



**Barings UK Unit Trusts**  
Annual Report & Audited Financial  
Statements  
for the year ended 31 August 2020

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For the year ended 31 August 2020

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\* These pages, together with the investment report, directors' statement, trust information table disclosure and portfolio statement of each trust comprise the Manager's Report

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## Barings UK Unit Trusts

### Introduction

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These Annual Reports and Audited Financial Statements cover the year from 1 September 2019 to 31 August 2020 and review the performance and market outlook for seven of the unit trusts managed by Baring Fund Managers Limited (“the Manager”). These comprise the Barings Dynamic Capital Growth Fund, the Barings Eastern Trust, the Barings European Growth Trust, the Barings Europe Select Trust, the Barings German Growth Trust, the Barings Japan Growth Trust and the Barings Strategic Bond Fund (“the Trusts”).

Baring Asset Management Limited is the Investment Manager for the Trusts.

The functional and presentational currency for all the Trusts is Sterling except for the Barings German Growth Trust where the functional and presentational currency is Euros.

As an investor in one of the Trusts, your money is pooled with that of other investors in the same Trust and invested by the Manager in line with the Investment Objective of the particular trust.

The Barings Dynamic Capital Growth Fund closed on 3 December 2019, therefore the financial statements for this Fund have been produced on a basis other than Going Concern for the current year. The financial statements for the other Trusts have been produced on a Going Concern basis.

For further information about the Trusts please visit the Barings website, [www.barings.com](http://www.barings.com).

### Trusts Available in Hong Kong

**Warning:** In relation to the trusts as set out in this annual report, only the following trusts are authorised by the Securities and Futures Commission (“SFC”) pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong (“SFO”) and hence may be offered to the public of Hong Kong:

- Barings Europe Select Trust
- Barings Eastern Trust
- Barings European Growth Trust
- Barings German Growth Trust

The SFC’s authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Please note that this annual financial report is a global document and therefore also contains information of the following funds which are not authorised by the SFC in Hong Kong and not available to the public in Hong Kong.

- Barings Dynamic Capital Growth Fund
- Barings Japan Growth Trust
- Barings Strategic Bond Fund

No offer shall be made to the public of Hong Kong in respect of the above unauthorised trusts and unauthorised collective investment schemes.

### COVID-19

The spread of COVID-19 around the world in 2020 has caused significant volatility in international markets. There is still uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the international economies and, as such, the Manager is actively monitoring the extent of the impact to its operations, financial accounting and reporting.

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## Barings Dynamic Capital Growth Fund

### Investment Objective and Policy and Fund at a Glance

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#### Fund Closure

Following a review of the Fund, the Directors resolved on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund and unitholders were offered a Scheme of Election to switch their holding into the Barings Multi Asset Fund. Any units which were not switched were redeemed on 3 December 2019, the closing date of the Fund and proceeds were returned to the unitholders.

#### Investment Objective and Policy

The investment objective of Barings Dynamic Capital Growth Fund (the "Fund") was to achieve capital growth by investing globally.

In order to achieve this objective, the Fund invested directly and indirectly across a range of asset classes, such as equities and equity-related securities, fixed income, currencies, deposits, cash and money market instruments. Exposure might be gained indirectly to alternative investments.

In order to implement the investment policy, the Fund gained exposure through transferable securities, or collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager). It also used derivatives including futures, options, warrants, swaps and forward contracts for efficient portfolio management and for investment purposes.

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

#### Performance Assessment

The Fund was not managed to a benchmark, nor did the Manager use a benchmark in assessing the Fund's performance. Investors may however refer to the information in the Morningstar's GBP Flexible Allocation Category which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

#### How the Fund was Managed

The Manager used the ideas generated by the Strategic Policy Group, our global macro research asset allocation group, to choose what we believed were the best investments to achieve the investment objectives of the Fund. This means we constructed a portfolio of stocks or bonds from a mix of companies, countries and sectors to suit our asset allocation policy at that point in time.

We believed that asset allocation was the most important driver of returns. It was important to be in the right market at the right time, and to be able to retreat to a more defensive position to help manage risk. We followed a two-stage investment process that assessed both long-term return opportunities, driven by slowly evolving macroeconomic factors, and shorter-term opportunities generated by market volatility. We maintained a forward-looking approach and were conscious that what proved to be a defensive asset in a previous downturn may not always be suitable. We used our wide investment universe to ensure that we avoided over diversification and focused on assets that we believed were appropriate for the prevailing economic and market cycle.

#### 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.
- The rating of a bond is subject to change. There is no guarantee that a bond issuer will pay the interest due or repay the loan, which would result in a loss of income to the Fund, along with its initial investment. Bond values are likely to fall if interest rates rise.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- 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, as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.

## Barings Dynamic Capital Growth Fund

Investment Objective and Policy and Fund at a Glance (continued)

### Risk Profile (continued)

- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

### The Fund at a Glance on 31 August 2020

Total Fund size: 31 August 2020*	£Nil	
Total Fund size: 31 August 2019	£25.32 million	
<b>OCF**</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Acc	N/A	1.00%
Class A GBP Inc	N/A	1.00%
Class D GBP Acc***	N/A	0.55%
Class I GBP Acc	N/A	0.75%
Class I GBP Inc	N/A	0.75%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Acc	up to 5.00%	0.75%
Class A GBP Inc	up to 5.00%	0.75%
Class D GBP Acc***	Nil	0.30%
Class I GBP Acc	Nil	0.50%
Class I GBP Inc	Nil	0.50%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class D GBP Acc***	£20,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

\* The Fund ceased trading on 3 December 2019 and the Fund value as at 2 December 2019 was £21.72 million.

\*\* 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 period. It includes fees paid for the investment management, trustee and general charges.

\*\*\* Class D units were only available for subscription by certain distributors who had in place a placing agency agreement or distribution agreement with the Manager or the Investment Manager or their delegates or otherwise at the discretion of the Manager.

Price per unit*	(pence per unit)
Class A GBP Acc	775.00p
Class A GBP Inc	280.90p
Class D GBP Acc	320.30p
Class I GBP Acc	783.10p
Class I GBP Inc	281.10p

\* Prices as at 2 December 2019 as the Fund closed on 3 December 2019.

## Barings Dynamic Capital Growth Fund

### Fund Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2020*	31/08/2019	15/02/2019	31/08/2020*	31/08/2019	15/02/2019
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	767.83	737.31	734.47	278.25	270.52	277.13
Return before operating charges	14.33	34.62	10.55	5.22	12.72	4.02
Operating charges	(7.36)	(4.10)	(7.71)	(2.67)	(1.51)	(2.89)
Return after operating charges	6.97	30.52	2.84	2.55	11.21	1.13
Distributions	(3.46)	(9.50)	(20.62)	(1.20)	(3.48)	(7.74)
Retained distributions on accumulation units	3.46	9.50	20.62	–	–	–
Last quoted unit price	774.80	–	–	279.60	–	–
Closing net asset value per unit after direct transaction costs of*	–	767.83	737.31	–	278.25	270.52
	1.04	0.09	0.11	0.38	0.03	0.04
<b>Performance</b>						
Return after charges	0.91%	4.14%	0.39%	0.92%	4.14%	0.41%
<b>Other information</b>						
Closing net asset value ('000)	£–	£3,060	£3,432	£–	£10,347	£11,682
Closing number of units	–	398,509	465,433	–	3,718,639	4,318,290
Operating charges	0.95%	1.00%	1.04%	0.95%	1.00%	1.04%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%	0.01%	0.01%
<b>Prices**</b>						
Highest unit price	778.80	780.00	759.20	282.10	286.20	286.40
Lowest unit price	766.20	737.50	699.50	277.60	270.90	260.70
	Class D GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2020*	31/08/2019	15/02/2019	31/08/2020*	31/08/2019	15/02/2019
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	318.79	305.36	301.59	775.43	743.57	738.85
Return before operating charges	1.84	14.37	5.54	9.04	34.97	10.62
Operating charges	(0.43)	(0.94)	(1.77)	(1.47)	(3.11)	(5.90)
Return after operating charges	1.41	13.43	3.77	7.57	31.86	4.72
Distributions	(1.74)	(4.70)	(10.33)	(3.94)	(10.62)	(22.62)
Retained distributions on accumulation units	1.74	4.70	10.33	3.94	10.62	22.62
Last quoted unit price	320.20	–	–	783.00	–	–
Closing net asset value per unit after direct transaction costs of*	–	318.79	305.36	–	775.43	743.57
	0.12	0.04	0.04	0.28	0.09	0.11
<b>Performance</b>						
Return after charges	0.44%	4.40%	1.25%	0.98%	4.28%	0.64%
<b>Other information</b>						
Closing net asset value ('000)	£–	£38	£36	£–	£1,049	£804
Closing number of units	–	11,820	11,820	–	135,358	108,137
Operating charges	0.50%	0.55%	0.59%	0.70%	0.75%	0.79%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%	0.01%	0.01%
<b>Prices**</b>						
Highest unit price	323.50	323.70	313.90	786.60	787.60	765.00
Lowest unit price	318.30	305.50	289.80	774.00	743.90	704.80

\*The Fund's last trading date was 3 December 2019 and prices were only available for the period from 1 September 2019 to 3 December 2019.

\*\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 unit class returns before operating charges.

\*\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 16 February 2019 to 31 August 2019 and 16 February 2018 to 15 February 2019 respectively.

## Barings Dynamic Capital Growth Fund

### Fund Information (continued)

	<b>Class I GBP Inc - Distribution units</b>		
	31/08/2020*	31/08/2019	15/02/2019
	(p)	(p)	(p)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	278.28	270.54	277.15
Return before operating charges	3.23	12.73	4.04
Operating charges	(0.53)	(1.13)	(2.20)
Return after operating charges	2.70	11.60	1.84
Distributions	(1.38)	(3.86)	(8.45)
Last quoted unit price	279.60	–	–
Closing net asset value per unit after direct transaction costs of*	0.10	0.03	0.04
<b>Performance</b>			
Return after charges	0.97%	4.29%	0.66%
<b>Other information</b>			
Closing net asset value ('000)	£–	£10,821	£10,168
Closing number of units	–	3,888,654	3,758,589
Operating charges	0.70%	0.75%	0.79%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices**</b>			
Highest unit price	282.30	286.60	286.70
Lowest unit price	277.70	270.90	260.90

\*The Fund's last trading date was 3 December 2019 and prices were only available for the period from 1 September 2019 to 3 December 2019.

\*\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 16 February 2019 to 31 August 2019 and 16 February 2018 to 15 February 2019 respectively.

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## Barings Dynamic Capital Growth Fund

Report of the Investment Manager

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### Performance

During the period from 1 September 2019 to 3 December 2019, the Barings Dynamic Capital Growth Fund (the “Fund”) produced an absolute net return for Class I GBP Inc of (0.16)% compared with a return of 0.73% for the performance comparator. The table below shows the net annualised returns for the Class I GBP Inc units until the closure of the Fund on the 3 December 2019 against the performance comparator over the same period.

	<b>01/09/2019</b> <b>to</b> <b>03/12/2019</b>	<b>01/09/2017</b> <b>to</b> <b>03/12/2019</b>	<b>01/09/2015</b> <b>to</b> <b>03/12/2019</b>
Barings Dynamic Capital Growth Fund	(0.16)%	2.06%	4.66%
Morningstar GBP Flexible Allocation Category	0.73%	2.32%	4.55%

\* The Fund performance figures are for the period ended 3 December 2019, the last date that the Fund was priced. The comparator figures are for the period ended 31 December 2019.

Given the strong performance from equities over the fourth quarter of 2019, the Fund saw positive contributions across its equity positions. A particular highlight was our mid-cap European equity position, which also gained as mid-caps outperformed large-caps. UK and US equities exposure also helped performance.

We spent much of 2019 talking to clients about our conviction in the economically sensitive fixed income portions of the portfolio. These are fixed income positions including high yield bonds (US and European) and Emerging Market hard currency debt and it was heartening to see positive returns here – particularly when conventional government bonds were selling off. Income as well as spreads tightening both ‘worked’ which offset any losses from an increase in the underlying government bond yields. The exception is for Emerging Market local currency debt, where the strength of sterling was detrimental to these positions.

Specialist investments are a small position in the Fund. Our positions here are focused in a range of vehicles including listed private equity, and catastrophic bonds. This has been one of the largest detractors from returns over the reporting period and performance was impacted the most during the fourth quarter of 2019 as some of these positions experienced negative company specific news. However, Specialist Investments have been accretive to the performance over a longer period.

## Barings Dynamic Capital Growth Fund

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
iShares USD High Yield Corporate Bond	1,522	UK Treasury Bond 0.00% 04/11/2019	1,848
iShares JP Morgan EM Local Government Bond	717	US High Yield Bond Component	1,450
iShares FTSE 100	121	Legal & General Euro Index Trust	1,446
Vanguard FTSE 250	61	iShares USD High Yield Corporate Bond	1,443
US High Yield Bond Component	24	Xtrackers II USD Emerging Markets	1,402
Barings Europe High Yield	3	iShares JP Morgan EM Local Government Bond	1,357
		iShares FTSE 100	1,161
		Vanguard FTSE 250	1,119
		UK Treasury Bond 0.00% 27/01/2020	999
		UK Treasury Bond 0.00% 11/11/2019	900

### Baring Asset Management Limited

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

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## Barings Dynamic Capital Growth Fund

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Dynamic Capital Growth Fund (the “Fund”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the “Fund”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Fund is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Fund’s cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund’s assets is remitted to the Fund within the usual time limits;
- the Fund’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

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## **Barings Dynamic Capital Growth Fund**

**Responsibilities of the Manager and the Trustee** (continued)

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### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the "Fund") for the year ended 31 August 2020 (continued)**

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services

London 18 December 2020

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## Barings Dynamic Capital Growth Fund

### Directors' Statement

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The financial statements on pages 17 to 31 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

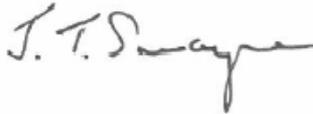
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

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**Barings Dynamic Capital Growth Fund****Portfolio Statement**as at 31 August 2020

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Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	<b>Bonds: 0.00% (30.26%)</b>		
	<b>Brazil: 0.00% (0.76%)</b>		
	<b>Greece: 0.00% (0.64%)</b>		
	<b>Hungary: 0.00% (4.44%)</b>		
	<b>Italy: 0.00% (1.03%)</b>		
	<b>Mexico: 0.00% (1.69%)</b>		
	<b>Poland: 0.00% (1.58%)</b>		
	<b>United Kingdom: 0.00% (14.79%)</b>		
	<b>United States: 0.00% (5.33%)</b>		
	<b>Equities: 0.00% (11.80%)</b>		
	<b>Australia: 0.00% (0.07%)</b>		
	<b>Belgium: 0.00% (0.13%)</b>		
	<b>France: 0.00% (0.62%)</b>		
	<b>Germany: 0.00% (2.42%)</b>		
	<b>Guernsey: 0.00% (1.14%)</b>		
	<b>Republic of South Korea: 0.00% (0.31%)</b>		
	<b>United Kingdom: 0.00% (7.00%)</b>		
	<b>United States: 0.00% (0.11%)</b>		
	<b>Exchange Traded Funds: 0.00% (37.03%)</b>		
	<b>Ireland: 0.00% (31.13%)</b>		
	<b>Luxembourg: 0.00% (5.90%)</b>		
	<b>Investment Funds: 0.00% (19.26%)</b>		
	<b>Ireland: 0.00% (9.52%)</b>		
	<b>United Kingdom: 0.00% (9.74%)</b>		
	<b>Credit Default Swaps: 0.00% (0.32%)</b>		
	<b>Futures Contracts: 0.00% (-0.01%)</b>		
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## Barings Dynamic Capital Growth Fund

Portfolio Statement (continued)

as at 31 August 2020

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Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	<b>Forward Currency Contracts: 0.00% (-0.54%)</b>	<hr/> -	<hr/> -
	<b>Portfolio of investments: 0.00% (98.12%)</b>	-	-
	Net other liabilities	-	-
	<b>Net assets</b>	<hr/> -	<hr/> -

Note: No securities were held by the Fund as it ceased trading on 3 December 2019.

Comparative figures shown in brackets relate to 31 August 2019.

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## Barings Dynamic Capital Growth Fund

### Independent Auditors' Report to the Unitholders of Barings Dynamic Capital Growth Fund

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings Dynamic Capital Growth Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 August 2020 and of the net revenue and the net capital gains on its scheme property 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 Trust Deed.

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 August 2020 (page 18); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 17); the distribution tables (pages 32 to 33); and the notes to the financial statements (pages 19 to 31), 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 Fund 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.

##### Emphasis of Matter – Basis of Preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 of the financial statements (page 19) which describes the Manager's reasons why the financial statements for the Barings Dynamic Capital Growth Fund have been prepared on a basis other than 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 Manager 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.

##### *Manager's Report*

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

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## Barings Dynamic Capital Growth Fund

Independent Auditors' Report to the Unitholders of Barings Dynamic Capital Growth Fund (continued)

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### Responsibilities for the financial statements and the audit

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 10, the Manager 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 Manager 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 Manager is responsible for assessing the 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 Manager either intend to wind up or terminate the Fund, or have 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 Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook 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 and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
18 December 2020

**Barings Dynamic Capital Growth Fund**  
**Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders**  
for the year ended 31 August 2020

**Statement of Total Return**

	Notes	01/09/2019 to 31/08/2020 £'000	£'000	16/02/2019 to 31/08/2019* £'000	£'000
Income					
Net capital gains	2		127		735
Revenue	3	163		459	
Expenses	4	(52)		(114)	
Net revenue before taxation		111		345	
Taxation	5	(8)		(3)	
Net revenue after taxation			103		342
<b>Total return before distributions</b>			<b>230</b>		<b>1,077</b>
Distributions	6		(112)		(342)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>118</b>		<b>735</b>

**Statement of Change in Net Assets Attributable to Unitholders**

	01/09/2019 to 31/08/2020 £'000	£'000	16/02/2019 to 31/08/2019* £'000	£'000
<b>Opening net assets attributable to unitholders</b>		25,315		26,122
Amounts receivable on issue of units	128		1,209	
Amounts payable on cancellation of units	(25,577)		(2,808)	
		(25,449)		(1,599)
Changes in net assets attributable to unitholders from investment activities		118		735
Retained distribution on accumulation units	6	12		53
Unclaimed distributions		4		4
<b>Closing net assets attributable to unitholders</b>		–		25,315

\* The accounting year end date was changed from 15 February to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings Dynamic Capital Growth Fund****Balance Sheet**as at 31 August 2020

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	<b>Notes</b>	<b>31/08/2020 £'000</b>	<b>31/08/2019 £'000</b>
<b>Assets</b>			
Current assets:			
Investment assets		–	25,042
Debtors	8	<b>6</b>	116
Cash and bank balances	9	<b>18</b>	724
Total assets		<b>24</b>	25,882
<b>Liabilities</b>			
Creditors:			
Investment liabilities		–	(203)
Distribution payable on income units	6	–	(279)
Other creditors	10	<b>(24)</b>	(85)
Total liabilities		<b>(24)</b>	(567)
<b>Net assets attributable to unitholders</b>		<b>–</b>	25,315

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# Barings Dynamic Capital Growth Fund

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 for the current year have been prepared on a basis other than going concern following the Directors’ resolution on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund (the “Fund”). Any additional costs in relation to the termination will be borne by the Manager. The financial statements for the period ended 31 August 2019 were prepared on a basis other than going concern.

