP Acc		
	31/07/2017 (\$)	31/07/2016 (\$)	31/07/2015 (\$)	31/07/2017 (p)	31/07/2016 (p)	31/07/2015 (p)
Opening net asset value per share	2.500	-	-	208.80	187.07	174.80
Return before operating charges	0.430	2.530	-	30.16	21.74	12.27
Operating charges (calculated at average price)	(0.030)	(0.030)	-	(0.01)	(0.01)	0.00
Return after operating charges	0.400	2.500	-	30.15	21.73	12.27
Closing net asset value per share	2.900	2.500	-	238.95	208.80	187.07
Retained distributions on Acc on shares	0.020	0.020	-	2.15	3.28	2.74
After direct transaction costs**	0.35	0.59	-	0.35	0.59	0.77
<b>Performance</b>						
Return after charges	16.00%	-	-	14.44%	11.61%	7.02%
<b>Other information</b>						
Closing net asset value (\$/£'000)	29	25	-	18,069	17,320	20,327
Closing number of shares	10	10	-	7,562,139	8,295,355	10,865,803
Operating charges	1.08%	1.08%	-	0.33%	0.33%	0.15%
Direct transaction costs	0.16	0.35	-	0.16	0.35	0.42
<b>Prices***</b>						
Highest share price	2.910	2.560	-	244.70	210.20	206.50
Lowest share price	2.470	2.170	-	206.10	157.50	171.60

\* The Class I USD Acc share class was launched on 20 January 2016.

\*\* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Fund and share class returns before operating charges.

\*\*\* High/low prices included in the table above are for the accounting year from 1 August to 31 July.

## Fund information (continued)

### Other relevant published prices

Accounting year		Baring Global Agriculture Fund - Class A GBP Acc (pence per share)
16/01/2009	Launch date	100.00
31/07/2017	Financial statements date	206.80
05/10/2017	Latest date	213.20

Accounting year		Baring Global Agriculture Fund - Class A EUR Acc (€ per share)
16/06/2009	Launch date	1.000
31/07/2017	Financial statements date	2.319
05/10/2017	Latest date	2.399

Accounting year		Baring Global Agriculture Fund - Class A USD Acc (\$ per share)
05/03/2010	Launch date	2.238
31/07/2017	Financial statements date	2.728
05/10/2017	Latest date	2.825

Accounting year		Baring Global Agriculture Fund - Class I GBP Acc (pence per share)
26/02/2010	Launch date	142.70
31/07/2017	Financial statements date	219.40
05/10/2017	Latest date	226.50

Accounting year		Baring Global Agriculture Fund - Class I USD Acc (\$ per share)
20/01/2016	Launch date	2.176
31/07/2017	Financial statements date	2.897
05/10/2017	Latest date	3.009

Accounting year		Baring Global Agriculture Fund - Class X GBP Acc (pence per share)
16/01/2009	Launch date	100.00
31/07/2017	Financial statements date	239.10
05/10/2017	Latest date	247.20

## Report of the Authorised Corporate Director

### The risk and reward profile

	SRRRI Risk category* 31/07/2017	SRRRI Risk category* 31/07/2016
Baring Global Agriculture Fund - Class A GBP Acc	5	6
Baring Global Agriculture Fund - Class A EUR Acc	5	6
Baring Global Agriculture Fund - Class A USD Acc	5	6
Baring Global Agriculture Fund - Class I GBP Acc	5	6
Baring Global Agriculture Fund - Class I USD Acc	5	6
Baring Global Agriculture Fund - Class X GBP Acc	6	6

\* The Synthetic Risk and Reward Indicator ("SRRRI") is not a measure of the risk of capital loss, but a measure of the Baring Global Agriculture Fund's ("the Fund's") price movement over time, the higher the number, the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Fund. The risk category shown is in line with the Key Investor Information Document ("KIID") at year-end, is not guaranteed and may change over time. The risk categories are measured from 1-7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Fund is classified in the category indicated due to past movements in the Fund's price. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest. The SRRRI figures presented are as of 31 July 2017 and have changed during the year as follows: Class A GBP Acc, Class A EUR Acc, Class A USD Acc, Class I GBP Acc and Class I USD Acc moved from 6 as at 31 July 2016 to 5 as at 31 July 2017.

### Performance

Agricultural Machinery was the best performing sector in the asset class with US-listed holdings Deere and AGCO being the standout stocks as these companies consistently exceeded market expectations over the year. Deere and AGCO are both world-class manufacturers that have done an admirable job in managing margins and are well-positioned for the upturn in the industry, which is now finally coming through following three years of declining global machinery sales. In particular, Brazilian and Argentinean machinery sales have risen considerably, aided by the replacement cycle of equipment and improved access to financing for Brazilian farmers.

The Fertiliser sector also bounced from depressed levels as investors anticipated an inflection in pricing from low levels. Mergers and acquisitions continued in the Agro Chemical sector with major North American fertiliser producers Potash Corporation of Saskatchewan and Agrium agreeing to a merger of equals. We are positive on this combination as management are highlighting \$500 million synergies, which is significant in context of the overall current profitability of both companies.

The Fund underperformed the performance comparator, which was due to the fact that the Fund was incorrectly positioned in October and November last year for the sharp market rotation to more economically cyclical and value sectors. More positively, North American timber stocks contributed to performance due to high wood products pricing driven by an improving US housing market and US tariffs on Canadian lumber imports. In the Health and Wellness sector, Australian fruit and vegetable grower Costa Group outperformed due to strong underlying growth and good acquisitions in expanding the product profile to include avocado plantations. Irish listed tropical fruit, plantation and distributor Fyffes added positively to performance, receiving a bid from Japanese trading company Sumitomo Corporation at a 49% premium in December 2016.