In applying this basis of preparation, the assets and liabilities of the Fund are stated at their fair values, which materially equate to their realisable values and fixed assets and long-term liabilities are reclassified as current assets and liabilities.

#### Basis of Valuation of Investments

There were no investments held at 31 August 2020. Previously, all investments were valued at their fair value as at 12 noon on the last business day of the financial year/period. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities were valued at the Manager’s best assessment of their fair value.

#### Foreign Exchange

Transactions in foreign currencies were translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies were translated into sterling at the rates of exchange ruling at 12 noon on 30 August 2019.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest is recognised on an accrual basis.

Distribution receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distribution receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

#### 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

Where applicable, for the income (“Inc”) units, the Fund will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Fund will retain any surplus revenue for investment in the Fund.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Treatment of 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.

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses 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 full Prospectus for further details.

#### Trailer Commission

Trailer commission is received from investments in Investment Funds managed by other Managers. If the underlying Investment Fund pays its annual management charge from capital, the trailer commission is treated as capital in nature. All other trailer commission is treated as revenue and forms part of the distribution.

#### Derivative Financial Instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts are accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance is to protect or enhance capital return, gains or losses are recognised in net capital (losses)/gains in the statement of total return; Where the motive and circumstance is to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the year-end are reflected in the balance sheet at their marked to market value.

#### Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Fund.

#### Management Fee Rebate

The Manager rebates an amount equivalent to the ongoing charge suffered on the Fund's share in the underlying Investment funds. Each rebate is paid to either the capital or revenue element of the Fund depending on whether the fee of the underlying fund is charged to capital or revenue.

### 2. Net Capital Gains

The net capital gains during the year/period comprise:

	01/09/2019 to 31/08/2020 £'000	16/02/2019 to 31/08/2019 £'000
Non-derivative securities	(643)	1,296
Derivative securities	172	(103)
Currency gains	75	85
Forward currency contracts	523	(539)
Transaction charges	–	(4)
Net capital gains on investments	<u>127</u>	<u>735</u>

## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 3. Revenue

	01/09/2019 to 31/08/2020	16/02/2019 to 31/08/2019
	£'000	£'000
Bank interest	1	1
Franked CIS revenue	5	40
Franked PID revenue	–	3
UK dividends	19	20
Futures Income	–	15
Interest on debt securities	27	83
Management fee rebates	–	1
Offshore CIS dividend revenue	22	42
Offshore CIS interest revenue	86	184
Overseas dividends	3	51
Unfranked PID revenue	–	19
	<b>163</b>	<b>459</b>

### 4. Expenses

	01/09/2019 to 31/08/2020	16/02/2019 to 31/08/2019
	£'000	£'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	39	90
	<b>39</b>	<b>90</b>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	1	3
Safe custody charges	–	1
	<b>1</b>	<b>4</b>
<b>Other expenses:</b>		
Administration fees	1	1
Audit fees	12	11
Printing fees	3	–
Professional fees	–	1
Registrar and transfer agency fees	3	5
Standing charges	1	2
Taxation fees*	(8)	–
	<b>12</b>	<b>20</b>
<b>Total expenses</b>	<b>52</b>	<b>114</b>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 5. Taxation

	01/09/2019 to 31/08/2020 £'000	16/02/2019 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	8	3
Current tax charge (note 5b)	8	3

### b) Factors affecting taxation charge for the year/period:

The tax assessed for the year is lower (16 February 2019 to 31 August 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	16/02/2019 to 31/08/2019 £'000
Net revenue before taxation	111	345
Corporation tax at 20%	22	69
Effects of:		
Overseas withholding tax	8	3
Non-taxable UK dividends	(10)	(13)
Excess management expenses not utilised	(12)	(40)
Non taxable overseas dividends	–	(10)
Non taxable offshore funds	–	(8)
Taxation due to timing difference	–	2
Current tax charge for the year (note 5a)	8	3

### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £484,300 (31 August 2019: £496,705) in relation to unutilised management expenses.

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/09/2019 to 31/08/2020 £'000	16/02/2019 to 31/08/2019 £'000
Interim Distribution	89	–
Interim Accumulation	12	–
Final Distribution	–	279
Final Accumulation	–	53
	<hr/>	<hr/>
	101	332
Add: Revenue deducted on cancellation of units	11	15
Deduct: Revenue received on issue of units	–	(5)
	<hr/>	<hr/>
<b>Total distributions</b>	<b>112</b>	<b>342</b>

Details of the distributions per unit are set out in the Distribution Tables on pages 32 and 33.

There are no distributions payable at the year end date (31 August 2019: £279,430).

### 7. Movement between net revenue and distributions

	01/09/2019 to 31/08/2020 £'000	16/02/2019 to 31/08/2019 £'000
Net revenue after taxation	103	342
Income deficit	9	–
	<hr/>	<hr/>
	112	342

### 8. Debtors

	31/08/2020 £'000	31/08/2019 £'000
Accrued revenue	–	86
CIS income tax recoverable	2	2
Credit default swap income receivable	–	18
Management fee rebates receivable	1	1
Overseas tax recoverable	–	8
PID tax recoverable	–	1
Amount receivable from termination	3	–
	<hr/>	<hr/>
	6	116

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 9. Cash and bank balances

	31/08/2020	31/08/2019
	£'000	£'000
Cash and bank balances	18	580
Cash held by the broker	–	144
	<u>18</u>	<u>724</u>

### 10. Other creditors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued expenses	21	66
Amounts payable for cancellation of units	–	19
Currency deals awaiting settlement	3	–
	<u>24</u>	<u>85</u>

### 11. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: £nil).

### 12. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

### 13. Financial instruments

In pursuing its investment objective set out on page 4, the Fund held a number of financial instruments.

These comprised of:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These were held in accordance with the Fund's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arose directly from its operations;
- unitholders' funds which represent investors' monies which were invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Fund's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 14. Risks of financial instruments

The risks arising from the Fund's financial instruments were market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviewed (and agreed with the Trustee) 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 August 2019: same):

#### Market price 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.

The Investment Manager met 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 sought to ensure that individual stocks also met the risk reward profile that is acceptable.

The Investment Manager did not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, 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 unitholders would increase or decrease by approximately £nil (31 August 2019: £1.248 million).

#### Foreign currency risk

The revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as the majority of the Fund's assets and revenue were denominated in currencies other than sterling, which is the Fund's functional currency.

The Investment Manager 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 revenue received in foreign currencies into sterling on the day of receipt.

In addition, the Investment Manager made significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts were denominated in a range of currencies, some of which were not held in other assets within the Fund. This increases the exposure of the Fund to exchange rate movements and may significantly affect the returns of the Fund.

At the year-end date, there was no non-Sterling currency exposure. Previously, 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.

These net assets consisted of the following:

#### Currency exposure for the year ended 31 August 2020:

There was no non-Sterling currency exposure at the year end date.

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	17	1	18
Euro	(870)	83	(787)
Japanese yen	–	7	7
Mexican peso	429	17	446
South Korean won	78	–	78
Swiss franc	(295)	–	(295)
US dollar	4,524	115	4,639
	<u>3,883</u>	<u>223</u>	<u>4,106</u>

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £nil (31 August 2019: £0.041 million).

#### Interest rate risk

The Fund may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 rose, the revenue potential of the Fund also rose, but the value of fixed-rate securities would decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates would in general have the opposite effect.

## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Cash at bank	18	–	–	18
Other assets	–	–	6	6
Liabilities	–	–	(24)	(24)
	<b>18</b>	<b>–</b>	<b>(18)</b>	<b>–</b>

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	45	7,660	17,337	25,042
Cash at bank	724	–	–	724
Other assets	–	–	116	116
Liabilities	(182)	–	(385)	(567)
	<b>587</b>	<b>7,660</b>	<b>17,068</b>	<b>25,315</b>

The floating rate assets and liabilities comprise bank balances, and forward contracts whose rates were determined by reference to the London Interbank Offered Rate (“LIBOR”) or international equivalent borrowing rate.

#### Interest rate risk sensitivity analysis

The Fund had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: £0.082 million).

#### Liquidity risk

The Fund’s assets comprised of mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any units that investors wish to sell.

#### Credit risk

Certain transactions in securities that the Fund entered into exposed it to the risk that the counterparty would not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. All currency contracts were held with Northern Trust, State Street and Canadian Imperial Bank of Commerce.

The Fund only bought and sold investments through brokers which have been approved as an acceptable counterparty. In addition, limits were set as to the maximum exposure to any individual broker that may exist at any time, and these limits were reviewed regularly.

During the year, the Fund made use of “Over The Counter” (“OTC”) derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Fund’s exposure to counterparty risk in respect of OTC derivative instruments for forward contracts was the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Fund for interest rate swaps and credit default swaps, it is the market value of these instruments as shown in the portfolio statement.

## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Derivatives and other financial instruments

Transactions in derivatives, warrants, forward contracts and futures may be used for the purpose of hedging and meeting the investment objectives of the Fund. In pursuing the Fund's objectives, the Investment Manager may make use of a variety of instruments in accordance with the rules. There is no notional exposure of OTC derivative instruments for forward currency contracts at year-end (31 August 2019: £12,596,256). There is no collateral held for the OTC derivative instruments at year-end (31 August 2019: same).

### 15. Fair value

The fair value of a financial instrument was the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There was 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 were based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument was regarded as quoted in an active market if the quoted prices were 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 were not traded in an active market was determined by using valuation techniques. The Fund used a variety of methods and made assumptions that were 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 for the year ended 31 August 2020:

There were no investments held at the year end date.

Valuation technique for the period ended 31 August 2019

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Credit Default Swaps	–	82	–	82
Debt Securities	7,660	–	–	7,660
Equities	3,432	–	–	3,432
Forward Currency Contracts	–	45	–	45
Futures Contracts	17	–	–	17
Investment Funds	9,374	4,432	–	13,806
	<u>20,483</u>	<u>4,559</u>	<u>–</u>	<u>25,042</u>
Financial Liabilities				
Forward Currency Contracts	–	(182)	–	(182)
Futures Contracts	(21)	–	–	(21)
	<u>(21)</u>	<u>(182)</u>	<u>–</u>	<u>(203)</u>

## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 16. Portfolio transaction costs

	01/09/2019 to 31/08/2020	16/02/2019 to 31/08/2019
	£'000	£'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	2,408	9,559
Commissions:		
Equities total value paid	1	1
Total transaction costs	1	1
<b>Gross purchases total</b>	<b>2,409</b>	<b>9,560</b>
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	26,782	11,326
Commissions:		
Equities total value paid	(7)	(2)
Total transaction costs	(7)	(2)
<b>Total sales net of transaction costs</b>	<b>26,775</b>	<b>11,324</b>

\* There were no purchases and sales in cash funds during the year ended 31 August 2020. For the period from 16 February 2019 to 31 August 2019, there were also no purchases and sales in cash funds.

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) were 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 would be suffered on purchase and sale transactions which were not separately identifiable and do not form part of the analysis above.

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

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 16. Portfolio transaction costs (continued)

The dealing spread cost (the difference between the buying and selling prices) which would be suffered on purchase and sale transactions were 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.

	01/09/2019 to 31/08/2020	16/02/2019 to 31/08/2019
Analysis of total purchase costs:	%	%
Commissions:		
Equities percentage of total equities purchases costs	0.04	0.05
Equities percentage of average NAV	0.02	–
	01/09/2019 to 31/08/2020	16/02/2019 to 31/08/2019
Analysis of total sale costs:	%	%
Commissions:		
Equities percentage of total equities sales costs	(0.05)	(0.05)
Equities percentage of average NAV	(0.11)	(0.01)

### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.00% (31 August 2019: 0.27%), 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.

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## Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 17. Unit classes

The Fund had five unit classes: A GBP Acc, A GBP Inc, D GBP Acc, I GBP Acc and I GBP Inc. The annual management charge and Fund management fee can be found on page 5. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 6 and 7. The distribution per unit class is given in the distribution tables on pages 32 and 33. All classes have the same rights on winding up.

	<b>Class A GBP Acc</b>	<b>Class A GBP Inc</b>	<b>Class D GBP Acc</b>
Opening units	398,509	3,718,639	11,820
Units created	8,039	16,038	–
Units liquidated	(405,833)	(3,730,285)	(12,307)
Units converted	(715)	(4,392)	487
<b>Closing units</b>	<b>–</b>	<b>–</b>	<b>–</b>

	<b>Class I GBP Acc</b>	<b>Class I GBP Inc</b>
Opening units	135,358	3,888,654
Units created	144	6,863
Units liquidated	(136,010)	(3,899,907)
Units converted	508	4,390
<b>Closing units</b>	<b>–</b>	<b>–</b>

### 18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") was the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses were paid by the Manager out of its remuneration from the Fund. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

The Manager exercised control over the Fund and was therefore a related party by virtue of its controlling influence.

Amounts paid during the year or due to the Manager 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 Manager acted as principal on all transactions of units in the Fund. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

## Barings Dynamic Capital Growth Fund

### Distribution Tables

#### Interim Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 29 February 2020

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

Group	Net Revenue	Equalisation (Note 12)	2020 Accumulation Paid	2018 Accumulation Paid
1	3.4567	0.0000	3.4567	3.5354
2	2.6559	0.8008	3.4567	3.5354

#### Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020 Distribution Paid	2018 Distribution Paid
1	1.1988	0.0000	1.1988	9.3647
2	0.7280	0.4708	1.1988	9.3647

#### Interim accumulation - Class D GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020 Accumulation Paid	2018 Accumulation Paid
1	1.7416	0.0000	1.7416	4.7619
2	1,7416	0.0000	1.7416	4.7619

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

Group	Net Revenue	Equalisation (Note 12)	2020 Accumulation Paid	2018 Accumulation Paid
1	3.9389	0.0000	3.9389	10.1770
2	1.7810	2.1579	3.9389	10.1770

#### Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020 Distribution Paid	2018 Distribution Paid
1	1.3826	0.0000	1.3826	3.8174
2	0.6034	0.7792	1.3826	3.8174

## Barings Dynamic Capital Growth Fund

Distribution Tables (continued)

### Final Distribution

Group 1: Units purchased prior to 1 March 2020

Group 2: Units purchased between 1 March 2020 and 31 August 2020

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

Group	Net Revenue	Equalisation (Note 12)	2020** Accumulation	2019* Accumulation Paid
1	Nil	Nil	Nil	9.4963
2	Nil	Nil	Nil	9.4963

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020** Distribution	2019* Distribution Paid
1	Nil	Nil	Nil	3.4794
2	Nil	Nil	Nil	3.4794

#### Final accumulation - Class D GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020** Accumulation	2019* Accumulation Paid
1	Nil	Nil	Nil	4.7026
2	Nil	Nil	Nil	4.7026

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

Group	Net Revenue	Equalisation (Note 12)	2020** Accumulation	2019* Accumulation Paid
1	Nil	Nil	Nil	10.6224
2	Nil	Nil	Nil	10.6224

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2020** Distribution	2019* Distribution Paid
1	Nil	Nil	Nil	3.8585
2	Nil	Nil	Nil	3.8585

\* The accounting year end date was changed from 15 February to 31 August.

\*\* No distribution as the Fund ceased trading on 3 December 2019.

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## Barings Eastern Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of Barings Eastern Trust (the “Trust”) is to achieve capital growth by investing in the Asia Pacific region excluding Japan.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in the Asia Pacific region excluding Japan, or quoted or traded on the stock exchanges in those countries, including developed and emerging markets.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity related securities of companies outside of the Asia Pacific region excluding Japan, as well as in fixed income and cash.

In order to implement the investment policy the Trust may gain indirect 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 Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

#### Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the MSCI AC Asia ex Japan (Total Net Return) Index to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging Asian countries.

#### How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe 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, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

#### Risk Profile

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

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- 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.
- Regional Trusts have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- 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 Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

## Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

### Risk Profile (continued)

Please refer to the Prospectus for the full risk profile.

### The Trust at a Glance on 31 August 2020

Total Trust size: 31 August 2020	£133.53 million	
Total Trust size: 31 August 2019	£109.48 million	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Acc	1.69%	1.71%
Class A GBP Inc	1.69%	1.71%
Class A USD Acc	1.69%	1.71%
Class D GBP Inc	0.79%	0.81%
Class I GBP Acc	0.94%	0.96%
Class I GBP Inc	0.94%	0.96%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class D GBP Inc	Nil	0.60%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A USD Acc	US\$5,000	US\$2,500
Class D GBP Inc	£30,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

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

Price per unit	(pence/cents per unit)
Class A GBP Acc	1,389.00p
Class A GBP Inc	1,352.00p
Class A USD Acc	1,844.00c
Class D GBP Inc	1,397.00p
Class I GBP Acc	1,454.00p
Class I GBP Inc	1,394.00p

## Barings Eastern Trust

### Trust Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2020 (p)	31/08/2019 (p)	28/02/2018 (p)	31/08/2020 (p)	31/08/2019 (p)	28/02/2018 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	1,058.69	1,126.01	848.26	1,030.11	1,105.08	832.39
Return before operating charges*	327.84	(40.89)	295.06	318.95	(40.03)	289.92
Operating charges	(18.98)	(26.43)	(17.31)	(18.37)	(26.01)	(17.23)
Return after operating charges	308.86	(67.32)	277.75	300.58	(66.04)	272.69
Distributions	–	(8.78)	–	–	(8.93)	–
Retained distributions on accumulation units	–	8.78	–	–	–	–
Closing net asset value per unit after direct transaction costs of**	1,367.55	1,058.69	1,126.01	1,330.69	1,030.11	1,105.08
	2.16	4.02	2.92	2.09	3.95	2.90
<b>Performance</b>						
Return after charges	29.17%	(5.98)%	32.74%	29.18%	(5.98)%	32.76%
<b>Other information</b>						
Closing net asset value ('000)	£34,125	£31,718	£50,925	£78	£84	£171
Closing number of units	2,495,332	2,995,955	4,522,645	5,879	8,158	15,450
Operating charges	1.69%	1.71%	1.70%	1.69%	1.71%	1.70%
Direct transaction costs	0.19%	0.39%	0.29%	0.19%	0.39%	0.29%
<b>Prices***</b>						
Highest unit price	1,411.00	1,145.00	1,165.00	1,373.00	1,150.00	1,143.00
Lowest unit price	935.90	889.70	856.80	910.70	899.00	840.70

	Class A USD Acc - Accumulation units			Class D GBP Inc - Distribution units		
	31/08/2020 (c)	31/08/2019 (c)	28/02/2018 (c)	31/08/2020 (p)	31/08/2019 (p)	28/02/2018 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	1,285.89	1,557.90	1,055.43	1,055.20	1,131.18	849.42
Return before operating charges*	557.73	(246.24)	527.39	329.39	(40.07)	298.12
Operating charges	(26.51)	(25.77)	(24.92)	(8.91)	(12.61)	(8.64)
Return after operating charges	531.22	(272.01)	502.47	320.48	(52.68)	289.48
Distributions	–	(8.09)	–	(7.55)	(23.30)	(7.72)
Retained distributions on accumulation units	–	8.09	–	–	–	–
Closing net asset value per unit after direct transaction costs of**	1,817.11	1,285.89	1,557.90	1,368.13	1,055.20	1,131.18
	3.02	3.92	4.20	2.17	4.04	3.13
<b>Performance</b>						
Return after charges	41.31%	(17.46)%	47.61%	30.37%	(4.66)%	34.08%
<b>Other information</b>						
Closing net asset value ('000)	\$1,445	\$313	\$2,495	£32,522	£23,531	£14,079
Closing number of units	79,523	24,351	160,157	2,377,126	2,229,980	1,244,606
Operating charges	1.69%	1.71%	1.70%	0.79%	0.81%	0.79%
Direct transaction costs	0.19%	0.39%	0.29%	0.19%	0.39%	0.29%
<b>Prices***</b>						
Highest unit price	1,857.00	1,139.57	1,627.00	1,419.00	1,149.99	1,177.00
Lowest unit price	1,077.00	888.47	1,050.00	937.80	898.95	858.00

\*Operating charges were presented in pounds for the year ended 28 February 2020. These were revised to show as pence and returns before operating charges have been changed.