## Report of the Authorised Corporate Director (continued)

The top ten purchases and sales during the year were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Bunge	3,027	Syngenta	7,297
Archer-Daniels-Midland	2,291	Monsanto	3,403
Potash Corporation of Saskatchewan	2,085	Glanbia	3,053
Wilmar International	2,061	Pilgrim's Pride	2,737
Agrium	1,988	AGCO	2,525
Pilgrim's Pride	1,772	Kubota	2,445
Weyerhaeuser	1,737	Fyffes	2,058
Mondi	1,667	Brazil Foods ADR	1,778
Interfor	1,666	Yara International	1,769
Yara International	1,502	Weyerhaeuser	1,737

### Market outlook

We believe that global farmer economics are robust with South America being the most buoyant region following a record crop in Brazil and reduced grains and soybean export taxes in Argentina. In Europe, the recovery in dairy prices is providing a helpful support, which is important as dairy is a large part of the European farm economy. In addition, the UK farmer has gained from the weakness of the British pound, as the UK is a net importer of wheat and farmers still receive subsidies in euros from the European Union. In North America, the cash flow of farmers was boosted by the record harvest last year. In Asia, crude palm oil prices remain at very profitable levels for the industry.

In terms of grains and edible oils pricing, this has been in a trading range since the second half of 2014 as we have built significant global inventories following three successive years of bumper global harvests. We think grains and edible oils pricing is likely to continue to trade in a range unless we have a significant weather event in a major growing region. In our view, this is a supportive backdrop for agricultural products and services throughout the value chain as farmers are profitable and processors have access to relatively inexpensive grain and edible oil inputs, which is supportive for their margins.

At the current crop price levels, we believe that farmers remain incentivised to maximise production by applying optimum levels of fertiliser, crop protection products and the best seeds. In fertiliser, we think that pricing is likely at a trough, although the scale of pricing recovery is likely to be slow. However, we are positive on North American fertiliser companies Potash Corporation of Saskatchewan and Agrium given the synergies that they should be able to realise through their merger, which we believe will drive earnings growth.

In Seed and Crop protection, there has been a lot of consolidation. The Bayer acquisition of Monsanto is due to be completed at the end of the year. We own generic crop protection companies, which have taken market share from the innovators. In addition, we own the Irish listed Origin Enterprises, which provides advice and crop inputs for British and Eastern European farmers. We are positive on Origin Enterprises as British farmer profitability is recovering and the company is growing in Eastern Europe through consolidating the market.

We are constructive on the Agricultural Machinery market as the replacement cycle combined with farmer economics should lead to higher sales next year from what is still a low historical level. Deere and AGCO remain core holdings for the Fund due to the strength of their franchises, market position and excellent management teams.

We believe that US meat processing margins will remain strong as US meat remains very competitive due to a low cost position and good domestic demand combined with excellent export demand. In processing and distribution, the outlook is more mixed. We do remain positive on the US high fructose corn syrup industry due to the high utilisation rate of the industry. US ethanol industry margins are likely to continue to be volatile. The soybean processing margin outlook varies depending on the region.

## Report of the Authorised Corporate Director (continued)

### Market outlook (continued)

The Health and Wellness theme remains on track as consumers continue to demand healthier food on a global basis. This is reinforced by governments encouraging consumption of healthier foods through taxation of unhealthy foods such as the proposed sugar tax on carbonated soft drinks in the UK. The Fund is invested in nearly the entire value chain to produce healthier food, from growers to companies involved in making food healthier through enhancing food formulations such as ingredient solutions and flavours and fragrances companies.

### Baring Asset Management Limited

#### August 2017

*Baring Asset Management Limited (“the Investment Manager”) gives their portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.*

### Revenue

	Revenue available per share as at 31/07/2017	Revenue available per share as at 31/07/2016	Annualised net yield as at 31/07/2017	Annualised net yield as at 31/07/2016
Baring Global Agriculture Fund - Class A GBP Acc	Nil	0.2621p	Nil	0.14%
Baring Global Agriculture Fund - Class A EUR Acc	Nil	€0.0062	Nil	0.28%
Baring Global Agriculture Fund - Class A USD Acc	Nil	US\$0.0075	Nil	0.31%
Baring Global Agriculture Fund - Class I GBP Acc	1.0093p	1.5907p	0.55%	0.92%
Baring Global Agriculture Fund - Class I USD Acc	US\$0.0236	US\$0.0184	1.02%	0.72%
Baring Global Agriculture Fund - Class X GBP Acc	2.1524p	2.5475p	1.27%	1.57%

### Post balance sheet events

After the year-end, market fluctuations have resulted in changes to the published prices. These are shown in the “Other relevant published prices” table on page 17.

As of 29 August 2017, the Prospectus was updated to include the following:

#### Investment objective and policy

The investment objective and policy wording is being updated to better and more clearly explain how Baring Global Agriculture Fund (“the Fund”) is managed. The changes do not affect how the Fund is managed or its risk profile. The Financial Conduct Authority (“FCA”) has confirmed that the changes do not affect the ongoing authorisation of the Fund.

## **Report of the Authorised Corporate Director (continued)**

### **Post balance sheet events (continued)**

The current and updated investment objective and policy wording is set out below:

#### **Current Investment objective and policy**

The investment objective of Baring Global Agriculture Fund (“the Fund”), a sub-fund of Baring Investment Umbrella Fund (“the Company”), is to achieve long-term growth in the value of assets, predominantly by investing in companies where the majority of earnings are derived from activities related to any commodities which are grown or raised, commonly known as agricultural or soft commodities. Examples of this type of company include seed and fertiliser manufacturers, agricultural producers including fish farmers, logistics and transportation operators, food processors, food wholesalers, food retailers and companies involved in the process of desalination.

The policy of the Fund is to deliver the objective by investing in equities and equity derivatives of companies quoted on any eligible investment exchange around the world. Up to 10% of the net asset value of the Fund may be invested in the commodity markets through an exchange traded fund. The Fund can use derivative instruments for the purposes of efficient portfolio management and to meet the investment objective.

#### **Updated Investment objective and policy**

The investment objective of the Fund is to achieve long-term capital growth by investing in the agricultural sector.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities in any company, including those in developed and emerging markets, where the majority of earnings of issuers or holding companies are derived from activities related to any commodities which are grown or raised, commonly known as agricultural or soft commodities.

These companies are likely to encompass, without being limited to: fertiliser, agricultural machinery, animal feed, seed and crop protection manufacturers, agricultural producers including farms, plantations and aquaculture, crop processors, grain and edible oil handlers and distributors, timber, pulp and paper, food ingredient companies, food manufacturers and food retailers.

For the remainder of its total assets, the Fund may invest outside of the agricultural sector as well as in fixed income and cash.

While the Fund will aim to diversify its investments, allocation to certain countries may be more than 30% of its total assets depending on Baring Asset Management Limited’s (“the Investment Manager’s”) assessment at different times.

In order to implement the investment policy, the Fund may gain exposure through American depository receipts, global depository receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Fund may also invest in investment funds and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management and for investment purposes.

This has been reflected on page 4 of this report.

#### **Change to Dilution Adjustment Policy**

The Dilution Adjustment Policy has been updated to allow us to better protect the interests of shareholders already in, or remaining in, the Fund when large levels of net inflows or net outflows take place by ensuring that the costs of these purchases or sales are borne by the relevant shareholders entering or exiting the Fund.

#### **Report and Accounts**

The obligation to produce and publish short reports ceased to apply from 22 November 2016, as communicated by the FCA. Barings will, therefore, no longer publish and distribute any short reports due for the Fund after this date. Copies of the long report and accounts will continue to be available in the ‘Funds’ section of the Baring Asset Management website at [www.barings.com](http://www.barings.com) and are also available on request. Any queries in relation to fund reporting should be directed to +44 (0) 333 300 0372.

## Portfolio information

### Major holdings - % of total net assets

Top ten holdings	31/07/2017 %	31/07/2016 %
Deere	8.25	4.41
Tyson Foods	7.59	8.59
Potash Corp of Saskatchewan	7.55	3.98
Agrium	6.21	3.03
Monsanto	4.55	9.06
Tate & Lyle	4.47	4.52
Wilmar International	4.22	1.43
Archer-Daniels-Midland	4.00	1.92
AGCO	3.83	4.27
Kubota	3.29	6.05

### Geographical breakdown - % of total net assets

Country	31/07/2017 %	31/07/2016 %
Argentina	2.43	1.78
Australia	5.18	3.99
Austria	1.24	0.00
Brazil	1.38	3.21
Canada	17.30	11.70
Germany	1.18	2.19
Hong Kong	1.82	0.00
India	2.55	0.84
Ireland	5.40	8.15
Japan	3.29	6.05
Netherlands	0.00	1.58
Norway	2.32	1.59
Singapore	7.19	5.40
Sweden	1.37	2.62

## Portfolio information (continued)

### Geographical breakdown - % of total net assets (continued)

Country	31/07/2017 %	31/07/2016 %
Switzerland	0.00	7.24
Turkey	0.84	0.99
Ukraine	0.55	0.00
United Kingdom	6.38	4.52
United States	38.92	37.96

### Asset type breakdown - % of total net assets

Asset type	31/07/2017 %	31/07/2016 %
Investment Funds †	3.24	1.80
Equities	96.10	98.01
Net other assets	0.66	0.19

† Shares in Investment Funds listed in Ireland. Uninvested cash from the Baring Global Agriculture Fund ("the Fund") is swept into this fund daily.

## Responsibilities of the Authorised Corporate Director

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (“the Authorised Corporate Director” or the “ACD”) to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Baring Investment Umbrella Fund (“the Company”) and of its net revenue and net losses for the year. In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (“the IMA SORP 2014”);
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that Baring Global agriculture (“the Fund”) will continue in operation.

The ACD confirms that it has complied with the above requirements in preparing the financial statements. The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, Prospectus and the COLL. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Responsibilities of the Depositary

National Westminster Bank Plc (“the Depositary”) must ensure that Baring Investment Umbrella Fund (“the Company”) is managed in accordance with the Collective Investment Schemes sourcebook (“COLL”), as amended, the Fund’s Instrument of Incorporation and Prospectus in relation to the pricing of, and dealings in, shares in the Company; the application of the revenue of the Company; and the investment and borrowing of the Company.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company’s cash flows are properly monitored (this requirement on the Depositary applied from 18 March 2016) and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company’s assets is remitted to the Company within the usual time limits;
- the Company’s income is applied in accordance with the Regulations; and
- the instructions of the ACD are carried out (unless they conflict with the Regulations).