\*\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 1 March 2018 to 31 August 2019 and 1 March 2017 to 28 February 2018 respectively.

## Barings Eastern Trust

### Trust Information (continued)

	Class I GBP Acc - Accumulation units			Class I GBP Inc - Distribution units		
	31/08/2020	31/08/2019	28/02/2018	31/08/2020	31/08/2019	28/02/2018
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	1,099.27	1,155.83	863.92	1,054.23	1,130.59	849.44
Return before operating charges*	342.63	(41.29)	301.97	328.67	(40.51)	297.12
Operating charges	(11.03)	(15.27)	(10.06)	(10.57)	(14.94)	(9.94)
Return after operating charges	331.60	(56.56)	291.91	318.10	(55.45)	287.18
Distributions	(6.10)	(21.53)	(6.12)	(5.85)	(20.91)	(6.03)
Retained distributions on accumulation units	6.10	21.53	6.12	–	–	–
Closing net asset value per unit	1,430.87	1,099.27	1,155.83	1,366.48	1,054.23	1,130.59
after direct transaction costs of**	2.26	4.13	3.04	2.16	4.04	3.00
<b>Performance</b>						
Return after charges	30.17%	(4.89)%	33.79%	30.17%	(4.90)%	33.81%
<b>Other information</b>						
Closing net asset value ('000)	£41,586	£34,037	£38,475	£24,133	£19,853	£26,086
Closing number of units	2,906,310	3,096,298	3,328,795	1,766,102	1,883,219	2,307,300
Operating charges	0.94%	0.96%	0.95%	0.94%	0.96%	0.95%
Direct transaction costs	0.19%	0.39%	0.29%	0.19%	0.39%	0.29%
<b>Prices***</b>						
Highest unit price	1,476.00	1,175.00	1,195.00	1,416.00	1,150.00	1,175.00
Lowest unit price	976.10	917.80	872.70	936.10	897.60	858.00

\*Operating charges were presented in pounds for the year ended 28 February 2020. These were revised to show as pence and returns before operating charges have been changed.

\*\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 1 March 2018 to 31 August 2019 and 1 March 2017 to 28 February 2018 respectively.

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## Barings Eastern Trust

Report of the Investment Manager

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### Performance

During the year ended 31 August 2020, the Barings Eastern Trust (“the Trust”) produced an absolute net return for Class A GBP Acc of 31.04% compared with a return of 10.93% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Acc units against the performance comparator.

	1 year	3 years	5 years
Barings Eastern Trust	31.04%	10.45%	18.12%
MSCI AC Asia ex Japan (Total Gross Return) Index	10.93%	4.34%	13.97%

The Trust delivered strong returns on both absolute and relative basis for the year under review and over the longer term (three and five years). This was achieved against the backdrop of the worst global economic contraction since the Great Depression. Indeed, this dissonance between grim economic reality but strong financial markets performance can in part be attributed to abrupt economic disruptions from unprecedented global lockdowns by the governments around the world on one hand, but timely and coordinated massive monetary and fiscal stimulus policies on the other. Markets have since recovered strongly and quickly from its lows in March this year, thanks to aggressive and bold actions by global central banks, and also gradual economic unlocking as most of the world demonstrated some successes in containing COVID-19. Nonetheless, within markets the performance divergence between New Economy sectors such as technology (the work-from-home beneficiaries) and Old Economy sectors including banks and airlines was stark reflecting their earnings prospects in a post-COVID-19 world.

The Trust’s strong relative outperformance was driven by high conviction holdings in names exposed to long-term themes such as digital economy, domestic consumption champions and supply chain diversification beneficiaries. These included one of the Trust’s largest holdings SEA, ASEAN’s leading game developer and e-commerce marketplace Shopee. Notwithstanding a stellar performance last year, the share price rallied even harder this year on the back of better-than-expected quarterly earnings in both gaming and e-commerce businesses on the back of accelerated penetration thanks to COVID-19 driven lockdowns. Another strong contributor was Hartalega, a Malaysian glove maker, which enjoyed a surge in demand from the pandemic and led to massive earnings upgrades. On the other hand, just as some of the Trust’s holdings benefited from the COVID-19 pandemic, the Trust had holdings whose near-term earnings were negatively impacted by the unprecedented lockdowns. These included CP ALL, operator of 7-11 in Thailand. The social distancing measures imposed by the government as well as the lack of tourists was a headwind to near-term sales and earnings. Nonetheless, the name remains attractive for its medium-term steady store rollout and product mix growth strategies. Despite being highly regarded as one of India’s best run private banks, HDFC Bank also detracted from relative performance largely due to increased asset quality concerns from countrywide lockdowns and loan moratorium to borrowers, as well as uncertainty over its CEO change.

In terms of trade activities, key additions during the year included Sany Heavy Industry, one of China’s leading industrial companies in the construction machinery space. The company is a beneficiary of a replacement demand cycle driven by near-term tightened emissions and safety standards, while in the longer term, the company’s increased cost competitiveness and quality as a result of digitalization/automation of its production facilities should also drive market share gains and growth not just domestically but internationally. Another name that the Trust added was China Tourism Group Duty Free Corporation. It’s China’s leading duty free shop operator who is expected to be the main beneficiary of recent policy changes, particularly in regards to duty free shopping in Hainan designed to capture that huge Chinese overseas shopping expenditure and boost domestic consumption. On the other hand, China Construction Bank and AIA Group were two of the key reductions in the year. Both positions were reduced on the back of near-term asset quality concerns and growth headwinds.

## Barings Eastern Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Sany Heavy Industry	2,332	China Constitutional Bank	4,079
China Tourism Duty Free	2,045	AIA	3,826
NetEase	1,927	Galaxy Entertainment	2,300
Meituan-Dianping	1,839	SK Biopharmaceutical	2,005
Giant Manufacturing	1,808	Shenzhou	1,858
SK Hynix	1,659	Ayala	1,561
Hindustan Unilever	1,630	ICICI Prudential Life Insurance India	1,561
Sino Biopharmaceutical	1,605	Sun Hung Kai Properties	1,442
SBI Life Insurance	1,496	Infosys	1,387
LG Chem	1,495	Larsen & Toubro	1,362

### Market Outlook

As the US elections concluded, one big variable is clearly out of the way and markets will likely focus on COVID-19 spread, vaccine development progress and earnings momentum even more closely. While fresh lockdowns are being implemented in Europe as winter comes, Asian countries are relatively doing well and lockdowns measures are being gradually relaxed here. Yet admittedly, we cannot rule out the possibility of the reinstatement of social distancing to deal with subsequent waves of COVID-19 case resurgence should the situation worsen again, and this would add uncertainties to the sustainability of corporate earnings recovery until the release of vaccines. On the policy front, monetary policies around the world are expected to be accommodative, while 'fiscal cliffs' or the expiry of fiscal stimulus leading to rising unemployment may lead to protracted growth pattern.

The outbreak of COVID-19 has accelerated certain structural trends such as technological ubiquity (the digitalization and connectivity of everything). Thematics such as e-commerce, e-gaming, cloud adoption have all benefited from work-from-home measures amid the pandemic. Shift towards online consumption pattern, which got accelerated by the outbreak of COVID-19, is unlikely to go back to old pattern although the pace of shift can possibly moderate once the vaccine is successfully delivered to wider population and that is totally expected. These themes still provide strong earnings visibility in medium term. The Trust maintains decent exposures in these stocks as notwithstanding their strong performance to date, we continue to see upsides in the medium-term. The pandemic is also leading to a more unequal world with a narrower concentration in growth beneficiaries such as technology and ESG (Environmental, Social, Governance) related sectors. The Trust seeks out companies that are able to benefit from these structural trends such as companies within the renewable energy space, which should experience strong demand outlook and enjoy a valuation re-ratings due to falling cost of capital, especially with the increasing popularity of ESG funds. Finally, the US-China tension has started an irreversible supply chain bifurcation trend. There will be beneficiaries out of these shifts and we expect the Trust to use any volatility to invest in companies that are positioned to assist in the shifts.

### Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager by

#### Baring Asset Management Limited

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

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## Barings Eastern Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Eastern Trust (the “Trust”) and of its net expense and net capital gains for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the “Trust”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

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## Barings Eastern Trust

Responsibilities of the Manager and the Trustee (continued)

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### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the year ended 31 August 2020** (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
London 18 December 2020

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## Barings Eastern Trust

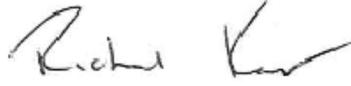
### Directors' Statement

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The financial statements on pages 48 to 62 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

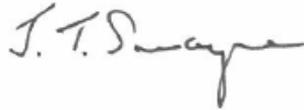
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings Eastern Trust

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value (£)	assets (%)
	<b>Investment Funds: 1.61% (1.84%)</b>		
90,505	Barings China A-Share Fund	<b>2,145,885</b>	<b>1.61</b>
	<b>Equities: 98.83% (98.02%)</b>		
	<b>Australia: 0.70% (0.00%)</b>		
53,403	Newcrest Mining	<b>939,139</b>	<b>0.70</b>
	<b>China: 48.35% (39.75%)</b>		
77,683	21Vianet	1,385,663	1.04
487,356	Alibaba Group	13,010,101	9.74
503,500	Centre Testing International	1,508,781	1.13
743,000	China Life Insurance	1,384,940	1.04
1,882,000	China Resources Cement	2,062,660	1.55
169,358	China Tourism Duty Free	3,858,154	2.89
9,000	Kangji Medical	21,823	0.02
3,137	KE	117,194	0.09
76,560	Kingsoft Cloud	2,006,725	1.50
19,604	Kweichow Moutai	3,835,820	2.87
99,622	Li Auto	1,317,959	0.99
1,139,500	Li Ning	3,619,555	2.71
361,261	Luxshare Precision Industry	2,176,178	1.63
178,600	Meituan Dianping	4,427,635	3.32
139,500	NetEase	1,728,401	1.29
339,682	Offcn Education Technology	1,328,535	1.00
287,500	Ping An Insurance Group of China	2,300,495	1.72
2,200	Poly Property Development	14,467	0.01
954,398	Sany Heavy Industry	2,314,289	1.73
414,500	Shimao Property	1,403,071	1.05
28,152	TAL Education Group	1,627,308	1.22
224,100	Tencent	11,242,590	8.42
21,625	XPeng	363,302	0.27
127,000	Yihai International	1,500,308	1.12
		<b>64,555,954</b>	<b>48.35</b>
	<b>Hong Kong: 4.32% (11.73%)</b>		
95,000	AIA	734,825	0.55
89,000	Hong Kong Exchange	3,375,175	2.53
1,917,000	Sino Biopharmaceutical	1,664,082	1.24
		<b>5,774,082</b>	<b>4.32</b>
	<b>India: 8.79% (13.00%)</b>		
122,892	HDFC Bank	1,399,157	1.05
72,572	Hindustan Unilever	1,566,061	1.17
31,350	PI Industries	595,731	0.45
13,283	Reliance Industries	161,624	0.12
245,542	Reliance Industries Partly Paid	5,200,574	3.89
155,804	SBI Life Insurance	1,319,651	0.99

**Barings Eastern Trust**  
**Portfolio Statement** (continued)  
as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value assets (£) (%)
	<b>Equities: 98.83% (98.02%)</b> (continued)	
	<b>India: 8.79% (13.00%)</b> (continued)	
133,960	Titan	1,500,337 <u>11,743,135</u> 1.12 <u>8.79</u>
	<b>Indonesia: 0.49% (2.92%)</b>	
7,538,800	Bank Rakyat Indonesia Persero	<u>648,623</u> 0.49
	<b>Malaysia: 1.55% (0.74%)</b>	
694,300	Hartalega	<u>2,069,780</u> 1.55
	<b>Philippines: 0.00% (1.76%)</b>	
	<b>Singapore: 0.00% (2.12%)</b>	
	<b>South Korea: 14.74% (10.22%)</b>	
13,289	Douzone Bizon	843,389 0.63
7,692	Kakao	1,984,429 1.49
5,752	LG Chem	2,701,383 2.02
1,672	LG Household & Health Care	1,563,056 1.17
6,471	NAVER	1,324,454 0.99
36,967	NHN KCP	1,684,513 1.26
244,225	Samsung Electronics	8,369,885 6.27
25,523	SK Hynix	1,216,487 0.91
		<u>19,687,596</u> 14.74
	<b>Taiwan: 15.46% (10.42%)</b>	
77,000	Alchip Technologies	1,039,002 0.78
579,587	Chailease	1,921,779 1.44
272,000	Giant Manufacturing	2,124,143 1.59
93,000	MediaTek	1,323,953 0.99
75,000	Poya International	1,104,190 0.83
1,081,000	Taiwan Semiconductor Manufacturing	11,804,829 8.84
435,000	Taiwan Union Technology	1,325,413 0.99
		<u>20,643,309</u> 15.46
	<b>Thailand: 4.43% (3.90%)</b>	
791,000	CP ALL	1,206,809 0.90
41,004	SEA	4,705,589 3.53
		<u>5,912,398</u> 4.43

**Barings Eastern Trust**  
**Portfolio Statement** (continued)  
as at 31 August 2020

<b>Holdings</b>	<b>Investments</b>	<b>Bid-Market value</b>	<b>Percentage of total net assets</b>
		<b>(£)</b>	<b>(%)</b>
	<b>Equities: 98.83% (98.02%)</b> (continued)		
	<b>Vietnam: 0.00% (1.46%)</b>		
	<b>Portfolio of investments: 100.44% (99.86%)</b>		
	<b>(Cost: £88,905,249)</b>	<b>134,119,901</b>	<b>100.44</b>
	Net other liabilities	(590,570)	(0.44)
	<b>Net assets</b>	<b><u>133,529,331</u></b>	<b><u>100.00</u></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 August 2019.

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## Barings Eastern Trust

### Independent Auditors' Report to the Unitholders of Barings Eastern Trust

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings Eastern Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2020 and of the net expense and the net capital gains on its scheme property 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 Trust Deed.

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 August 2020 (page 49); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 48); the distribution tables (pages 63 to 64); and the notes to the financial statements (pages 50 to 62), 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 Trust 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Manager 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.

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## Barings Eastern Trust

### Independent Auditors' Report to the Unitholders of Barings Eastern Trust (continued)

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#### *Manager's Report*

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

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

##### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 40, the Manager 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 Manager is also responsible for such internal control as they determine is to be 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 Manager is responsible for assessing the Trust'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 Manager either intend to wind up or terminate the Trust, or have 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

18 December 2020

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**BARINGS**

**Barings Eastern Trust**  
**Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders**  
for the year ended 31 August 2020

**Statement of Total Return**

	Notes	01/09/2019 to 31/08/2020		01/03/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		30,492		(11,916)
Revenue	3	1,760		4,738	
Expenses	4	(1,588)		(2,285)	
Interest payable and other similar charges	5	(1)		–	
Net revenue before taxation		<u>171</u>		<u>2,453</u>	
Taxation	6	(204)		(458)	
Net (expense)/revenue after taxation			<u>(33)</u>		<u>1,995</u>
<b>Total return before distributions</b>			<b>30,459</b>		<b>(9,921)</b>
Distributions	7		(456)		(2,127)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>30,003</b>		<b>(12,048)</b>

**Statement of Change in Net Assets Attributable to Unitholders**

		01/09/2019 to 31/08/2020		01/03/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>			109,480		131,539
Amounts receivable on issue of units		26,222		95,708	
Amounts payable on cancellation of units		(32,353)		(106,680)	
			<u>(6,131)</u>		<u>(10,972)</u>
Dilution adjustment			–		30
Changes in net assets attributable to unitholders from investment activities			30,003		(12,048)
Retained distribution on accumulation units	7		177		931
<b>Closing net assets attributable to unitholders</b>			<b>133,529</b>		<b>109,480</b>

\* The accounting year end date was changed from 28 February to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings Eastern Trust****Balance Sheet**as at 31 August 2020

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	<b>Notes</b>	<b>31/08/2020 £'000</b>	<b>31/08/2019 £'000</b>
<b>Assets</b>			
Investment assets		<b>134,120</b>	109,325
Current assets:			
Debtors	9	<b>2,469</b>	807
Cash and bank balances	10	<b>2,037</b>	1,351
Total assets		<b>138,626</b>	111,483
<b>Liabilities</b>			
Creditors:			
Bank overdraft	10	<b>(1,737)</b>	–
Distribution payable on income units	7	<b>(283)</b>	(914)
Other creditors	11	<b>(3,077)</b>	(1,089)
Total liabilities		<b>(5,097)</b>	(2,003)
<b>Net assets attributable to unitholders</b>		<b>133,529</b>	109,480

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# Barings Eastern Trust

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

#### 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 28 August 2020.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest is recognised on an accruals basis.

Distribution receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distribution receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

#### 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 Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Treatment of Expenses

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

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses 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 Trust 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 full Prospectus for further details.