## **Report of the Depositary to the shareholders for the year ended 31 July 2017**

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of Baring Investment Umbrella Fund (“the Company”), it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through Baring Fund Managers Limited (“the Authorised Corporate Director” or “ACD”):

- has carried out the issue, sale, redemption, cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Collective Investment Schemes sourcebook (“COLL”), the Instrument of Incorporation and Prospectus, and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc  
Trustee & Depositary Services  
London 9 October 2017

## Directors' statement

The financial statements on pages 32 to 52 were approved by Baring Fund Managers Limited ("the Authorised Corporate Director" or "ACD") and signed on its behalf by:

D. STEVENSON                      Director

J. SWAYNE                          Director

London 9 October 2017

## Portfolio statement

as at 31 July 2017

Holding	Investment Funds: 3.24% (1.80%)	Bid-Market value (£)	Percentage of total net assets (%)
2,186,000	Northern Trust Global Funds - Sterling Fund †	2,186,000	3.23
5,000	Northern Trust Global Funds - US Dollar Fund †	3,810	0.01
		<b>2,189,810</b>	<b>3.24</b>
	<b>Equities: 96.10% (98.01%)</b>		
	<b>Argentina: 2.43% (1.78%)</b>		
215,791	Adecoagro	<b>1,645,891</b>	<b>2.43</b>
	<b>Australia: 5.18% (3.99%)</b>		
445,984	Costa Group	1,294,855	1.91
558,991	Inghams	1,154,403	1.70
207,121	Nufarm	1,063,052	1.57
		<b>3,512,310</b>	<b>5.18</b>
	<b>Austria: 1.24% (0.00%)</b>		
6,241	Lenzing	<b>840,519</b>	<b>1.24</b>
	<b>Brazil: 1.38% (3.21%)</b>		
218,500	Sao Martinho	<b>934,328</b>	<b>1.38</b>
	<b>Canada: 17.30% (11.70%)</b>		
55,332	Agrium	4,205,131	6.21
50,000	AGT Food & Ingredients	792,808	1.17
134,394	Interfor	1,610,542	2.38
377,065	Potash Corporation of Saskatchewan	5,116,982	7.54
		<b>11,725,463</b>	<b>17.30</b>
	<b>Germany: 1.18% (2.19%)</b>		
15,053	Symrise	<b>797,057</b>	<b>1.18</b>
	<b>Hong Kong: 1.82% (0.00%)</b>		
1,724,000	WH	<b>1,232,826</b>	<b>1.82</b>
	<b>India: 2.55% (0.84%)</b>		
78,549	PI Industries	713,585	1.05
98,114	UPL	1,018,757	1.50
		<b>1,732,342</b>	<b>2.55</b>
	<b>Ireland: 2.16% (6.35%)</b>		
251,324	Origin Enterprises	<b>1,461,972</b>	<b>2.16</b>

## Portfolio statement

as at 31 July 2017

Holding	Equities: 96.10% (98.01%) (continued)	Bid-Market value (£)	Percentage of total net assets (%)
	<b>Japan: 3.29% (6.05%)</b>		
168,600	Kubota	<b>2,229,510</b>	<b>3.29</b>
	<b>Netherlands: 0.00% (1.58%)</b>		
	<b>Norway: 2.32% (1.59%)</b>		
56,195	Borregaard	528,681	0.78
34,752	Yara International	1,043,895	1.54
		<b>1,572,576</b>	<b>2.32</b>
	<b>Singapore: 7.19% (5.40%)</b>		
1,917,400	First Resources	2,012,854	2.97
1,531,200	Wilmar International	2,862,425	4.22
		<b>4,875,279</b>	<b>7.19</b>
	<b>Sweden: 1.37% (2.62%)</b>		
16,678	AAK	<b>930,876</b>	<b>1.37</b>
	<b>Switzerland: 0.00% (7.24%)</b>		
	<b>Turkey: 0.84% (0.99%)</b>		
32,019	Turk Traktor ve Ziraat Makineleri	<b>569,197</b>	<b>0.84</b>
	<b>Ukraine: 0.55% (0.00%)</b>		
28,255	Kernel	<b>374,122</b>	<b>0.55</b>
	<b>United Kingdom: 6.38% (4.52%)</b>		
64,588	Mondi	1,294,344	1.91
452,395	Tate & Lyle	3,031,047	4.47
		<b>4,325,391</b>	<b>6.38</b>
	<b>United States: 38.92% (37.96%)</b>		
47,406	AGCO	2,598,227	3.83
85,104	Archer-Daniels-Midland	2,710,566	4.00
27,728	Bunge	1,686,625	2.49
35,569	CF Industries	785,423	1.16
56,880	Deere	5,587,017	8.25
57,873	Green Plains	873,122	1.29
15,214	Ingredion	1,422,632	2.10
34,415	Monsanto	3,079,886	4.55

## Portfolio statement

as at 31 July 2017

		Bid-Market value (£)	Percentage of total net assets (%)
<b>Holding</b>	<b>Equities: 96.10% (98.01%)</b> (continued)		
	<b>United States: 38.92% (37.96%)</b> (continued)		
32,364	Titan Machinery	442,157	0.65
107,065	Tyson Foods	5,140,326	7.59
81,226	Weyerhaeuser	2,038,077	3.01
		<b>26,364,058</b>	<b>38.92</b>
	<b>Portfolio of Investments: 99.34% (99.81%)</b>	<b>67,313,527</b>	<b>99.34</b>
	Net other assets	445,473	0.66
	<b>Net Assets</b>	<b>67,759,000</b>	<b>100.00</b>

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 July 2016.

† Shares in Investment Funds listed in Ireland. Uninvested cash from the Baring Global agriculture Fund ("the Fund") is swept into this fund daily.