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## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

### 2. Net Capital Gains/(Losses)

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

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Non-derivative securities	30,642	(11,817)
Currency losses	(137)	(59)
Forward currency contracts	(1)	1
Transaction charges	(12)	(41)
Net capital gains/(losses) on investments	<u>30,492</u>	<u>(11,916)</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Offshore CIS dividend revenue	12	7
Overseas dividends	1,748	4,731
	<u>1,760</u>	<u>4,738</u>

## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 4. Expenses

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	1,011	1,804
	<u>1,011</u>	<u>1,804</u>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	24	46
Safe custody charges	74	162
	<u>98</u>	<u>208</u>
<b>Other expenses:</b>		
Administration fees	2	4
Audit fees	12	22
Professional fees	(3)	13
Registrar and transfer agency fees	62	90
Standing charges	3	5
Taxation fees*	403	139
	<u>479</u>	<u>273</u>
<b>Total expenses</b>	<u><u>1,588</u></u>	<u><u>2,285</u></u>

\* Taxation fees amounting to -£13,958.29 relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC (2019: £20,387.51).

### 5. Interest payable and other similar charges

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Interest expenses	1	–
	<u>1</u>	<u>–</u>

## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 6. Taxation

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	204	458
Current tax charge (note 6b)	204	458

#### b) Factors affecting taxation charge for the year/period:

The tax assessed for the year is higher (1 March 2018 to 31 August 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Net revenue before taxation	171	2,453
Corporation tax at 20%	34	491
Effects of:		
Overseas withholding tax	204	458
Non-taxable UK dividends	(2)	(2)
Excess management expenses not utilised	312	431
Non taxable overseas dividends	(344)	(920)
Current tax charge for the year (note 6a)	204	458

#### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £1,144,928 (31 August 2019: £832,485) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

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## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Final Distribution	283	914
Final Accumulation	177	931
	<hr/>	<hr/>
	460	1,845
Add: Revenue deducted on cancellation of units	60	843
Deduct: Revenue received on issue of units	(64)	(561)
	<hr/>	<hr/>
<b>Total distributions</b>	<b>456</b>	<b>2,127</b>

Details of the distributions per unit are set out in the Distribution Tables on pages 63 and 64.

Distributions payable at the year end of £282,642 (31 August 2019: £913,918) are disclosed in the Balance Sheet on page 49.

### 8. Movement between net (expenses)/revenue and distributions

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
Net (expenses)/revenue after taxation	(33)	1,995
Add: Capitalised expenses	417	131
Equalisation on conversions	–	1
Income deficit	72	–
	<hr/>	<hr/>
	456	2,127

### 9. Debtors

	31/08/2020 £'000	31/08/2019 £'000
Accrued revenue	46	108
Amount receivable for creation of units	640	316
Currency deals awaiting settlement	17	–
Sales awaiting settlement	1,766	383
	<hr/>	<hr/>
	2,469	807

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## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 10. Cash and bank balances

	31/08/2020	31/08/2019
	£'000	£'000
Bank overdraft	(1,737)	–
Cash and bank balances	2,037	1,351
	<u>300</u>	<u>1,351</u>

### 11. Other creditors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued expenses	627	308
Amounts payable for cancellation of units	516	550
Currency deals awaiting settlement	–	1
Purchases awaiting settlement	1,934	230
	<u>3,077</u>	<u>1,089</u>

### 12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: £nil).

### 13. Equalisation

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

### 14. Financial instruments

In pursuing its investment objective set out on page 34, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

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## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market Price Risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager 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 Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £6.706 million (31 August 2019: £5.466 million).

#### Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. 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 Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

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

## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	939	–	939
Chinese yuan	15,022	–	15,022
Hong Kong dollar	48,490	–	48,490
Indian rupee	11,743	–	11,743
Indonesian rupiah	649	–	649
Malaysian ringgit	2,070	–	2,070
South Korean won	19,687	1,526	21,213
Taiwan Dollar	20,643	–	20,643
Thai bhat	1,207	–	1,207
US dollar	11,524	(244)	11,280
	<b>131,974</b>	<b>1,282</b>	<b>133,256</b>

#### Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Chinese yuan	5,274	203	5,477
Hong Kong dollar	42,421	–	42,421
Indian rupee	14,233	–	14,233
Indonesian rupiah	3,195	–	3,195
Malaysian ringgit	809	–	809
Philippine peso	1,932	–	1,932
Singapore dollar	2,317	27	2,344
South Korean won	11,190	–	11,190
Taiwan Dollar	11,407	69	11,476
Thai bhat	3,439	–	3,439
US dollar	9,500	–	9,500
Vietnamese dong	1,597	–	1,597
	<b>107,314</b>	<b>299</b>	<b>107,613</b>

## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.333 million (31 August 2019: £1.076 million).

#### Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	134,120	134,120
Cash at bank	300	–	–	300
Other assets	–	–	2,469	2,469
Liabilities	–	–	(3,360)	(3,360)
	<b>300</b>	<b>–</b>	<b>133,229</b>	<b>133,529</b>

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	–	–	109,325	109,325
Cash at bank	1,351	–	–	1,351
Other assets	–	–	807	807
Liabilities	–	–	(2,003)	(2,003)
	<b>1,351</b>	<b>–</b>	<b>108,129</b>	<b>109,480</b>

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

#### Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: same).

#### Liquidity risk

The Trust’s assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

## Barings Eastern Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

##### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2020, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2019: same). The Trust 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.

#### 16. 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 Trust 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 Trust 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 for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	131,974	–	–	131,974
Investment Funds	–	2,146	–	2,146
	<b>131,974</b>	<b>2,146</b>	<b>–</b>	<b>134,120</b>

##### Valuation technique for the period ended 31 August 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	107,314	–	–	107,314
Investment Funds	–	2,011	–	2,011
	<b>107,314</b>	<b>2,011</b>	<b>–</b>	<b>109,325</b>

## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs

	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	54,719	194,076
Commissions:		
Equities total value paid	66	178
Taxes:		
Equities total value paid	21	88
Total transaction costs	87	266
<b>Gross purchases total</b>	<b>54,806</b>	<b>194,342</b>
	01/09/2019 to 31/08/2020 £'000	01/03/2018 to 31/08/2019 £'000
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	60,390	199,481
Commissions:		
Equities total value paid	(38)	(167)
Taxes:		
Equities total value paid	(83)	(352)
Total transaction costs	(121)	(519)
<b>Total sales net of transaction costs</b>	<b>60,269</b>	<b>198,962</b>

\* There were no purchases and sales in cash funds during the year ended 31 August 2020. For the period from 16 February 2019 to 31 August 2019, there were also no purchases and sales in cash funds.

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust'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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

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

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## Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 17. Portfolio transaction costs (continued)

	01/09/2019 to 31/08/2020 %	01/03/2018 to 31/08/2019 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.12	0.09
Equities percentage of average NAV	0.06	0.14
Taxes:		
Equities percentage of total equities purchases costs	0.04	0.05
Equities percentage of average NAV	0.02	0.07
	01/09/2019 to 31/08/2020 %	01/03/2018 to 31/08/2019 %
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.06)	(0.08)
Equities percentage of average NAV	(0.03)	(0.13)
Taxes:		
Equities percentage of total equities sales costs	(0.14)	(0.18)
Equities percentage of average NAV	(0.08)	(0.28)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.15% (31 August 2019: 0.16%), 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.

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## Barings Eastern Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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#### 18. Unit classes

The Trust currently has six unit classes: A GBP Acc, A GBP Inc, A USD Acc, D GBP Inc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 35. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 36 and 37. The distribution per unit class is given in the distribution tables on pages 63 and 64. All classes have the same rights on winding up.

	<b>Class A GBP Acc</b>	<b>Class A GBP Inc</b>	<b>Class A USD Acc</b>
Opening units	2,995,955	8,158	24,351
Units created	201,199	1,214	61,551
Units liquidated	(696,470)	(3,493)	(6,379)
Units converted	(5,352)	–	–
<b>Closing units</b>	<b>2,495,332</b>	<b>5,879</b>	<b>79,523</b>

	<b>Class D GBP Inc</b>	<b>Class I GBP Acc</b>	<b>Class I GBP Inc</b>
Opening units	2,229,980	3,096,298	1,883,219
Units created	698,716	765,309	527,029
Units liquidated	(549,359)	(958,102)	(648,788)
Units converted	(2,211)	2,805	4,642
<b>Closing units</b>	<b>2,377,126</b>	<b>2,906,310</b>	<b>1,766,102</b>

#### 19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager 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 Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

#### 20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Accumulation class has increased from 1,389.00p to 1,534.00p, A GBP Income class from 1,352.00p to 1,493.00p, A USD Accumulation class from 1,844.00c to 2,072.00c, D GBP Income class from 1,397.00p to 1,539.00p, I GBP Accumulation class from 1,454.00p to 1,609.00p and I GBP Income class from 1,394.00p to 1,537.00p as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

## Barings Eastern Trust

### Distribution Tables

#### Final Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 31 August 2020

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

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	Nil	Nil	Nil	8.7784
2	Nil	Nil	Nil	8.7784

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	Nil	Nil	Nil	8.9261
2	Nil	Nil	Nil	8.9261

#### Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	Nil	Nil	Nil	8.0870
2	Nil	Nil	Nil	8.0870

#### Final distribution - Class D GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	7.5458	0.0000	7.5458	23.2953
2	4.3304	3.2154	7.5458	23.2953

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

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	6.0968	0.0000	6.0968	21.5307
2	2.6269	3.4699	6.0968	21.5307

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## Barings Eastern Trust

### Distribution Tables (continued)

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#### Final Distribution (continued)

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	5.8473	0.0000	5.8473	20.9062
2	3.0820	2.7653	5.8473	20.9062

\* The accounting year end date was changed from 28 February to 31 August.

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## Barings European Growth Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of Barings European Growth Trust (the “Trust”) is to achieve capital growth by investing in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom) as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain indirect 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 Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

#### Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the MSCI Europe ex UK (Total Net Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging European countries excluding the UK.

#### How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe 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, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

#### Risk Profile

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

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- 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 Trust’s value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

## Barings European Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

Please refer to the Prospectus for the full risk profile.

### The Trust at a Glance on 31 August 2020

<b>Total Trust size: 31 August 2020</b>	<b>£58.32 million</b>	
<b>Total Trust size: 31 August 2019</b>	<b>£73.20 million</b>	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Inc	1.60%	1.59%
Class I GBP Inc	0.85%	0.84%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Inc	up to 5.00%	1.50%
Class I GBP Inc	Nil	0.75%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Inc	£1,000	£500
Class I GBP Inc	£10,000,000	£500

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

<b>Price per unit</b>	<b>(pence per unit)</b>
Class A GBP Inc	1,339.00p
Class I GBP Inc	1,354.00p

## Barings European Growth Trust

### Trust Information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2020	31/08/2019	30/04/2018	31/08/2020	31/08/2019	30/04/2018
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	1,392.05	1,448.96	1,311.65	1,396.56	1,453.22	1,315.24
Return before operating charges	(35.75)	(3.50)	170.80	(35.74)	(2.85)	171.60
Operating charges	(21.40)	(29.22)	(23.07)	(11.42)	(15.55)	(12.36)
Return after operating charges	(57.15)	(32.72)	147.73	(47.16)	(18.40)	159.24
Distributions	(3.23)	(24.19)	(10.42)	(13.90)	(38.26)	(21.26)
Closing net asset value per unit after direct transaction costs of*	1,331.67	1,392.05	1,448.96	1,335.50	1,396.56	1,453.22
	0.85	0.69	0.70	0.85	0.69	0.71
<b>Performance</b>						
Return after charges	(4.11)%	(2.25)%	11.26%	(3.38)%	(1.27)%	12.11%
<b>Other information</b>						
Closing net asset value ('000)	£36,342	£47,506	£64,726	£21,973	£25,664	£26,779
Closing number of units	2,729,063	3,412,702	4,467,060	1,645,267	1,837,653	1,842,704
Operating charges	1.60%	1.59%	1.60%	0.85%	0.84%	0.85%
Direct transaction costs	0.06%	0.05%	0.05%	0.06%	0.05%	0.05%
<b>Prices**</b>						
Highest unit price	1,451.00	1,512.00	1,552.00	1,461.00	1,517.00	1,564.00
Lowest unit price	961.40	1,152.00	1,315.00	968.60	1,161.00	1,318.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September to 31 August. For previous periods, they relate to the accounting period from 1 May 2018 to 31 August 2019 and 1 May 2017 to 30 April 2018 respectively.

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## Barings European Growth Trust

Report of the Investment Manager

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### Performance

During the year ended 31 August 2020, the Barings European Growth Trust (the “Trust”) produced an absolute net return for Class A GBP Inc of (3.87)% compared with a return of (0.08)% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	1 year	3 years	5 years
Barings European Growth Trust	(3.87)%	(1.85)%	6.32%
MSCI Europe ex UK (Total Net Return) Index	(0.08)%	1.72%	8.38%

The performance of the Trust over the twelve months overall fell short of the market. However, this disguises a far better performance – both relative and absolute – during the second part of the period from where the market and Trust rallied from their lows (see “Market Outlook” below). Over the period as a whole, some of the larger detractors at the individual stock level were to be found in the Energy sector, where a continued low oil price put pressure on the Trust’s oil & gas holdings including Royal Dutch Shell and Total. Irish hotels group Dalata Hotel was another weak performer as a very adverse outlook for the hospitality and travel & tourism sectors of the market was quickly factored into the share price in the wake of COVID-19; the Trust’s position in Dalata Hotel has since been sold from the portfolio.

The more positive performance by the Trust in the latter part of the period was in part attributable to several new additions to the portfolio, not least Adyen, a provider of payment platforms for numerous retail and technology clients across the world which we expect to be a key beneficiary of online shopping transactions continuing to take share from physical stores as well as the need, beyond the pandemic, for a unified customer experience across online and offline platforms.

More broadly, given the typical pattern which has historically seen the fund perform well in strong markets, but give this all back – and sometimes more – in poor markets, we are consequently seeking to allocate more capital to companies with strong structural growth drivers and consequently less reliant on the positive segments of the economic cycle for profit growth. The investment in Adyen noted above is, we believe, a good example of this positioning.

Though the report covers a full twelve months, events of the latter six months obviously dominate the commentary. In this regard, the severity of COVID-19 and its potential impact on mortality rates across the globe, which in time led to many governments to enforce lockdowns on their citizens and businesses, caused large falls in the value of the European stock market from its peak in late February.

From the March low point however, the market began to recover, as investors welcomed the concerted actions taken by Central Banks and governments across the world’s major economies. This included Europe, where EU governments quickly agreed on the framework for a €750bn spending package, which augmented the decision by the ECB (European Central Bank) to support the continent’s economy with a €1.35trn monetary package of its own. With results from companies also in general not proving as weak as expected (though still weak in absolute terms), the broader European stock market rallied strongly through the spring and summer months, though not to the extent that all of the losses incurred during the sell-off were recouped.

## Barings European Growth Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Koninklijke Philips	1,576	ASML	3,411
Unilever	1,532	Safran	2,695
Schneider Electric	1,389	Ferrari	2,239
Adyen	1,279	Ryanair	1,815
Infineon Technologies	1,176	First Derivatives	1,725
Cie Generale des Etablissements Michelin	1,148	Wirecard	1,707
Amadeus IT	1,121	Dalata Hotel	1,686
Total	1,039	Fresenius	1,524
Prosus NV	1,031	Natixis	1,405
Cairn Homes	1,014	ArcelorMittal	1,392

### Market Outlook

As we ended the reporting period, whilst the European stockmarket was comfortably off its March lows, we felt the outlook remained rather uncertain given our concerns over the potential impact of a “second” wave of COVID-19, the impending US Presidential Elections and ultimately what this would mean for US/China trade discussions and closer to home, the impact of “Brexit” on its close trading partner, the European Union. Since then however, as at the time of writing, the Presidential election has, effectively, been decided, and the world has received several positive developments regarding COVID-19 vaccines. The latter events in particular led to an outpouring of global relief and optimism, reflected in further gains in European and global stockmarkets. Of our above concerns therefore, whilst new US President Joe Biden could still force trade issues with China, and whilst the Brexit situation has still not been resolved, perhaps we can all now look forward to a world where COVID-19 is at least kept under control if not eradicated. This we believe is the most important factor to enable the global economy to resume its longer term growth trajectory.

In terms of what this means for our investment approach, this will remain consistent with our focus on investing in companies for the long term, as it was throughout the pandemic crisis. Stock selection will thus remain central to our approach, as we believe our detailed fundamental analysis will be able to unearth relatively well-positioned companies, including those which could be direct beneficiaries of practices that become the “new normal” in a post-COVID-19 world.

### Baring Asset Management Limited

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

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## Barings European Growth Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings European Growth Trust (the “Trust”) and of its net revenue and net capital losses for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the “Trust”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

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## Barings European Growth Trust

Responsibilities of the Manager and the Trustee (continued)

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### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the “Trust”) for the year ended 31 August 2020 (continued)**

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust’s units and the application of the Trust’s income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services

London 18 December 2020

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## Barings European Growth Trust

### Directors' Statement

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The financial statements on pages 77 to 90 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

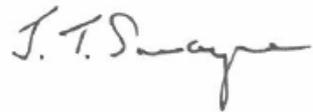
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings European Growth Trust

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value assets (£) (%)	value (£)	assets (%)
	<b>Investment Funds: 0.55% (0.56%)</b>			
	<b>Ireland: 0.55% (0.56%)</b>			
321,000	Northern Trust Global Funds - Sterling Fund†		<b>321,000</b>	<b>0.55</b>
	<b>Equities: 100.61% (101.89%)</b>			
	<b>Belgium: 5.76% (5.18%)</b>			
6,573	KBC		289,077	0.50
56,099	KBC Ancora		1,558,130	2.67
51,670	Telenet		1,509,092	2.59
			<b>3,356,299</b>	<b>5.76</b>
	<b>France: 23.25% (25.00%)</b>			
29,002	Airbus		1,862,247	3.19
153,170	AXA		2,396,576	4.11
26,337	Cap Gemini		2,758,447	4.73
14,713	Cie Generale des Etablissements Michelin		1,259,649	2.16
19,308	Schneider Electric		1,817,523	3.12
43,059	Total		1,304,216	2.24
13,345	Unibail-Rodamco Reits		481,586	0.82
21,396	Wendel		1,678,076	2.88
			<b>13,558,320</b>	<b>23.25</b>
	<b>Germany: 10.24% (12.69%)</b>			
13,728	Allianz		2,263,421	3.88
80,247	Infineon Technologies		1,671,625	2.86
20,025	Rheinmetall		1,404,803	2.41
21,208	RWE		633,831	1.09
			<b>5,973,680</b>	<b>10.24</b>
	<b>Ireland: 4.45% (9.53%)</b>			
91,563	CRH		<b>2,593,109</b>	<b>4.45</b>
	<b>Italy: 0.00% (4.54%)</b>			
	<b>Netherlands: 17.29% (11.85%)</b>			
1,810	Adyen		2,294,962	3.93
12,894	ASML		3,653,951	6.27
53,345	Koninklijke Philips		1,917,682	3.29
15,810	Prosus NV		1,204,177	2.06
88,152	Royal Dutch Shell		1,013,748	1.74
			<b>10,084,520</b>	<b>17.29</b>
	<b>Norway: 1.50% (0.92%)</b>			
87,400	TGS-NOPEC Geophysical Company		<b>872,542</b>	<b>1.50</b>

## Barings European Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value (£)	assets (%)
	<b>Equities: 100.61% (101.89%)</b> (continued)		
	<b>Portugal: 1.89% (2.40%)</b>		
134,192	Galp Energia	<u>1,103,011</u>	<u>1.89</u>
	<b>Spain: 1.73% (0.00%)</b>		
23,333	Amadeus IT	<u>1,006,340</u>	<u>1.73</u>
	<b>Sweden: 5.03% (2.31%)</b>		
89,955	Boliden	2,043,474	3.51
54,062	Getinge	887,541	1.52
		<u>2,931,015</u>	<u>5.03</u>
	<b>Switzerland: 24.04% (24.13%)</b>		
12,868	Cembra Money Bank	1,162,837	1.99
33,108	Julius Baer	1,203,079	2.06
48,339	Nestle	4,402,822	7.55
11,789	Novartis	769,962	1.32
18,866	Roche	4,941,099	8.47
12,738	Temenos	1,542,205	2.65
		<u>14,022,004</u>	<u>24.04</u>
	<b>United Kingdom: 5.43% (3.34%)</b>		
7,346	Linde	1,396,151	2.39
40,212	Unilever	1,770,304	3.04
		<u>3,166,455</u>	<u>5.43</u>
	<b>Portfolio of investments: 101.16% (102.45%)</b>		
	<b>(Cost: £42,244,574)</b>	<b>58,988,295</b>	<b>101.16</b>
	Net other liabilities	(673,786)	(1.16)
	<b>Net assets</b>	<u><b>58,314,509</b></u>	<u><b>100.00</b></u>

† Units in Investment Funds. Uninvested cash from the Trust is swept into this fund daily.