## **Independent Auditors' report to the shareholders of Baring Investment Umbrella Fund**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Baring Investment Umbrella Fund's financial statements (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and its sub-fund as at 31 July 2017 and of the net revenue and the net capital gains on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Baring Investment Umbrella Fund (the "company") is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of total return, and the statement of change in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or its sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or the sub-fund's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

#### *Authorised Corporate Director's Report*

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditors' report to the shareholders of Baring Investment Umbrella Fund**

(continued)

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the Authorised Corporate Director for the financial statements*

As explained more fully in the Responsibilities of the Authorised Corporate Director set out on page 24, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or its sub-fund, or has no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, 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.

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### **Collective Investment Schemes sourcebook exception reporting**

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

9 October 2017

- a) The maintenance and integrity of the Baring Asset Management Limited website is the responsibility of the Fund's Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of total return

for the year ended 31 July 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		8,433		4,736
Revenue	3	1,280		1,544	
Expenses	4	(720)		(691)	
Interest payable and other similar charges		(1)		-	
Net revenue before taxation		559		853	
Taxation	5	(149)		(177)	
Net revenue after taxation			410		676
<b>Total return before distributions</b>			<b>8,843</b>		<b>5,412</b>
Distributions	6		(443)		(680)
<b>Change in the net assets attributable to shareholders from investment activities</b>			<b>8,400</b>		<b>4,732</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 July 2017

		2017		2016	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			<b>67,182</b>		<b>81,940</b>
Amounts receivable on issue of shares		20,726		20,536	
Amounts payable on cancellation of shares		(28,992)		(40,677)	
			(8,266)		(20,141)
Dilution adjustment			9		16
Change in the net assets attributable to shareholders from investment activities			8,400		4,732
Retained distribution on accumulation shares	6		434		635
<b>Closing net assets attributable to shareholders</b>			<b>67,759</b>		<b>67,182</b>

## Balance sheet

as at 31 July 2017

		31/07/2017	31/07/2016
	Notes	£'000	£'000
<b>Assets:</b>			
Investment assets	15	67,314	67,052
<b>Current assets:</b>			
Cash and bank balances	9	19	19
Debtors	8	741	804
Total assets		<u>68,074</u>	<u>67,875</u>
<b>Liabilities:</b>			
Other creditors	10	(315)	(693)
Total liabilities		<u>(315)</u>	<u>(693)</u>
<b>Net assets attributable to shareholders</b>		<u><u>67,759</u></u>	<u><u>67,182</u></u>

## Notes to the financial statements

for the year ended 31 July 2017

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (“the IMA SORP 2014”). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

#### Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 31 July 2017, being the last working day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

#### Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 July 2017, being the last working day of the accounting year.

#### Recognition of revenue

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Bank interest, interest on debt securities and other revenue are recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue.

#### Multi-share class apportionment

The Baring Global Agriculture Fund (“the Fund”) has six share classes: Class A GBP Acc, Class A EUR Acc, Class A USD Acc, Class I GBP Acc, Class I USD Acc and Class X GBP Acc. The management charge allocation is detailed within the notes to the financial statements. All other revenue and expenses are apportioned to the Fund’s share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expenses are recognised.

#### Special dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Fund’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Distribution policy

The policy of the Fund is to accumulate all available revenue, excluding any items treated as capital, in accordance with the accounting policies and after deduction of expenses properly chargeable against revenue. All remaining revenue is accumulated in accordance with the Collective Investment Schemes sourcebook (“COLL”).

#### Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 1. Accounting policies (continued)

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing differences do not arise. Deferred tax assets arising from unutilised expenses or excess unrelieved foreign tax are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

#### Dilution adjustment

The Fund is single-priced and as a result may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment which means we will change the price (up or down) at which you buy or sell. Please refer to the Prospectus for further details.

### 2. Net capital gains

The net capital gains/(losses) during the year comprise:

	2017	2016
	£'000	£'000
Non-derivative securities	8,383	5,009
Forward currency contracts	(3)	17
Currency gains/(losses)	58	(284)
Transaction charges	(5)	(6)
Net capital gains	8,433	4,736

### 3. Revenue

	2017	2016
	£'000	£'000
Offshore Interest Investment Fund Revenue	2	5
Overseas dividends	1,119	1,428
Franked UK dividends	159	111
	1,280	1,544

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 4. Expenses

	2017 £'000	2016 £'000
<b>Payable to the Baring Fund Managers Limited (“the Authorised Corporate Director” or “ACD”) or associates of the ACD:</b>		
ACD service charge	492	476
	<hr/>	<hr/>
	492	476
<b>Payable to National Westminster Bank Plc (“the Depositary”) or associates of the Depositary:</b>		
Depositary’s fee	17	16
Safe custody charges	15	13
	<hr/>	<hr/>
	32	29
<b>Other expenses:</b>		
Audit fees	13	11
American Depositary Receipt (“ADR”) fees	5	5
Listing fees	11	11
Legal fees	49	51
Professional fees*	21	14
Printing fees	23	25
Registration fees	42	47
Regulatory	21	12
Taxation fees*	8	7
Standing charges	3	3
	<hr/>	<hr/>
	196	186
	<hr/>	<hr/>
<b>Total expenses</b>	<b>720</b>	<b>691</b>

\* Professional fees of £6,224 (31 July 2016: £8,973) and taxation fees relate to PricewaterhouseCoopers LLP (“PwC”) or an affiliate of PwC.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 5. Taxation

	2017 £'000	2016 £'000
<b>a) Analysis of charge in year:</b>		
Overseas withholding tax	149	177
Current tax charge (note 5b)	149	177
Deferred tax (note 5c)	-	-
	<u>149</u>	<u>177</u>