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 August 2019.

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## Barings European Growth Trust

### Independent Auditors' Report to the Unitholders of Barings European Growth Trust

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings European Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2020 and of the net revenue and the net capital losses on its scheme property 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 Trust Deed.

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 August 2020 (page 78); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 77); the distribution tables (page 91); and the notes to the financial statements (pages 79 to 90), 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 Trust 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Manager 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.

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## Barings European Growth Trust

Independent Auditors' Report to the Unitholders of Barings European Growth Trust (continued)

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### *Manager's Report*

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

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

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 70, the Manager 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 Manager 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 Manager is responsible for assessing the Trust'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 Manager either intend to wind up or terminate the Trust, 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

18 December 2020

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**BARINGS**

**Barings European Growth Trust**  
**Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders**  
for the year ended 31 August 2020

**Statement of Total Return**

	Notes	01/09/2019 to 31/08/2020		01/05/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2		(2,988)		(3,596)
Revenue	3	1,422		3,519	
Expenses	4	(832)		(1,457)	
Interest payable and other similar charges	5	–		(1)	
Net revenue before taxation		<u>590</u>		<u>2,061</u>	
Taxation	6	(243)		(346)	
Net revenue after taxation			<u>347</u>		<u>1,715</u>
<b>Total return before distributions</b>			<b>(2,641)</b>		<b>(1,881)</b>
Distributions	7		(349)		(1,717)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(2,990)</b>		<b>(3,598)</b>

**Statement of Change in Net Assets Attributable to Unitholders**

	01/09/2019 to 31/08/2020		01/05/2018 to 31/08/2019*	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>73,170</b>		<b>91,505</b>
Amounts receivable on issue of units	3,428		8,575	
Amounts payable on cancellation of units	<u>(15,310)</u>		<u>(23,331)</u>	
		<b>(11,882)</b>		<b>(14,756)</b>
Dilution adjustment		–		2
Changes in net assets attributable to unitholders from investment activities		<b>(2,990)</b>		<b>(3,598)</b>
Unclaimed distributions		<b>17</b>		<b>17</b>
<b>Closing net assets attributable to unitholders</b>		<b><u>58,315</u></b>		<b><u>73,170</u></b>

\*The accounting year end date was changed from 30 April to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings European Growth Trust****Balance Sheet**as at 31 August 2020

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	<b>Notes</b>	<b>31/08/2020 £'000</b>	<b>Restated 31/08/2019* £'000</b>
<b>Assets</b>			
Investment assets		<b>58,988</b>	74,959
Current assets:			
Debtors	9	<b>240</b>	319
Cash and bank balances	10	<b>560</b>	1,777
Total assets		<b>59,788</b>	77,055
<b>Liabilities</b>			
Creditors:			
Bank overdraft	10	<b>(549)</b>	(1,766)
Distribution payable on income units	7	<b>(317)</b>	(1,529)
Other creditors	11	<b>(607)</b>	(590)
Total liabilities		<b>(1,473)</b>	(3,885)
<b>Net assets attributable to unitholders</b>		<b>58,315</b>	73,170

\* The prior year figure has been restated. In the prior year, the amount was shown net (£11) however, this is now presented gross as there is no right to offset for the bank accounts of the Trust.

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# Barings European Growth Trust

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

#### 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 28 August 2020.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is 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. Equalisation is deducted from the bookcost of the investments.

#### 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 Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Treatment of 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.

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses 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 Trust 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 full Prospectus for further details.

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

### 2. Net Capital Losses

The net capital losses during the year/period comprise:

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Non-derivative securities	(2,938)	(3,530)
Currency losses	(41)	(52)
Forward currency contracts	(2)	–
Transaction charges	(7)	(14)
Net capital losses on investments	<u>(2,988)</u>	<u>(3,596)</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
UK dividends	4	53
Offshore CIS interest revenue	3	3
Overseas dividends	1,415	3,463
	<u>1,422</u>	<u>3,519</u>

## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 4. Expenses

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	772	1,348
	<u>772</u>	<u>1,348</u>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	14	26
Safe custody charges	11	18
	<u>25</u>	<u>44</u>
<b>Other expenses:</b>		
Administration fees	2	4
Audit fees	12	11
Professional fees	(26)	2
Registrar and transfer agency fees	23	35
Regulatory fees	13	4
Standing charges	3	4
Taxation fees*	8	5
	<u>35</u>	<u>65</u>
<b>Total expenses</b>	<u>832</u>	<u>1,457</u>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

### 5. Interest payable and other similar charges

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Interest expenses	–	1
	<u>–</u>	<u>1</u>

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 6. Taxation

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	243	346
Current tax charge (note 6b)	<u>243</u>	<u>346</u>

### b) Factors affecting taxation charge for the year/period:

The tax assessed for the year is higher (1 May 2018 to 31 August 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Net revenue before taxation	<u>590</u>	<u>2,061</u>
Corporation tax at 20%	118	412
Effects of:		
Double taxation relief expenses	(2)	(4)
Overseas withholding tax	243	346
Non-taxable UK dividends	(1)	(11)
Excess management expenses not utilised	150	268
Non taxable overseas dividends	<u>(265)</u>	<u>(665)</u>
Current tax charge for the year (note 6a)	<u>243</u>	<u>346</u>

### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £5,081,573 (31 August 2019: £4,931,627) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

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## Barings European Growth Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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#### 7. Distributions

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

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Final Distribution	317	1,529
	<hr/>	<hr/>
	317	1,529
Add: Revenue deducted on cancellation of units	35	293
Deduct: Revenue received on issue of units	(3)	(105)
	<hr/>	<hr/>
	32	188
	<hr/>	<hr/>
<b>Total distributions</b>	<b>349</b>	<b>1,717</b>

Details of the distributions per unit are set out in the Distribution Tables on page 91.

Distributions payable at the year end of £317,148 (31 August 2019: £1,528,556) are disclosed in the Balance Sheet on page 78.

#### 8. Movement between net revenue and distributions

	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Net revenue after taxation	347	1,715
Equalisation on conversions	2	2
	<hr/>	<hr/>
	349	1,717

#### 9. Debtors

	31/08/2020 £'000	31/08/2019 £'000
Accrued revenue	23	46
Amount receivable for creation of units	35	44
Overseas tax recoverable	182	194
Sales awaiting settlement	–	35
	<hr/>	<hr/>
	240	319

#### 10. Cash and bank balances

	31/08/2020 £'000	31/08/2019 £'000
Bank overdraft	(549)	(1,766)
Cash and bank balances	560	1,777
	<hr/>	<hr/>
	11	11

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 11. Other creditors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued expenses	448	489
Amounts payable for cancellation of units	159	101
	<u>607</u>	<u>590</u>

### 12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: £nil).

### 13. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

### 14. Financial instruments

In pursuing its investment objective set out on page 65, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

### 15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market price risk

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

The Investment Manager 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.

## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £2.949 million (31 August 2019: £3.748 million).

#### Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. 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 Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

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

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	–	20	20
Euro	40,842	162	41,004
Norwegian krone	873	–	873
Swedish krona	2,931	–	2,931
Swiss franc	14,022	–	14,022
	<b>58,668</b>	<b>182</b>	<b>58,850</b>

#### Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	–	20	20
Euro	52,087	171	52,258
Norwegian krone	676	–	676
Swedish krona	1,689	–	1,689
Swiss franc	17,655	3	17,658
	<b>72,107</b>	<b>194</b>	<b>72,301</b>

## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.589 million (31 August 2019: £0.723 million).

#### Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	58,988	58,988
Cash at bank	11	–	–	11
Other assets	–	–	240	240
Liabilities	–	–	(924)	(924)
	<b>11</b>	<b>–</b>	<b>58,304</b>	<b>58,315</b>

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	409	–	74,550	74,959
Cash at bank	11	–	–	11
Other assets	–	–	319	319
Liabilities	–	–	(2,119)	(2,119)
	<b>420</b>	<b>–</b>	<b>72,750</b>	<b>73,170</b>

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

#### Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: same).

#### Liquidity risk

The Trust’s assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2020, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2019: same).

The Trust 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.

During the year, the Trust made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

#### Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

### 16. 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 Trust 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 Trust 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.

## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 16. Fair value (continued)

#### Valuation technique for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	58,667	–	–	58,667
Investment Funds	–	321	–	321
	<u>58,667</u>	<u>321</u>	<u>–</u>	<u>58,988</u>

#### Valuation technique for the period ended 31 August 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	74,550	–	–	74,550
Investment Funds	–	409	–	409
	<u>74,550</u>	<u>409</u>	<u>–</u>	<u>74,959</u>

### 17. Portfolio transaction costs

Analysis of total purchase costs:	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
Purchases before transaction costs*	20,111	14,445
Commissions:		
Equities total value paid	15	6
Taxes:		
Equities total value paid	14	25
Total transaction costs	<u>29</u>	<u>31</u>
<b>Gross purchases total</b>	<u>20,140</u>	<u>14,476</u>
	01/09/2019 to 31/08/2020 £'000	01/05/2018 to 31/08/2019 £'000
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	33,094	29,093
Commissions:		
Equities total value paid	(11)	(10)
Total transaction costs	<u>(11)</u>	<u>(10)</u>
<b>Total sales net of transaction costs</b>	<u>33,083</u>	<u>29,083</u>

\* Not included in 2020 figures are purchases and sales in cash funds totalling £14.755 million and £14.843 million, respectively, where there are no transaction costs applicable. In 2019, purchases and sales in cash funds totalled £17.107 million and £16.698 million, respectively.

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 17. Portfolio transaction costs (continued)

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust'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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

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

	01/09/2019 to 31/08/2020	01/05/2019 to 31/08/2019
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.08	0.04
Equities percentage of average NAV	0.02	0.01
Taxes:		
Equities percentage of total equities purchases costs	0.07	0.18
Equities percentage of average NAV	0.02	0.03

	01/09/2019 to 31/08/2020	01/05/2019 to 31/08/2019
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.03)	(0.03)
Equities percentage of average NAV	(0.02)	(0.01)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.05% (31 August 2019: 0.07%), 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.

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## Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 18. Unit classes

The Trust currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 66. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 67. The distribution per unit class is given in the distribution tables on page 91. All classes have the same rights on winding up.

	<b>Class A GBP Inc</b>	<b>Class I GBP Inc</b>
Opening units	3,412,702	1,837,653
Units created	68,762	182,303
Units liquidated	(724,207)	(402,652)
Units converted	(28,194)	27,963
<b>Closing units</b>	<b>2,729,063</b>	<b>1,645,267</b>

### 19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager 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 Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

### 20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class has increased from 1,339.00p to 1,431.00p and I GBP Income class from 1,354.00p to 1,439.00p as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

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## Barings European Growth Trust

### Distribution Tables

For the year ended 31 August 2020

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#### Final Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 31 August 2020

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	3.2255	0.0000	3.2255	24.1866
2	2.2871	0.9384	3.2255	24.1866

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	13.9018	0.0000	13.9018	38.2629
2	12.3224	1.5794	13.9018	38.2629

\* The accounting year end date was changed from 30 April to 31 August.

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## Barings Europe Select Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of Barings Europe Select Trust (the “Trust”) is to achieve capital growth by investing in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe’s listed companies (this excludes companies in the United Kingdom).

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom), as well as in larger companies, and in fixed income and cash.

In order to implement the investment policy, the Trust may gain indirect 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 Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

#### Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the EMIX Smaller European Companies Ex UK (Total Gross Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of small and medium sized companies from developed European countries excluding the UK.

#### How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” or GARP. We believe 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, we believe 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. Our approach emphasises quality criteria when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

#### Risk Profile

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

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares, which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- 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 Trust’s value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative, as a relatively small movement may have a larger impact on derivatives than the underlying assets. 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 Trust to incur a loss.

## Barings Europe Select Trust

### Investment Objective and Policy and Trust at a Glance (continued)

#### Risk Profile (continued)

- 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.
- Losses may occur if an organization through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

#### The Trust at a Glance on 31 August 2020

Total Trust size: 31 August 2020	£1,390.78 million	
Total Trust size: 31 August 2019	£1,565.63 million	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Inc**	1.57%	1.56%
Class A EUR Acc**	1.57%	1.56%
Class A EUR Inc**	1.57%	1.56%
Class A USD Acc	1.57%	1.56%
Class I GBP Inc	0.82%	0.81%
Class I EUR Acc	0.82%	0.81%
Class I EUR Inc	0.82%	0.81%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Inc**	up to 5.00%	1.50%
Class A EUR Acc**	up to 5.00%	1.50%
Class A EUR Inc**	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class I GBP Inc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Inc**	£1,000	£500
Class A EUR Acc**	€5,000	€1,000
Class A EUR Inc**	€5,000	€1,000
Class A USD Acc	US\$5,000	US\$2,500
Class I GBP Inc	£10,000,000	£500
Class I EUR Acc	€10,000,000	€1,000
Class I EUR Inc	€10,000,000	€1,000

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

\*\* Calculation based on mid-price.

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## Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

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### The Trust at a Glance on 31 August 2020 (continued)

Price per unit	(pence/cents per unit)
Class A GBP Inc	4,320.00p
Class A EUR Acc	5,146.00c
Class A EUR Inc	4,825.00c
Class A USD Acc	6,114.00c
Class I GBP Inc	4,352.00p
Class I EUR Acc	5,203.00c
Class I EUR Inc	4,865.00c

## Barings Europe Select Trust

### Trust Information

	Class A GBP Inc - Distribution units			Class A EUR Acc - Accumulation units		
	31/08/2020 (p)	31/08/2019 (p)	31/05/2018 (p)	31/08/2020 (c)	31/08/2019 (c)	31/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	4,217.91	4,063.90	3,881.28	4,959.27	4,911.96	4,681.55
Return before operating charges	167.49	250.24	266.56	261.99	129.60	315.28
Operating charges	(64.27)	(78.47)	(62.04)	(76.57)	(82.29)	(84.86)
Return after operating charges	103.22	171.77	204.52	185.42	47.31	230.42
Distributions	–	(17.76)	(21.90)	–	–	(13.89)
Retained distributions on accumulation units	–	–	–	–	–	13.89
Closing net asset value per unit after direct transaction costs of*	4,321.13	4,217.91	4,063.90	5,144.69	4,959.27	4,911.96
	4.14	2.38	3.13	4.93	2.50	4.29
<b>Performance</b>						
Return after charges	2.45%	4.23%	5.27%	3.74%	0.96%	4.92%
<b>Other information</b>						
Closing net asset value ('000)	£217,196	£232,387	£276,753	€25,373	€38,581	€133,361
Closing number of units	5,026,359	5,509,533	6,810,034	493,187	777,949	2,715,017
Operating charges	1.57%	1.56%	1.55%	1.57%	1.56%	1.55%
Direct transaction costs	0.10%	0.06%	0.08%	0.10%	0.06%	0.08%
<b>Prices**</b>						
Highest unit price	4,419.00	4,383.00	4,184.00	5,616.00	5,141.00	5,000.00
Lowest unit price	3,072.00	3,534.00	3,828.00	3,607.00	4,150.00	4,482.00
	Class A EUR Inc - Distribution units			Class A USD Acc - Accumulation units		
	31/08/2020 (c)	31/08/2019 (c)	31/05/2018 (c)	31/08/2020 (c)	31/08/2019 (c)	31/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	4,649.41	4,623.86	4,432.63	5,464.50	5,736.98	5,249.97
Return before operating charges	246.06	111.59	299.35	747.84	(189.45)	603.17
Operating charges	(71.97)	(77.81)	(80.56)	(91.05)	(83.03)	(116.16)
Return after operating charges	174.09	33.78	218.79	656.79	(272.48)	487.01
Distributions	–	(8.23)	(27.29)	–	(27.50)	(36.33)
Retained distributions on accumulation units	–	–	–	–	27.50	36.33
Closing net asset value per unit after direct transaction costs of*	4,823.50	4,649.41	4,623.86	6,121.29	5,464.50	5,736.98
	4.64	2.36	4.07	5.87	2.52	5.87
<b>Performance</b>						
Return after charges	3.74%	0.73%	4.94%	12.02%	(4.75)%	9.28%
<b>Other information</b>						
Closing net asset value ('000)	€179,049	€292,038	€612,383	\$16,057	\$16,926	\$28,181
Closing number of units	3,712,004	6,281,177	13,243,986	262,319	309,752	491,209
Operating charges	1.57%	1.56%	1.55%	1.57%	1.56%	1.55%
Direct transaction costs	0.10%	0.06%	0.08%	0.10%	0.06%	0.08%
<b>Prices**</b>						
Highest unit price	5,265.00	4,828.00	4,735.00	6,125.00	5,971.00	6,184.00
Lowest unit price	3,382.00	3,907.00	4,243.00	3,928.00	4,728.00	5,206.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 1 June 2018 to 31 August 2019 and 1 June 2017 to 31 May 2018 respectively.