### b) Factors affecting taxation charge of the year:

The tax assessed for the year is higher (31 July 2016: higher) than the standard rate of corporation tax in the UK for an authorised share fund, which is 20% (31 July 2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Net revenue before taxation	<u>559</u>	<u>853</u>
Corporation tax at 20%	112	171
Effects of:		
Overseas withholding tax	149	177
Overseas dividends (not taxable)	(229)	(278)
UK dividends (not taxable)	(32)	(22)
Current year expenses not utilised	149	129
Total tax charge for the year (note 5a)	<u>149</u>	<u>177</u>

### c) Deferred tax

Provision at the start of the year	-	-
Deferred tax charge in the year	-	-
Provision at the end of the year	-	-
	<u>-</u>	<u>-</u>

At the year-end, there was an unrecognised potential tax asset of £13,919 (31 July 2016: £162,953) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Fund's revenue or capital gains changes.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	2017 £'000	2016 £'000
Interim accumulation	104	101
Final accumulation	330	534
	<b>434</b>	635
Add: Revenue deducted on cancellation of shares	23	77
Deduct: Revenue received on issue of shares	(14)	(31)
	<b>443</b>	681
Interest	1	-
Total finance costs	<b>444</b>	681

Details of the distributions per share are set out in the distribution tables on pages 50 - 52.

### 7. Movement between net revenue and distributions

	2017 £'000	2016 £'000
Net revenue after taxation	410	676
Retail Distribution Review ("RDR") conversions	-	5
Shortfall of income taken to capital	33	-
	<b>443</b>	681

### 8. Debtors

	2017 £'000	2016 £'000
Accrued revenue	151	81
Amounts receivable for creation of shares	204	170
Currency deals receivable	56	224
Overseas tax recoverable	14	77
Sales awaiting settlement	316	252
	<b>741</b>	804

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 9. Cash and bank balances

	2017	2016
	£'000	£'000
Cash and bank balances	19	19

### 10. Creditors

	2017	2016
	£'000	£'000
Accrued expenses	158	163
Amounts payable for cancellation of shares	97	305
Currency deals payable	56	225
Purchases awaiting settlement	4	-
	315	693

### 11. Contingent liabilities

There were no contingent liabilities at the year-end date (31 July 2016: £nil).

### 12. Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of net revenue included in the purchase price of all Group 2 shares. In the case of Income ("Inc") shares, it is refunded as part of a shareholder's first distribution. In the case of Accumulation ("Acc") shares, it is automatically reinvested in the relevant Fund at the first distribution payment date after the shares were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### 13. Financial instruments

In pursuing its investment objective set out on page 4, the Fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, and floating rate securities. These are held in accordance with the Fund's investment objective and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity; and
- derivative instruments for the purpose of investment and efficient portfolio management.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 14. Risks of financial instruments

The risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews (and agrees with the Depositary) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 July 2016: same).

- *Market risk* - arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that accumulation and disposal of holdings may be time-consuming and may need to be conducted at unfavourable prices. Volatility of prices can be greater than in the developed world. This may result in considerable volatility in the price of a share of a particular fund and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which would have an adverse effect on the price of a share of the particular fund.

The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The ACD can use derivative instruments to hedge the investment portfolio against market risk, as in its opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Sensitivity analysis

At 31 July 2017, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables held constant, then the net assets attributable to shareholders would increase or decrease by approximately £3.37 million (31 July 2016: £3.35 million).

- *Foreign Currency risk* - the revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as a proportion of the Fund's assets and revenue are denominated in currencies other than sterling, which is the Fund's functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Fund. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Fund. The Fund converts all receipts of foreign currency revenue into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 14. Risks of financial instruments (continued)

These net assets consist of the following:

Currency exposure for the year ended 31 July 2017:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	3,512	-	3,512
Brazilian real	934	-	934
Canadian dollar	2,403	-	2,403
Euro	3,100	14	3,114
Indian rupee	1,732	-	1,732
Hong Kong forint	1,233	-	1,233
Japanese yen	2,230	17	2,247
Norwegian krone	1,573	-	1,573
Polish zloty	374	-	374
Singapore dollar	4,875	-	4,875
Swedish krona	931	-	931
Turkish lira	569	-	569
US dollar	37,336	52	37,388
	<b>60,802</b>	<b>83</b>	<b>60,885</b>

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 14. Risks of financial instruments (continued)

Currency exposure for the year ended 31 July 2016:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	2,677	-	2,677
Brazilian real	460	19	479
Canadian dollar	3,153	-	3,153
Euro	6,810	23	6,833
Indian rupee	564	-	564
Japanese yen	4,061	38	4,099
Malaysian ringgit	-	5	5
Norwegian krone	1,066	-	1,066
Singapore dollar	3,625	-	3,625
Swedish krona	1,756	-	1,756
Swiss franc	4,865	54	4,919
Turkish lira	668	271	939
US dollar	33,117	8	33,125
	<hr/>	<hr/>	<hr/>
	62,822	418	63,240

#### Sensitivity analysis

At 31 July 2017, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to shareholders would increase or decrease by approximately £0.61 million (31 July 2016: £0.63 million).

- *Interest rate risk* - the Fund may invest in both fixed rate and floating rate securities, and any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will in general have the opposite effect.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 14. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate	Fixed rate	Non interest bearing	Total
	31/07/2017	31/07/2017	31/07/2017	31/07/2017
	£'000	£'000	£'000	£'000
Portfolio of investments	-	-	67,314	67,314
Cash at bank	19	-	-	19
Other assets	-	-	741	741
Liabilities	-	-	(315)	(315)
	<b>19</b>	<b>-</b>	<b>67,740</b>	<b>67,759</b>

	Floating rate	Fixed rate	Non interest bearing	Total
	31/07/2016	31/07/2016	31/07/2016	31/07/2016
	£'000	£'000	£'000	£'000
Portfolio of investments	-	-	67,052	67,052
Cash at bank	19	-	-	19
Other assets	-	-	804	804
Liabilities	-	-	(693)	(693)
	<b>19</b>	<b>-</b>	<b>67,163</b>	<b>67,182</b>

The floating rate assets and liabilities comprise bank balances whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

#### Sensitivity analysis

The interest bearing assets and liabilities at the year-end are immaterial, thus, any movement in interest rates would have insignificant impact on the financial statements for the year ended 31 July 2017 (31 July 2016: same) and no further disclosure has been made.

- *Liquidity risk* - the Fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any shares that investors wish to sell.
- *Credit risk* - certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

The Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly. On this basis, counterparty risk is negligible.

- *Fair value* - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.
- *Derivatives and other financial instruments* - the Fund did not hold any derivatives that could impact the value of the Fund significantly in the current or prior year.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Fund to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique 31/07/2017	Assets £'000	Liabilities £'000
Level 1	67,314	-
Level 2	-	-
Level 3	-	-
<b>Total</b>	<b>67,314</b>	-

Valuation technique 31/07/2016	Assets £'000	Liabilities £'000
Level 1	67,052	-
Level 2	-	-
Level 3	-	-
<b>Total</b>	<b>67,052</b>	-

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 16. Portfolio transaction costs

	2017 £'000	2016 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	37,131	58,391
Commissions:		
Equities total value paid	40	64
Investment Funds total value paid	-	-
Taxes:		
Equities total value paid	31	51
Investment Funds total value paid	-	-
Total transaction costs	<u>71</u>	<u>115</u>
<b>Gross purchases total</b>	<u>37,202</u>	<u>58,506</u>
<b>Analysis of total sales costs:</b>	2017 £'000	2016 £'000
Sales before transaction costs*	46,433	78,091
Commissions:		
Equities total value paid	(50)	(87)
Investment Funds total value paid	-	-
Taxes:		
Equities total value paid	(3)	(10)
Investment Funds total value paid	-	-
Total transaction costs	<u>(53)</u>	<u>(97)</u>
<b>Total sales net of transaction costs</b>	<u>46,380</u>	<u>77,994</u>

\* Not included in 2017 figures are purchases and sales in cash funds totalling £37 million and £36 million respectively where there are no transaction costs applicable. In 2016, purchases and sales in cash funds totalled £46 million and £47 million respectively.

The above analysis covers any direct transaction costs suffered by the Fund during the year.

In the case of equities, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 16. Portfolio transaction costs (continued)

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding year for the instruments which are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

	<b>2017</b>	2016
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average Net Asset Value	<b>0.06</b>	0.10
Investment Funds percentage of average Net Asset Value	-	-
Taxes:		
Equities percentage of average Net Asset Value	<b>0.04</b>	0.08
Investment Funds percentage of average Net Asset Value	-	-
Analysis of total sales costs:	<b>2017</b>	2016
	%	%
Commissions:		
Equities percentage of average Net Asset Value	<b>(0.07)</b>	(0.13)
Investment Funds percentage of average Net Asset Value	-	-
Taxes:		
Equities percentage of average Net Asset Value	<b>0.00</b>	(0.02)
Investment Funds percentage of average Net Asset Value	-	-

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.15% (31 July 2016: 0.21%) based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 17. Share classes

The Fund currently has six share classes: Class A GBP Acc, Class A EUR Acc, Class A USD Acc, Class I GBP Acc, Class I USD Acc and Class X GBP Acc. The annual management charge and fund management fee can be found on page 6. The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative tables on pages 14 - 16. The distribution per share class is given in the distribution tables on pages 50 - 52. All classes have the same rights on winding up.

	<b>As at 31 July 2017</b>
<b>Class A GBP Acc</b>	
Opening shares	2,821,249
Shares created	1,783,291
Shares liquidated	(2,310,639)
Shares converted	(34,479)
<b>Closing shares</b>	<b>2,259,422</b>
	<b>As at 31 July 2017</b>
<b>Class A EUR Acc</b>	
Opening shares	587,238
Shares created	113,315
Shares liquidated	(466,902)
Shares converted	-
<b>Closing shares</b>	<b>233,651</b>
	<b>As at 31 July 2017</b>
<b>Class A USD Acc</b>	
Opening shares	5,030,163
Shares created	3,640,669
Shares liquidated	(4,743,218)
Shares converted	-
<b>Closing shares</b>	<b>3,927,614</b>

**Notes to the financial statements** (continued)

for the year ended 31 July 2017

**17. Share classes** (continued)

	<b>As at 31 July 2017</b>
<b>Class I GBP Acc</b>	
Opening shares	17,799,546
Shares created	4,589,256
Shares liquidated	(5,822,346)
Shares converted	32,596
<b>Closing shares</b>	<b>16,599,052</b>

	<b>As at 31 July 2017</b>
<b>Class I USD Acc</b>	
Opening shares	10
Shares created	-
Shares liquidated	-
Shares converted	-
<b>Closing shares</b>	<b>10</b>

	<b>As at 31 July 2017</b>
<b>Class X GBP Ac</b>	
Opening shares	8,295,355
Shares created	10,767
Shares liquidated	(743,983)
Shares converted	-
<b>Closing shares</b>	<b>7,562,139</b>

## Notes to the financial statements (continued)

for the year ended 31 July 2017

### 18. Ultimate controlling party and related party transactions

Baring Asset Management Limited ("the Investment Manager") is the immediate parent company of the ACD and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the ACD out of its remuneration from the Fund. As at 31 July 2017, the Investment Manager had holdings of 10 shares (31 July 2016: 230,732) equivalent to nil% (31 July 2016: 0.67%) of shares held in the Fund. Amounts due from or to the Investment Manager in respect of share transactions at the balance sheet date are disclosed under Debtors and Other Creditors in the notes to the financial statements.