## Barings Europe Select Trust

### Trust Information (continued)

	Class I GBP Inc - Distribution units			Class I EUR Acc - Accumulation units		
	31/08/2020 (p)	31/08/2019 (p)	31/05/2018 (p)	31/08/2020 (c)	31/08/2019 (c)	31/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	4,217.28	4,069.60	3,887.87	4,975.84	4,892.47	4,627.76
Return before operating charges	169.65	253.10	268.43	266.29	126.21	308.32
Operating charges	(33.65)	(40.89)	(32.24)	(40.35)	(42.84)	(43.61)
Return after operating charges	136.00	212.21	236.19	225.94	83.37	264.71
Distributions	(29.73)	(64.53)	(54.46)	(35.34)	(74.02)	(64.68)
Retained distributions on accumulation units	–	–	–	35.34	74.02	64.68
Closing net asset value per unit after direct transaction costs of*	4,323.55	4,217.28	4,069.60	5,201.78	4,975.84	4,892.47
	4.15	2.39	3.16	4.98	2.51	4.27
<b>Performance</b>						
Return after charges	3.22%	5.21%	6.08%	4.54%	1.70%	5.72%
<b>Other information</b>						
Closing net asset value ('000)	£870,211	£933,913	£1,104,121	€78,558	€58,399	€60,291
Closing number of units	20,127,246	22,144,891	27,130,932	1,510,216	1,173,650	1,232,329
Operating charges	0.82%	0.81%	0.80%	0.82%	0.81%	0.80%
Direct transaction costs	0.10%	0.06%	0.08%	0.10%	0.06%	0.08%
<b>Prices**</b>						
Highest unit price	4,434.00	4,424.00	4,212.00	5,655.00	5,152.00	4,973.00
Lowest unit price	3,084.00	3,552.00	3,837.00	3,635.00	4,152.00	4,438.00
<b>Class I EUR Inc - Distribution units</b>						
	31/08/2020 (c)	31/08/2019 (c)	31/05/2018 (c)			
<b>Change in net assets per unit</b>						
Opening net asset value per unit	4,652.29	4,645.25	4,452.93			
Return before operating charges	249.16	119.06	297.15			
Operating charges	(37.72)	(40.83)	(42.05)			
Return after operating charges	211.44	78.23	255.10			
Distributions	(32.82)	(71.19)	(62.78)			
Closing net asset value per unit after direct transaction costs of*	4,830.91	4,652.29	4,645.25			
	4.65	2.39	4.12			
<b>Performance</b>						
Return after charges	4.54%	1.68%	5.73%			
<b>Other information</b>						
Closing net asset value ('000)	€42,409	€36,082	€54,407			
Closing number of units	877,868	775,583	1,171,244			
Operating charges	0.82%	0.81%	0.80%			
Direct transaction costs	0.10%	0.06%	0.08%			
<b>Prices**</b>						
Highest unit price	5,287.00	4,886.00	4,786.00			
Lowest unit price	3,398.00	3,939.00	4,271.00			

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 1 June 2018 to 31 August 2019 and 1 June 2017 to 31 May 2018 respectively.

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## Barings Europe Select Trust

Report of the Investment Manager

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### Performance

During the year ended 31 August 2020, the Barings Europe Select Trust (“the Trust”) produced an absolute net return for Class A GBP Inc of 2.34% compared with a return of 6.74% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
Barings Europe Select Trust	2.34%	3.00%	11.57%
EMIX Smaller European Companies Ex UK (Total Gross Return) Index	6.74%	2.56%	11.70%

The Trust underperformed its performance comparator, the EMIX Smaller European Companies ex-UK Index, in the year under review. The Trust remains broadly in line with the benchmark over the longer term (five years) and is marginally ahead over three years. This recent relative underperformance predominantly occurred towards the end of the reporting year, following a very strong start to the year during which our portfolio proved relatively resilient in a rapidly declining equity market, as the COVID-19 pandemic arrested market sentiment in February and March. This relative resilience reflects the financial style characteristics of the portfolio, as we favour investments in high quality, sustainably growing companies while avoiding the weaker stocks that are more likely to succumb to short-term market weakness. In more recent months, however, European Smaller Companies have seen a strong rally in the shares of companies that had been experiencing negative earnings revisions. Our focus on companies that are improving the quality of their earnings and business models, therefore, while helping our relative performance during the market downturn, meant that our portfolio did not participate as meaningfully in the recent short-term market rally.

At the stock level, shares in oil services companies CGG and TGS-NOPEC Geophysical Company were relatively weak, partly reflecting weakness in the oil price. We continue to hold shares in TGS-NOPEC Geophysical Company as we believe it remains a strong, high quality business, irrespective of the oil price, due its robust balance sheet, cash generation ability, attractive valuation, and favourable position compared to peers. We sold shares in CGG as, while the relatively new management team have taken positive steps towards reducing the company’s ongoing capital requirements by selling its fleet of seismic survey vessels and reinvesting the proceeds in its seismic data library, we became concerned that there is still some way to go before this strategy can drive meaningful returns. More positively, shares in DiaSorin, an Italian manufacturer of in vitro diagnostic reagents, performed well following consistently good financial results, benefitting in part from strong demand for its COVID-19 tests; we have since sold the shares to take profits. Shares in Dutch semiconductor technology company ASM International also performed well, reflecting strength in the wider semiconductor processing equipment industry due to optimism for potentially higher demand. We made a number of new purchases over the year under review. One example is German construction and engineering company Hochtief, which benefits from a strong balance sheet and order book, and, while undoubtedly facing disruptions to activity in the short term, we believe it will emerge from the pandemic in a good competitive position.

## Barings Europe Select Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Korian	23,490	DiaSorin	30,550
Prysmian	21,531	GrandVision	24,194
Enagas	18,920	Teleperformance	24,173
Hochtief	18,698	Swedish Match	21,824
Huhtamaki	18,192	Barry Callebaut	18,665
JCDecaux	18,048	Orpea	17,510
Smurfit Kappa Group	17,719	Qiagen	16,965
HelloFresh	17,683	Hexpol	16,894
Telenet	17,114	CompuGroup Medical	16,690
FincoBank	16,716	Wendel	16,180

### Market Outlook

The strong performance by stock markets in the last six months or so appears at odds with an apparent slow-down in the rate of recovery of most developed market economies from earlier lockdowns. Consistently, manufacturing activities appear to be leading the global recovery, suggesting that companies and suppliers are becoming more proficient at maintaining output in factories that have been reconfigured to support social distancing and other measures aimed at preventing the spread of coronavirus. Services sectors are generally weak, however, in part reflecting the continued widespread reluctance to travel, both for recreational and business purposes, to repopulate offices, or to indulge in leisure activities.

We expect market volatility to remain elevated or to possibly increase in the coming months, given the significant risks to companies' earnings over the shorter term. These risks include ongoing social distancing measures, a worsening 'second wave' of coronavirus infections, and intermittent regional lockdowns. While progress in vaccine formulations has been broadly encouraging, many questions remain around timing and distribution that could negatively impact sentiment, further adding to market volatility. Political risks are also likely to become more prevalent in the coming months, as markets continue to digest the policy implications from the U.S. Presidential election, and as Brexit negotiations between the UK and the EU may gain momentum as the transition deadline of 31 December 2020 draws nearer.

In this context, and in line with our quality Growth at a Reasonable Price investment approach, we continue to rely on bottom-up stock selection to identify investment opportunities in companies which we believe will benefit from long-term, structural growth that is not necessarily dependent on economic growth; the ability to fund their own growth ambitions; and clear, open communication with stakeholders. Likewise, we continue to avoid investments in highly cyclical companies, particularly those whose fortunes are dependent on commodity price developments; balance sheet stressed companies; and companies that display poor corporate governance and shareholder rights protection.

### Baring Asset Management Limited

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

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## Barings Europe Select Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Europe Select Trust (the “Trust”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the “Trust”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

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## Barings Europe Select Trust

Responsibilities of the Manager and the Trustee (continued)

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### Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the year ended 31 August 2020 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
London 18 December 2020

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## Barings Europe Select Trust

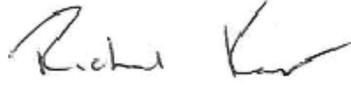
### Directors' Statement

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The financial statements on pages 108 to 122 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

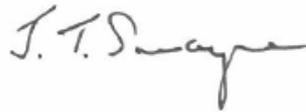
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings Europe Select Trust

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value assets (£) (%)
	<b>Investment Funds: 3.73% (5.01%)</b>	
	<b>Ireland: 3.73% (5.01%)</b>	
36,909,992	Northern Trust Global Funds - Euro Liquidity Fund†	31,963,663 2.30
626,000	Northern Trust Global Funds - Sterling Fund†	626,000 0.05
25,682,000	Northern Trust Global Funds - US Dollar Fund†	19,304,692 1.38
		<b>51,894,355 3.73</b>
	<b>Equities: 95.67% (95.20%)</b>	
	<b>Austria: 1.60% (0.53%)</b>	
318,238	BAWAG	9,146,492 0.66
132,103	S&T	2,766,021 0.20
505,813	Wienerberger	10,337,442 0.74
		<b>22,249,955 1.60</b>
	<b>Belgium: 3.31% (3.78%)</b>	
369,398	Barco	5,924,565 0.42
214,385	D'ieteren	10,531,585 0.76
270,534	KBC Ancora	7,513,989 0.54
826,783	Ontex	8,470,792 0.61
465,887	Telenet	13,606,854 0.98
		<b>46,047,785 3.31</b>
	<b>Denmark: 6.86% (7.05%)</b>	
469,603	GN Store Nord	25,583,469 1.84
50,546	Rockwool International	14,509,745 1.04
256,863	Royal Unibrew	20,144,392 1.45
484,806	Topdanmark	15,909,967 1.14
830,118	Tryg	19,308,986 1.39
		<b>95,456,559 6.86</b>
	<b>Finland: 5.07% (4.02%)</b>	
457,447	Elisa	20,110,114 1.45
592,869	Huhtamaki	21,697,467 1.56
390,944	Kemira	4,071,876 0.29
506,357	Nokian Renkaat	10,751,809 0.78
669,718	Valmet	13,807,067 0.99
		<b>70,438,333 5.07</b>
	<b>France: 11.44% (15.81%)</b>	
270,912	ALD	2,113,838 0.15
5,773,494	CGG	3,929,362 0.28
387,168	Edenred	15,264,090 1.10
316,001	Eurazeo	12,763,712 0.92
92,449	Gaztransport Et Technigaz	6,617,885 0.48
221,484	IPSOS	4,449,238 0.32
585,597	Korian	16,893,548 1.22
194,416	Nexity	5,062,348 0.36
72,099	Orpea	6,486,916 0.47

## Barings Europe Select Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	<b>Equities: 95.67% (95.20%)</b> (continued)		
	<b>France: 11.44% (15.81%)</b> (continued)		
1,294,890	Rexel	13,260,981	0.95
153,559	SEB	20,322,187	1.46
510,081	SPIE	6,577,034	0.47
45,194	Teleperformance	10,591,154	0.76
44,368	Trigano	4,200,321	0.30
132,092	Wendel	10,359,897	0.75
289,858	Worldline	20,178,639	1.45
		<b>159,071,150</b>	<b>11.44</b>
	<b>Germany: 13.72% (10.87%)</b>		
601,057	Aixtron	5,158,837	0.37
449,642	Brenntag	21,211,396	1.53
88,422	Dermapharm	3,485,640	0.25
72,740	Eckert & Ziegler	2,733,692	0.20
306,196	Evotec	6,049,585	0.43
203,363	Gerresheimer	17,896,714	1.29
552,995	HelloFresh	21,069,481	1.51
275,014	Hochtief	18,714,620	1.35
405,997	KION	25,793,374	1.85
377,677	Scout24	26,359,801	1.90
283,373	Software	10,553,282	0.76
427,249	Softwareone	9,527,826	0.68
376,001	Stroeer	22,255,935	1.60
		<b>190,810,183</b>	<b>13.72</b>
	<b>Iceland: 0.22% (0.00%)</b>		
797,782	Marel	<b>3,083,862</b>	<b>0.22</b>
	<b>Ireland: 2.51% (1.51%)</b>		
240,246	Kingspan	15,327,548	1.10
731,003	Smurfit Kappa Group	19,636,172	1.41
		<b>34,963,720</b>	<b>2.51</b>
	<b>Italy: 11.70% (10.76%)</b>		
442,640	ACEA	6,768,925	0.49
1,030,039	Amplifon	25,493,698	1.83
922,775	Banca Generali	21,121,431	1.52
51,055	DiaSorin	6,884,597	0.50
2,097,232	FinecoBank	23,917,363	1.72
7,109,857	Hera	20,345,404	1.46
2,659,137	Infrastrutture Wireless Italiane	19,665,752	1.41
540,240	Interpump Group	14,212,192	1.02
459,169	Moncler	13,513,362	0.97
509,219	Prysmian	10,803,467	0.78
		<b>162,726,191</b>	<b>11.70</b>
	<b>Luxembourg : 0.00% (1.37%)</b>		

## Barings Europe Select Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	<b>Equities: 95.67% (95.20%)</b> (continued)		
	<b>Netherlands: 14.45% (13.99%)</b>		
741,497	Arcadis	12,812,051	0.92
211,906	ASM International	24,024,085	1.73
903,226	ASR Nederland	23,922,972	1.72
466,654	BE Semiconductor Industries	16,823,612	1.21
46,489	Corbion	1,608,632	0.12
314,182	Euronext	28,562,880	2.05
300,710	Flow Traders	8,852,598	0.64
317,886	IMCD	25,526,099	1.83
418,452	Intertrust	5,579,033	0.40
835,486	Signify	21,216,735	1.53
285,000	TKH Group	8,492,119	0.61
568,383	Vopak	23,568,074	1.69
		<b>200,988,890</b>	<b>14.45</b>
	<b>Norway: 3.26% (3.32%)</b>		
196,012	Bakkafrost	9,168,282	0.66
1,625,676	Storebrand	7,590,050	0.55
1,351,320	TGS-NOPEC Geophysical Company	13,490,656	0.97
418,426	Tomra Systems	15,088,298	1.08
		<b>45,337,286</b>	<b>3.26</b>
	<b>Spain: 2.86% (3.46%)</b>		
1,191,751	Applus Services	7,411,350	0.53
478,913	CIE Automotive	6,363,705	0.46
468,805	Ebro Foods	8,599,498	0.62
940,773	Enagas	17,383,286	1.25
		<b>39,757,839</b>	<b>2.86</b>
	<b>Sweden: 7.04% (7.47%)</b>		
1,120,271	AAK	16,801,657	1.21
421,432	AF Poyry	8,960,721	0.65
1,016,414	Getinge	16,686,565	1.20
1,526,495	Husqvarna	12,592,111	0.91
293,266	ICA Gruppen	10,880,354	0.78
1,829,772	Securitas	19,946,701	1.43
507,161	Thule	11,966,990	0.86
		<b>97,835,099</b>	<b>7.04</b>
	<b>Switzerland: 11.63% (10.00%)</b>		
19,829	Also	4,042,452	0.29
186,109	Baloise	22,300,154	1.60
57,624	Bucher Industries	16,245,190	1.17
295,511	Cembra Money Bank	26,704,316	1.92
254,375	DKSH	12,816,415	0.92
247,415	Galenica	13,278,950	0.96
392,591	Logitech International	21,678,274	1.56
1,941,910	SIG Combibloc	28,697,895	2.06

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## Barings Europe Select Trust

### Portfolio Statement (continued)

as at 31 August 2020

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		Percentage Bid-Market of total net value assets (£) (%)	
<b>Holdings</b>	<b>Investments</b>		
	<b>Equities: 95.67% (95.20%)</b> (continued)		
	<b>Switzerland: 11.63% (10.00%)</b> (continued)		
46,943	Tecan	15,952,713	1.15
		<u>161,716,359</u>	<u>11.63</u>
	<b>United States: 0.00% (1.26%)</b>		
	<b>Portfolio of investments: 99.40% (100.21%)</b> <b>(Cost: £1,098,466,322)</b>	<b>1,382,377,566</b>	<b>99.40</b>
	Net other assets	8,400,590	0.60
	<b>Net assets</b>	<u><b>1,390,778,156</b></u>	<u><b>100.00</b></u>

† Units in Investment Funds. Uninvested cash from the Trust is swept into these funds daily.

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 August 2019.

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## Barings Europe Select Trust

### Independent Auditors' Report to the Unitholders of Barings Europe Select Trust

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings Europe Select Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2020 and of the net revenue and the net capital gains on its scheme property 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 Trust Deed.

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 August 2020 (page 109); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 108); the distribution tables (pages 123 to 125); and the notes to the financial statements (pages 110 to 122), 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 Trust 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Manager 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.

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## Barings Europe Select Trust

Independent Auditors' Report to the Unitholders of Barings Europe Select Trust (continued)

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### *Manager's Report*

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

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

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 99, the Manager 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 Manager is also responsible for such internal control as they determine is to be 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 Manager is responsible for assessing the Trust'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 Manager either intend to wind up or terminate the Trust, or have 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

18 December 2020

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**BARINGS**

## Barings Europe Select Trust

### Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2020

#### Statement of Total Return

	Notes	01/09/2019 to 31/08/2020		01/06/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		20,651		34,559
Revenue	3	23,714		48,484	
Expenses	4	(14,539)		(25,359)	
Interest payable and other similar charges	5	(100)		(25)	
Net revenue before taxation		<u>9,075</u>		<u>23,100</u>	
Taxation	6	(2,857)		(4,446)	
Net revenue after taxation			<u>6,218</u>		<u>18,654</u>
<b>Total return before distributions</b>			<u>26,869</u>		<u>53,213</u>
Distributions	7		(6,788)		(18,803)
<b>Change in net assets attributable to unitholders from investment activities</b>			<u>20,081</u>		<u>34,410</u>

#### Statement of Change in Net Assets Attributable to Unitholders

		01/09/2019 to 31/08/2020		01/06/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>			1,565,627		2,155,989
Amounts receivable on issue of units		266,347		341,475	
Amounts receivable on in-specie transactions		-		57,967	
Amounts payable on cancellation of units		(461,759)		(955,276)	
Amounts payable on in-specie transactions		-		(70,067)	
			<u>(195,412)</u>		<u>(625,901)</u>
Dilution adjustment			-		241
Changes in net assets attributable to unitholders from investment activities			20,081		34,410
Retained distribution on accumulation units	7		478		875
Unclaimed distributions			4		13
<b>Closing net assets attributable to unitholders</b>			<u>1,390,778</u>		<u>1,565,627</u>

\* The accounting year end date was changed from 31 May to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings Europe Select Trust****Balance Sheet**as at 31 August 2020

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	Notes	31/08/2020 £'000	Restated 31/08/2019* £'000
<b>Assets</b>			
Investment assets		<b>1,382,378</b>	1,568,877
Current assets:			
Debtors	9	<b>15,905</b>	18,583
Cash and bank balances	10	<b>14,627</b>	18,600
Total assets		<b>1,412,910</b>	1,591,778
<b>Liabilities</b>			
Creditors:			
Bank overdraft	10	<b>(1,800)</b>	(14,282)
Distribution payable on income units	7	<b>(6,241)</b>	(15,430)
Other creditors	11	<b>(14,091)</b>	(10,721)
Total liabilities		<b>(22,132)</b>	(26,151)
<b>Net assets attributable to unitholders</b>		<b>1,390,778</b>	1,565,627

\* The prior year figure has been restated. In the prior year, the amount was shown net (£4,318) however, this is now presented gross as there is no right to offset for the bank accounts of the Trust.