The ACD exercises control over the Fund and is therefore a related party by virtue of its controlling influence.

Amounts paid during the year or due to the ACD in respect of management fees at the balance sheet date are disclosed under Expenses and Other Creditors in the notes to the financial statements.

The ACD acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellations of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the notes to the financial statements. Amounts due from or to the ACD in respect of share transactions at the balance sheet date are disclosed under Debtors and Other Creditors in the notes to the financial statements.

### 19. Post balance sheet market movements

After the year-end, public market fluctuations have resulted in the net asset value per A GBP accumulation share increasing 3.09% from 206.80p as at 31 July 2017 to 213.20p at 5 October 2017 (mid-price per share). After the year-end, public market fluctuations have resulted in the net asset value per A EUR accumulation share increasing 3.45% from €2.319 as at 31 July 2017 to €2.399 at 5 October 2017 (mid-price per share). After the year-end, public market fluctuations have resulted in the net asset value per A USD accumulation share increasing 3.56% from US\$2.728 as at 31 July 2017 to US\$2.825 at 5 October 2017 (mid-price per share). After the year-end, public market fluctuations have resulted in the net asset value per I GBP accumulation share increasing 3.24% from 219.40p as at 31 July 2017 to 226.50p at 5 October 2017 (mid-price per share). After the year-end, public market fluctuations have resulted in the net asset value per I USD accumulation share increasing 3.87% from US\$2.897 as at 31 July 2017 to US\$3.009 at 5 October 2017 (mid-price per share). After the year-end, public market fluctuations have resulted in the net asset value per X GBP accumulation share increasing 3.39% from 239.10p as at 31 July 2017 to 247.20p at 5 October 2017 (mid-price per share).

## Distribution tables

### Interim distribution

Group 1: shares purchased prior to 1 August 2016

Group 2: shares purchased on or after 1 August 2016

#### Interim accumulation - Class A GBP Acc (in pence per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.2621
2	Nil	Nil	Nil (income deficit)	0.2621

#### Interim accumulation - Class A EUR Acc (€ per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.0062
2	Nil	Nil	Nil (income deficit)	0.0062

#### Interim accumulation - Class A USD Acc (\$ per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.0075
2	Nil	Nil	Nil (income deficit)	0.0075

#### Interim accumulation - Class I GBP Acc (in pence per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	0.1997	0.0000	0.1997	1.5907
2	0.0000	0.1997	0.1997	1.5907

#### Interim accumulation - Class I USD Acc (\$ per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	0.0060	0.0000	0.0060	0.0184
2	0.0060	0.0000	0.0060	0.0184

## Distribution tables (continued)

### Interim accumulation - Class X GBP Acc (in pence per share)

Group	Net Revenue	Equalisation	2017 Accumulation Payable	2016 Accumulation Paid
1	0.8867	0.0000	0.8867	2.5475
2	0.2994	0.5873	0.8867	2.5475

### Final distribution

Group 1: shares purchased prior to 1 February 2017

Group 2: shares purchased on or after 1 February 2017

### Final accumulation - Class A GBP Acc (in pence per share)

Group	Net Revenue	Equalisation (Note 12)	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.2621
2	Nil	Nil	Nil (income deficit)	0.2621

### Final accumulation - Class A EUR Acc (€ per share)

Group	Net Revenue	Equalisation (Note 12)	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.0062
2	Nil	Nil	Nil (income deficit)	0.0062

### Final accumulation - Class A USD Acc (\$ per share)

Group	Net Revenue	Equalisation (Note 12)	2017 Accumulation Payable	2016 Accumulation Paid
1	Nil	Nil	Nil (income deficit)	0.0075
2	Nil	Nil	Nil (income deficit)	0.0075

### Final accumulation - Class I GBP Acc (in pence per share)

Group	Net Revenue	Equalisation (Note 12)	2017 Accumulation Payable	2016 Accumulation Paid
1	1.0093	0.0000	1.0093	1.5907
2	0.5737	0.4356	1.0093	1.5907

**Distribution tables (continued)****Final accumulation - Class I USD Acc (\$ per share)**

<b>Group</b>	<b>Net Revenue</b>	<b>Equalisation (Note 12)</b>	<b>2017 Accumulation Payable</b>	<b>2016 Accumulation Paid</b>
1	0.0236	0.0000	0.0236	0.0184
2	0.0236	0.0000	0.0236	0.0184

**Final accumulation - Class X GBP Acc (in pence per share)**

<b>Group</b>	<b>Net Revenue</b>	<b>Equalisation (Note 12)</b>	<b>2017 Accumulation Payable</b>	<b>2016 Accumulation Paid</b>
1	2.1524	0.000	2.1524	2.5475
2	1.2656	0.8868	2.1524	2.5475

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**Important information:**

This document is approved and issued by Baring Asset Management Limited.

**Disclosure:**

Baring Asset Management Limited  
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**BARINGS**

The logo for Barings, featuring the word "BARINGS" in a bold, blue, sans-serif font. Below the text is a horizontal line with a green-to-blue gradient.