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# Barings Europe Select Trust

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest. Units will be “single priced”, with the same price for buying or selling on any particular day. This will be based on a bid-market valuation of the underlying investments without addition or deduction of a provision for dealing costs.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

#### 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 28 August 2020.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is 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. Equalisation is deducted from the bookcost of the investments.

#### 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 Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2020, there were no stock dividends on this Trust.

#### Treatment of 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.

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## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses 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 Trust 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 full Prospectus for further details.

#### Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

### 2. Net Capital Gains

The net capital gains during the year/period comprise:

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
Non-derivative securities	20,090	34,736
Currency gains/(losses)	584	(136)
Transaction charges	(23)	(41)
Net capital gains on investments	<u>20,651</u>	<u>34,559</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
Bank interest	1	2
Offshore CIS interest revenue	425	846
Overseas dividends	23,288	47,636
	<u>23,714</u>	<u>48,484</u>

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 4. Expenses

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	13,856	24,364
	13,856	24,364
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	195	323
Safe custody charges	267	440
	462	763
<b>Other expenses:</b>		
Administration fees	2	4
Audit fees	11	11
Professional fees	6	4
Registrar and transfer agency fees	157	191
Regulatory fees	9	6
Standing charges	3	4
Taxation fees*	33	12
	221	232
<b>Total expenses</b>	<b>14,539</b>	<b>25,359</b>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

### 5. Interest payable and other similar charges

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
Interest expenses	100	25
	100	25

## Barings Europe Select Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

#### 6. Taxation

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	2,857	4,446
Current tax charge (note 6b)	2,857	4,446

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

The tax assessed for the year is higher (1 June 2018 to 31 August 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
Net revenue before taxation	9,075	23,100
Corporation tax at 20%	1,815	4,620
Effects of:		
Overseas withholding tax	2,857	4,446
Excess management expenses not utilised	2,842	4,907
Non taxable overseas dividends	(4,657)	(9,527)
Current tax charge for the year (note 6a)	2,857	4,446

#### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £31,103,925 (31 August 2019: £28,261,524) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 7. Distributions

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

	01/09/2019 to 31/08/2020	01/06/2018 to 31/08/2019
	£'000	£'000
Interim Distribution	–	943
Interim Accumulation	–	61
Final Distribution	6,241	15,430
Final Accumulation	478	814
	<b>6,719</b>	17,248
Add: Revenue deducted on cancellation of units	371	2,693
Add: Revenue deducted on in-specie transactions	–	293
Deduct: Revenue received on issue of units	(302)	(1,431)
<b>Total distributions</b>	<b>6,788</b>	18,803

Details of the distributions per units are set out in the Distribution Tables on pages 123 to 125.

Distributions payable at the year end of £6,240,787 (31 August 2019: £15,429,667) are disclosed in the Balance Sheet on page 109.

### 8. Movement between net revenue and distributions

	01/09/2019 to 31/08/2020	01/06/2018 to 31/08/2019
	£'000	£'000
Net revenue after taxation	6,218	18,654
Equalisation on conversions	1	3
Income deficit	569	146
	<b>6,788</b>	18,803

### 9. Debtors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued revenue	2,142	88
Amount receivable for creation of units	494	5,656
Overseas tax recoverable	3,489	3,206
Sales awaiting settlement	9,780	9,633
	<b>15,905</b>	18,583

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## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 10. Cash and bank balances

	31/08/2020	31/08/2019
	£'000	£'000
Bank overdraft	(1,800)	(14,282)
Cash and bank balances	14,627	18,600
	<u>12,827</u>	<u>4,318</u>

### 11. Other creditors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued expenses	1,294	1,549
Amounts payable for cancellation of units	1,619	3,116
Currency deals awaiting settlement	1	–
Purchases awaiting settlement	11,177	6,056
	<u>14,091</u>	<u>10,721</u>

### 12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: £nil).

### 13. Equalisation

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

### 14. Financial instruments

In pursuing its investment objective set out on page 92, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager 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 Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £69.119 million (31 August 2019: £78.444 million).

#### Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. 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 Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

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

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	95,457	1,493	96,950
Euro	952,574	2,005	954,579
Norwegian krone	45,337	12,799	58,136
Swedish krona	97,835	–	97,835
Swiss franc	171,244	–	171,244
US dollar	19,305	8	19,313
	<b>1,381,752</b>	<b>16,305</b>	<b>1,398,057</b>

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	110,379	1,542	111,921
Euro	1,080,200	1,872	1,082,072
Norwegian krone	52,019	3,597	55,616
Swedish krona	116,884	539	117,423
Swiss franc	156,595	42	156,637
US dollar	14,797	9	14,806
	1,530,874	7,601	1,538,475

### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £13.981 million (31 August 2019: £15.385 million).

### Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	1,382,378	1,382,378
Cash at bank	12,827	–	–	12,827
Other assets	–	–	15,905	15,905
Liabilities	–	–	(20,332)	(20,332)
	12,827	–	1,377,951	1,390,778

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	78,421	–	1,490,456	1,568,877
Cash at bank	4,318	–	–	4,318
Other assets	–	–	18,583	18,583
Liabilities	–	–	(26,151)	(26,151)
	<u>82,739</u>	<u>–</u>	<u>1,482,888</u>	<u>1,565,627</u>

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.

#### Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: same).

#### Liquidity risk

The Trust’s assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

#### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2020, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2019: same).

The Trust 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.

During the year, the Trust made use of “Over The Counter” (“OTC”) derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust’s exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

#### Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

### 16. 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 Trust 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.

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 16. Fair value (continued)

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust 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 for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	1,330,483	–	–	1,330,483
Investment Funds	–	51,895	–	51,895
	<u>1,330,483</u>	<u>51,895</u>	<u>–</u>	<u>1,382,378</u>

#### Valuation technique for the period ended 31 August 2019:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	1,490,456	–	–	1,490,456
Investment Funds	–	78,421	–	78,421
	<u>1,490,456</u>	<u>78,421</u>	<u>–</u>	<u>1,568,877</u>

### 17. Portfolio transaction costs

	01/09/2019 to 31/08/2020 £'000	01/06/2018 to 31/08/2019 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	1,247,498	670,208
Commissions:		
Equities total value paid	338	305
Taxes:		
Equities total value paid	708	419
Total transaction costs	<u>1,046</u>	<u>724</u>
<b>Gross purchases total</b>	<u>1,248,544</u>	<u>670,932</u>

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs (continued)

	01/09/2019 to 31/08/2020	01/06/2018 to 31/08/2019
	£'000	£'000
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	1,453,879	1,316,879
Commissions:		
Equities total value paid	(382)	(615)
Total transaction costs	(382)	(615)
<b>Total sales net of transaction costs</b>	<b>1,453,497</b>	<b>1,316,264</b>

\* Not included in 2020 figures are purchases and sales in cash funds totalling £533.15 million and £565.03 million, respectively, where there are no transaction costs applicable. In 2019, purchases and sales in cash funds totalled £834.91 million and £874.88 million, respectively.

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust'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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

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

	01/09/2019 to 31/08/2020	01/06/2018 to 31/08/2019
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.05	0.05
Equities percentage of average NAV	0.02	0.02
Taxes:		
Equities percentage of total equities purchases costs	0.10	0.06
Equities percentage of average NAV	0.05	0.02

## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs (continued)

	01/09/2019 to 31/08/2020	01/06/2018 to 31/08/2019
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	<b>(0.04)</b>	(0.05)
Equities percentage of average NAV	<b>(0.03)</b>	(0.03)

### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.11% (31 August 2019: 0.11%), 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.

### 18. Unit classes

The Trust currently has seven unit classes: A EUR Acc, A EUR Inc, A GBP Inc, A USD Acc, I EUR Acc, I EUR Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 93. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 95 and 96. The distribution per unit class is given in the distribution tables on pages 123 to 125. All classes have the same rights on winding up.

	Class A GBP Inc	Class A EUR Acc	Class A EUR Inc
Opening units	5,509,533	777,949	6,281,177
Units created	431,653	72,381	653,871
Units liquidated	(902,682)	(352,102)	(3,223,044)
Units converted	(12,145)	(5,041)	–
<b>Closing units</b>	<b>5,026,359</b>	<b>493,187</b>	<b>3,712,004</b>

	Class A USD Acc	Class I GBP Inc	Class I EUR Acc
Opening units	309,752	22,144,891	1,173,650
Units created	125,632	4,078,857	850,146
Units liquidated	(173,065)	(6,108,597)	(518,555)
Units converted	–	12,095	4,975
<b>Closing units</b>	<b>262,319</b>	<b>20,127,246</b>	<b>1,510,216</b>

	Class I EUR Inc
Opening units	775,583
Units created	280,033
Units liquidated	(177,790)
Units converted	42
<b>Closing units</b>	<b>877,868</b>

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## Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2020, the Investment Manager had holdings of Nil units (31 August 2019: 15,709), equivalent to 0.00% (31 August 2019: 0.04%) of units held in the Trust. Amounts due from or to the Investment Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager 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 Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

### 20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class has increased from 4,320.00p to 4,701.00p, A EUR Accumulation class from 5,146.00c to 5,560.00c, A EUR Income class from 4,825.00c to 5,213.00c, A USD Accumulation class from 6,114.00c to 6,768.00c, I GBP Income class from 4,352.00p to 4,714.00p, I EUR Accumulation class from 5,203.00c to 5,634.00c and I EUR Income class from 4,865.00c to 5,232.00c as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

## Barings Europe Select Trust

### Distribution Tables

#### Interim Distribution

Group 1: Units purchased prior to 1 September 2019\*

Group 2: Units purchased between 1 September 2019 and 29 February 2020

#### Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

#### Interim accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

#### Interim distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

#### Interim accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

#### Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	3.5259
2	Nil	Nil	Nil	3.5259

## Barings Europe Select Trust

Distribution Tables (continued)

### Interim Distribution (continued)

#### Interim accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	Nil	Nil	Nil	4.0990
2	Nil	Nil	Nil	4.0990

#### Interim distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	3.9242
2	Nil	Nil	Nil	3.9242

### Final Distribution

Group 1: Units purchased prior to 1 March 2020\*

Group 2: Units purchased between 1 March 2020 and 31 August 2020

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	17.7647
2	Nil	Nil	Nil	17.7647

#### Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

## Barings Europe Select Trust

### Distribution Tables (continued)

#### Final Distribution (continued)

##### Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	Nil	Nil	Nil	8.2284
2	Nil	Nil	Nil	8.2284

##### Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	Nil	Nil	Nil	27.4974
2	Nil	Nil	Nil	27.4974

##### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	29.7252	0.0000	29.7252	61.0042
2	21.4986	8.2266	29.7252	61.0042

##### Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019 Accumulation Paid
1	35.3425	0.0000	35.3425	69.9210
2	11.4411	23.9014	35.3425	69.9210

##### Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	32.8173	0.0000	32.8173	67.2628
2	18.5789	14.2384	32.8173	67.2628

\*The accounting interim period date was changed from 30 November to 29 February. The accounting year end date was changed from 31 May to 31 August.

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## Barings German Growth Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of Barings German Growth Trust (the “Trust”) is to achieve capital growth by investing in Germany.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity related securities of companies incorporated in, or exercising the predominant part of their economic activity in Germany, or quoted or traded on the stock exchanges in Germany.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity related securities outside of Germany as well as in fixed income and cash.

In order to implement the investment policy, the Trust 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 Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

#### Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the HDAX® (Total Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the stock market index in Germany.

#### How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe 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, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

#### Risk Profile

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

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- 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 Trust’s value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

## Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

### The Trust at a Glance on 31 August 2020

Total Trust size: 31 August 2020	€366.38 million	
Total Trust size: 31 August 2019	€448.15 million	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Acc	1.56%	1.57%
Class A GBP Inc	1.56%	1.57%
Class A EUR Acc	1.56%	1.57%
Class A EUR Inc	1.56%	1.57%
Class A USD Acc	1.56%	1.57%
Class A USD Hedged Acc	1.56%	1.57%
Class A RMB Hedged Acc	1.56%	1.57%
Class I GBP Acc	0.81%	0.82%
Class I GBP Inc	0.81%	0.82%
Class I GBP Hedged Acc	0.81%	0.82%
Class I EUR Acc	0.81%	0.82%
Class I EUR Inc	0.81%	0.82%
Class I USD Acc	0.81%	0.82%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A EUR Acc	up to 5.00%	1.50%
Class A EUR Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class A USD Hedged Acc	up to 5.00%	1.50%
Class A RMB Hedged Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I GBP Hedged Acc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
Class I USD Acc	Nil	0.75%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A EUR Acc	€5,000	€1,000
Class A EUR Inc	€5,000	€1,000
Class A USD Acc	US\$5,000	US\$2,500
Class A USD Hedged Acc	US\$5,000	US\$2,500
Class A RMB Hedged Acc	US\$5,000	US\$2,500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£1,000
Class I GBP Hedged Acc	£10,000,000	£500

## Barings German Growth Trust

### Investment Objective and Policy and Trust at a Glance (continued)

#### The Trust at a Glance on 31 August 2020 (continued)

	Minimum initial investment	Minimum subsequent investment
Class I EUR Acc	€10,000,000	€1,000
Class I EUR Inc	€10,000,000	€2,500
Class I USD Acc	US\$10,000,000	US\$500

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

Price per unit	(pence/cents per unit)
Class A GBP Acc	781.10p
Class A GBP Inc	701.70p
Class A EUR Acc	873.10c
Class A EUR Inc	781.30c
Class A USD Acc	103.90c
Class A USD Hedged Acc	104.70c
Class A RMB Hedged Acc	RMB70.82
Class I GBP Acc	826.10p
Class I GBP Inc	702.20p
Class I GBP Hedged Acc	810.40p
Class I EUR Acc	923.60c
Class I EUR Inc	767.40c
Class I USD Acc	108.50c

## Barings German Growth Trust

### Trust Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2020 (p)	31/08/2019 (p)	15/05/2018 (p)	31/08/2020 (p)	31/08/2019 (p)	15/05/2018 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	817.54	928.87	845.72	734.48	838.93	765.56
Return before operating charges	(22.54)	(92.26)	97.19	(20.26)	(83.34)	88.06
Operating charges	(12.39)	(19.07)	(14.04)	(11.12)	(17.22)	(12.72)
Return after operating charges	(34.93)	(111.33)	83.15	(31.38)	(100.56)	75.34
Distributions	(0.82)	(4.21)	(1.96)	(0.84)	(3.89)	(1.97)
Retained distributions on accumulation units	0.82	4.21	1.96	–	–	–
Closing net asset value per unit after direct transaction costs of*	782.61	817.54	928.87	702.26	734.48	838.93
	0.34	0.38	0.52	0.31	0.34	0.47
<b>Performance</b>						
Return after charges	(4.27)%	(11.99)%	9.83%	(4.27)%	(11.99)%	9.84%
<b>Other information</b>						
Closing net asset value ('000)	£59,214	£70,879	£108,935	£420	£482	£774
Closing number of units	7,566,216	8,669,792	11,727,727	59,817	65,561	92,232
Operating charges	1.56%	1.57%	1.56%	1.56%	1.57%	1.56%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	866.10	936.90	980.20	778.10	846.20	887.30
Lowest unit price	533.10	708.50	830.70	479.00	639.90	752.00

	Class A EUR Acc - Accumulation units			Class A EUR Inc - Distribution units		
	31/08/2020 (c)	31/08/2019 (c)	15/05/2018 (c)	31/08/2020 (c)	31/08/2019 (c)	15/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	901.94	1,055.51	996.90	807.09	949.44	900.36
Return before operating charges	(13.71)	(134.54)	76.80	(12.29)	(121.03)	69.50
Operating charges	(13.85)	(19.03)	(18.19)	(12.42)	(17.07)	(16.49)
Return after operating charges	(27.56)	(153.57)	58.61	(24.71)	(138.10)	53.01
Distributions	(0.92)	(4.71)	(2.68)	(0.91)	(4.25)	(3.93)
Retained distributions on accumulation units	0.92	4.71	2.69	–	–	–
Closing net asset value per unit after direct transaction costs of*	874.38	901.94	1,055.51	781.47	807.09	949.44
	0.38	0.38	0.59	0.34	0.34	0.54
<b>Performance</b>						
Return after charges	(3.06)%	(14.55)%	5.88%	(3.06)%	(14.55)%	5.89%
<b>Other information</b>						
Closing net asset value ('000)	€155,414	€187,926	€264,134	€1,520	€2,399	€2,936
Closing number of units	17,774,191	20,835,804	25,024,307	194,475	297,194	309,265
Operating charges	1.56%	1.57%	1.56%	1.56%	1.57%	1.56%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	1,031.00	1,068.00	1,117.00	922.30	960.40	1,009.00
Lowest unit price	572.50	785.80	956.60	512.30	706.90	864.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September to 31 August. For previous periods, they relate to the accounting period from 16 May 2018 to 31 August 2019 and 16 May 2017 to 15 May 2018 respectively.

## Barings German Growth Trust

### Trust Information (continued)

	Class A USD Acc - Accumulation units			Class A USD Hedged Acc - Accumulation units		
	31/08/2020 (c)	31/08/2019 (c)	15/05/2018 (c)	31/08/2020 (c)	31/08/2019 (c)	15/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	995.49	1,257.98	1,093.32	1,059.09	1,193.42	1,103.32
Return before operating charges	63.01	(243.27)	190.54	8.13	(115.09)	114.24
Operating charges	(16.48)	(19.22)	(25.88)	(17.55)	(19.24)	(24.14)
Return after operating charges	46.53	(262.49)	164.66	(9.42)	(134.33)	90.10
Distributions	(1.47)	(5.07)	(5.39)	(1.15)	(4.69)	(4.47)
Retained distributions on accumulation units	1.47	5.07	5.39	1.15	4.69	4.47
Closing net asset value per unit after direct transaction costs of*	1,042.02	995.49	1,257.98	1,049.67	1,059.09	1,193.42
	0.45	0.38	0.71	0.48	0.38	0.66
<b>Performance</b>						
Return after charges	4.67%	(20.87)%	15.06%	(0.89)%	(11.26)%	8.16%
<b>Other information</b>						
Closing net asset value ('000)	\$7,590	\$7,583	\$24,492	\$15,392	\$18,601	\$58,295
Closing number of units	728,375	761,750	1,946,941	1,466,324	1,756,346	4,884,747
Operating charges	1.56%	1.57%	1.56%	1.56%	1.57%	1.56%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	1,126.00	1,262.00	1,378.00	1,223.00	1,208.00	1,253.00
Lowest unit price	615.10	894.70	1,083.00	679.40	904.60	1,064.00

	Class A CHF Hedged Acc - Accumulation units			Class A RMB Hedged Acc - Accumulation units		
	31/08/2020 (CHF)	31/08/2019 (CHF)	15/05/2018 (CHF)	31/08/2020 (RMB)	31/08/2019 (RMB)	15/05/2018 (RMB)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	–	–	10.17	71.57	80.23	72.96
Return before operating charges	–	–	0.42	115.77	10.32	124.71
Operating charges*	–	–	(10.59)	(116.47)	(18.98)	(117.44)
Return after operating charges	–	–	10.17	(0.70)	(8.66)	7.27
Distributions	–	–	–	(4.47)	(0.42)	(0.51)
Retained distributions on accumulation units	–	–	–	4.47	0.42	0.51
Closing net asset value per unit after direct transaction costs of**	–	–	–	70.87	71.57	80.23
	–	–	0.42	3.20	0.38	4.34
<b>Performance</b>						
Return after charges	–%	–%	–%	(0.97)%	(10.79)%	9.96%
<b>Other information</b>						
Closing net asset value ('000)	CHF–	CHF–	CHF–	RMB4,570	RMB5,895	RMB6,355
Closing number of units	–	–	–	64,480	82,373	79,211
Operating charges	–%	–%	1.44%	1.56%	1.57%	1.56%
Direct transaction costs	0.00%	0.00%	0.06%	0.04%	0.04%	0.06%
<b>Prices***</b>						
Highest unit price	–	–	11.35	82.82	81.33	83.87
Lowest unit price	–	–	9.74	45.98	61.30	70.80

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September to 31 August. For previous periods, they relate to the accounting period from 16 May 2018 to 31 August 2019 and 16 May 2017 to 15 May 2018 respectively.

## Barings German Growth Trust

### Trust Information (continued)

	Class I GBP Acc - Accumulation units			Class I GBP Inc - Distribution units		
	31/08/2020 (p)	31/08/2019 (p)	15/05/2018 (p)	31/08/2020 (p)	31/08/2019 (p)	15/05/2018 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	858.28	965.49	872.45	729.60	833.39	760.41
Return before operating charges	(23.71)	(96.78)	100.62	(20.16)	(83.41)	87.77
Operating charges	(6.77)	(10.43)	(7.58)	(5.77)	(9.05)	(6.59)
Return after operating charges	(30.48)	(107.21)	93.04	(25.93)	(92.46)	81.18
Distributions	(7.43)	(13.14)	(9.43)	(6.26)	(11.33)	(8.20)
Retained distributions on accumulation units	7.43	13.14	9.43	–	–	–
Closing net asset value per unit after direct transaction costs of*	827.80	858.28	965.49	697.41	729.60	833.39
	0.36	0.40	0.54	0.31	0.34	0.47
<b>Performance</b>						
Return after charges	(3.55)%	(11.10)%	10.66%	(3.55)%	(11.09)%	10.68%
<b>Other information</b>						
Closing net asset value ('000)	£86,287	£107,137	£196,106	£10,460	£20,042	£62,444
Closing number of units	10,423,693	12,482,677	20,311,551	1,499,778	2,747,024	7,492,734
Operating charges	0.81%	0.82%	0.81%	0.81%	0.82%	0.81%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	912.30	973.90	1,017.00	775.60	840.70	885.90
Lowest unit price	562.00	740.00	857.00	477.80	638.90	747.00

	Class I GBP Hedged Acc - Accumulation units			Class I EUR Acc - Accumulation units		
	31/08/2020 (p)	31/08/2019 (p)	15/05/2018 (p)	31/08/2020 (c)	31/08/2019 (c)	15/05/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	835.94	954.93	890.81	947.20	1,098.01	1,029.03
Return before operating charges	(16.69)	(108.68)	71.62	(14.52)	(140.36)	78.80
Operating charges	(7.14)	(10.31)	(7.50)	(7.63)	(10.45)	(9.83)
Return after operating charges	(23.83)	(118.99)	64.12	(22.15)	(150.81)	68.98
Distributions	(3.88)	(13.35)	(9.66)	(8.26)	(14.48)	(10.93)
Retained distributions on accumulation units	3.88	13.35	9.66	8.26	14.48	10.93
Closing net asset value per unit after direct transaction costs of*	812.11	835.94	954.93	925.05	947.20	1,098.01
	0.38	0.39	0.53	0.40	0.40	0.61
<b>Performance</b>						
Return after charges	(2.85)%	(12.46)%	7.20%	(2.34)%	(13.73)%	6.70%
<b>Other information</b>						
Closing net asset value ('000)	£633	£740	£1,876	€14,200	€13,542	€32,595
Closing number of units	77,989	88,542	196,485	1,535,073	1,429,644	2,967,601
Operating charges	0.81%	0.82%	0.81%	0.81%	0.82%	0.81%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	961.20	966.30	1,007.00	1,087.00	1,111.00	1,159.00
Lowest unit price	530.20	719.30	857.20	603.60	821.10	989.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September to 31 August. For previous periods, they relate to the accounting period from 16 May 2018 to 31 August 2019 and 16 May 2017 to 15 May 2018 respectively.

## Barings German Growth Trust

### Trust Information (continued)

	Class I EUR Inc - Distribution units			Class I USD Acc - Accumulation units		
	31/08/2020	31/08/2019	15/05/2018	31/08/2020	31/08/2019	15/05/2018
	(c)	(c)	(c)	(c)	(c)	(c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	786.80	957.29	905.91	1,030.00	1,286.61	1,110.00
Return before operating charges	(11.96)	(155.31)	69.02	58.86	(245.82)	190.22
Operating charges	(6.27)	(8.88)	(8.63)	(8.86)	(10.79)	(13.62)
Return after operating charges	(18.23)	(164.19)	60.39	50.00	(256.61)	176.61
Distributions	(7.05)	(6.30)	(9.02)	(13.35)	(15.90)	(12.67)
Retained distributions on accumulation units	–	–	–	13.35	15.90	12.67
Closing net asset value per unit after direct transaction costs of*	761.52	786.80	957.29	1,080.00	1,030.00	1,286.61
	0.33	0.34	0.54	0.47	0.41	0.72
<b>Performance</b>						
Return after charges	(2.32)%	(17.15)%	6.67%	4.85%	(19.94)%	15.91%
<b>Other information</b>						
Closing net asset value ('000)	€34	€35	€26	\$–	\$–	\$121
Closing number of units	4,421	4,420	2,710	10	10	9,428
Operating charges	0.81%	0.82%	0.81%	0.81%	0.82%	0.81%
Direct transaction costs	0.04%	0.04%	0.06%	0.04%	0.04%	0.06%
<b>Prices**</b>						
Highest unit price	902.20	969.00	1,020.00	1,167.00	1,290.00	1,406.00
Lowest unit price	501.50	688.00	871.00	638.30	918.80	1,100.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September to 31 August. For previous periods, they relate to the accounting period from 16 May 2018 to 31 August 2019 and 16 May 2017 to 15 May 2018 respectively.

## Barings German Growth Trust

### Report of the Investment Manager

#### Performance

During the year ended 31 August 2020, the Barings German Growth Trust (“the Trust”) produced an absolute net return for Class A EUR Acc of (3.35)% compared with a return of 6.60% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A EUR Acc units against the performance comparator.

	1 year	3 years	5 years
Barings German Growth Trust	(3.35)%	(3.55)%	2.09%
HDAX® (Total Return) Index	6.60%	3.08%	5.48%

The Trust underperformed its performance comparator index, the HDAX, in the year under review and over the longer term (three and five years). A large proportion of this underperformance predominantly occurred at the beginning of 2020 as the COVID-19 pandemic took hold. This impacted the Trust to a greater extent than the performance comparator because throughout 2019 and going into 2020, our portfolio had a greater exposure towards companies whose business models are heavily reliant on consumer demand.

Two of the most significant detractors from relative returns this year were travel-exposed companies: aerospace manufacturer Airbus and retail travel company TUI. The impact of coronavirus-related negative market sentiment on Airbus’ share price has been far more significant than we had anticipated. We have since reduced the Trust’s holding in Airbus but we continue to own shares as we believe the company has retained its very strong competitive position despite COVID-19. Airbus holds a significantly lower net debt position compared to competitors, and has a far superior product than its key competitors. Shares in TUI were weak largely due to coronavirus-related restrictions placed on international travel and the corresponding negative market sentiment; the shares sold from the portfolio in May 2020. Technology company Wirecard was another significant detractor from relative returns; shares in Wirecard were sold from the Trust on 18th June 2020. We made a number of new purchases during the year. The largest purchase was in chemicals company Linde. Linde has proven relatively resilient throughout this year and management recently intimated that they expect the company to deliver solid full-year earnings as demand in many areas was tracking ahead of expectations.

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

Purchases	Costs €'000	Sales	Proceeds €'000
Linde	28,565	Deutsche Telekom	27,807
Volkswagen	24,199	Siemens	23,779
Bayer	20,199	SAP	15,212
Merck	10,939	HeidelbergCement	13,174
Fresenius Medical Care	9,934	Allianz	12,363
Siltronic	7,330	Volkswagen	11,335
Hochtief	6,938	BASF	11,282
Wirecard	5,317	Infineon Technologies	10,533
TUI	4,733	Airbus	8,736
Airbus	4,502	Wirecard	7,777

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## Barings German Growth Trust

Report of the Investment Manager (continued)

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### Market Outlook

The short term market outlook is probably as uncertain as it has been in at least a generation. At the time of writing, three companies have announced a successful trial of their COVID-19 vaccine although questions around timing and distribution still remain, markets continue to digest the policy implications stemming from the US Presidential Election result, and COVID-19 cases continue to rise. Nonetheless, we remain confident that, over the longer term, the global economy will recover to “pre-COVID-19” levels in due course. We have been encouraged by the quick rebound in macroeconomic data from the lows seen through the spring and early summer when tight lockdown restrictions were in place. Furthermore, there is also the release of pent-up consumer demand to consider as a driver to company profits, in addition to the various government and central bank stimulus packages that are already in place. As such, as we will continue to focus on our key long-term investment tenets, and we remain confident the fund is well positioned to prosper in the years ahead.

Given the challenges companies are expected to face in the coming months, including ongoing social distancing measures, the possibility of a ‘second wave’ of infections, and intermittent regional lockdowns, companies’ earnings are likely to be sharply lower this year. In the near term markets are likely to continue to remain volatile as investors monitor the progress of the coronavirus containment efforts in developed and emerging countries.

We have made a number of changes to our portfolio’s positioning in recent months, including taking steps to ensure that our portfolio is more balanced between those companies heavily reliant on consumer demand, and more defensive companies. We have also taken steps to reduce exposure to small cap companies, partly because we expect these companies to lag the wider recovery, but also to protect fund liquidity. Furthermore, we are paying close attention to the balance sheets of companies held in our portfolio and we have sold companies whose balance sheets look stretched. Assessment of balance sheet quality is entrenched in our investment process and a company’s ability to service its debt is an important consideration for us in all market environments, but in today’s environment, we have sharpened our focus on balance sheet quality to ensure that the companies in our portfolio are sustainable, long-term investments.

We believe in our bottom-up portfolio positioning over the medium-to-long term, which would be supported further by a synchronised global recovery, and stimulus measures enacted by local government. In addition, following the changes we have made to the portfolio’s positioning in the year to date, including we believe the German Growth Trust is well-positioned to capture a possible economic recovery while offering greater protection against further market downside.

We continue to follow our Growth at a Reasonable Price investment process, while actively monitoring the risks posed by COVID-19 to company earnings of holdings in our portfolio, primarily through active contact with the management teams of the companies concerned. Our aim remains to identify attractively valued investment opportunities in companies whose strategic positioning and competitive strengths can drive sustained improvements in their profitability and returns over the longer term.

### Baring Asset Management Limited

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

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## Barings German Growth Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings German Growth Trust (the “Trust”) and of its net revenue and net capital losses for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the “Trust”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

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## Barings German Growth Trust

Responsibilities of the Manager and the Trustee (continued)

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### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the year ended 31 August 2020 (continued)**

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
London 18 December 2020

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## Barings German Growth Trust

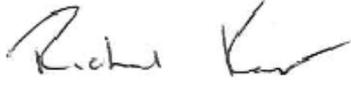
### Directors' Statement

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The financial statements on pages 144 to 159 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

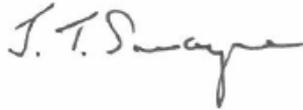
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings German Growth Trust

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Value (€)	Percentage of total net assets (%)
	<b>Investment Funds: 1.33% (6.01%)</b>		
5,042,213	Northern Trust Global Funds - Euro Liquidity Fund†	<b>4,879,854</b>	<b>1.33</b>
	<b>Equities: 98.73% (94.28%)</b>		
	<b>Basic Materials: 8.23% (0.00%)</b>		
142,000	Linde	<b>30,160,800</b>	<b>8.23</b>
	<b>Consumer Discretionary: 7.68% (10.60%)</b>		
154,196	EDAG Engineering	886,627	0.24
56,698	Einhell	4,456,463	1.22
79,000	Grammer	1,232,400	0.34
81,018	HELMA Eigenheimbau	2,835,630	0.77
333,580	Polytec	1,724,608	0.47
284,597	SAF-Holland	1,960,873	0.54
66,000	Volkswagen	9,312,600	2.54
145,920	Zeal Network	5,727,360	1.56
		<b>28,136,561</b>	<b>7.68</b>
	<b>Consumer, Non-cyclical: 0.56% (0.00%)</b>		
48,000	HelloFresh	<b>2,043,840</b>	<b>0.56</b>
	<b>Financials: 5.50% (7.20%)</b>		
85,000	Allianz	15,662,100	4.27
24,000	DFV Deutsche Familienversicherung	551,160	0.15
120,000	DWS Group GmbH	3,960,000	1.08
		<b>20,173,260</b>	<b>5.50</b>
	<b>Health Care: 15.99% (6.92%)</b>		
272,000	Bayer	15,161,280	4.14
47,000	CompuGroup Medical	3,499,150	0.95
34,000	Dermapharm	1,497,870	0.41
20,150	Draegerwerk AG	1,446,770	0.39
86,400	Eckert & Ziegler	3,628,800	0.99
160,000	Evotec	3,532,800	0.96
127,000	Fresenius Medical Care	9,042,400	2.47
291,000	M1 Kliniken	2,619,000	0.71
343,110	MagForce	936,690	0.26
47,500	Medios	1,211,250	0.33
91,000	Merck	10,364,900	2.83
697,629	MPH Mittelstaendische Pharma	1,820,812	0.50
548,024	Paion	1,424,862	0.39
37,594	PharmaSGP	1,157,895	0.32
98,986	Vita 34	1,232,376	0.34
		<b>58,576,855</b>	<b>15.99</b>
	<b>Industrials: 25.72% (28.17%)</b>		
15,000	2G Energy	1,125,000	0.31
246,000	Airbus	17,652,960	4.82
108,123	Befesa	3,746,462	1.02
608,000	Deutsche Post	23,353,280	6.38
540,000	Deutz	2,451,600	0.67
42,824	Dr Hoenle	2,423,838	0.66

## Barings German Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	<b>Equities: 98.73% (94.28%)</b> (continued)		
	<b>Industrials: 25.72% (28.17%)</b> (continued)		
365,000	Francotyp-Postalia	1,208,150	0.33
57,323	Frequentis	940,097	0.26
89,000	Hamburger Hafen und Logistik	1,406,200	0.38
123,000	Hochtief	9,354,150	2.55
83,390	JOST Werke	2,897,803	0.79
91,000	KION	6,461,000	1.76
100,000	Rheinmetall	7,840,000	2.14
47,000	Schaltbau	1,240,800	0.34
244,413	Singulus Technologies	887,219	0.24
26,000	Sixt	1,237,600	0.34
95,733	Steico	4,068,653	1.11
106,000	Technotrans	1,732,040	0.47
150,000	Traton	2,590,500	0.71
26,000	Wienerberger	593,840	0.16
160,000	Zumtobel Group	1,032,000	0.28
		<b>94,243,192</b>	<b>25.72</b>
	<b>Information Technology: 25.51% (21.22%)</b>		
21,450	Adesso	1,565,850	0.43
102,000	Allgeier	6,303,600	1.72
60,000	Cancom	2,745,600	0.75
46,700	DataSE	2,442,410	0.67
64,000	Dialog Semiconductor	2,345,600	0.64
141,176	Exasol	2,486,109	0.68
220,000	GFT Technologies	2,820,400	0.77
2,297,091	Gigaset	578,867	0.16
23,829	GK Software	1,872,960	0.51
171,000	Infineon Technologies	3,980,880	1.09
67,762	Jenoptik	1,535,487	0.42
311,000	LPKF Laser & Electronics	6,266,650	1.71
254,258	Mobotix	1,576,400	0.43
75,362	NorCom Information Technology	602,896	0.16
142,961	PSI Software	3,330,991	0.91
166,789	PVA TePla	2,238,308	0.61
255,000	S&T	5,967,000	1.63
248,000	SAP	34,432,320	9.40
86,000	Siltronic	6,726,920	1.83
140,000	Softing	694,400	0.19
93,500	Traffic Systems	2,945,250	0.80
		<b>93,458,898</b>	<b>25.51</b>
	<b>Materials: 6.21% (11.88%)</b>		
95,308	AlzChem	2,382,700	0.65
184,435	BRAIN Biotechnology Research & Information Network	1,453,348	0.39
112,700	Evonik Industries	2,773,547	0.76
112,946	Ibu-Tec Advanced Materials	1,355,352	0.37
252,000	Lanxess	12,557,160	3.43
125,000	Nabaltec	2,250,000	0.61
		<b>22,772,107</b>	<b>6.21</b>

## Barings German Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net Value Value (€)	assets (%)
	<b>Equities: 98.73% (94.28%)</b> (continued)		
	<b>Real Estate: 0.49% (0.00%)</b>		
40,000	Deutsche Wohnen	<u>1,786,800</u>	<u>0.49</u>
	<b>Technology: 0.39% (0.00%)</b>		
149,500	Aixtron	<u>1,434,004</u>	<u>0.39</u>
	<b>Telecommunications: 0.35% (6.75%)</b>		
70,000	Freenet	<u>1,281,350</u>	<u>0.35</u>
	<b>Utilities: 2.10% (1.54%)</b>		
230,000	RWE	<u>7,682,000</u>	<u>2.10</u>
	<b>Forward Currency Contracts: -0.04% (0.06%)</b>		
	Sold USD, bought EUR 531,081 for settlement 15/09/2020		
USD (624,334)	(State Street)	6,598	–
	Sold EUR, bought GBP 530,955 for settlement 15/09/2020		
EUR (588,387)	(State Street)	4,869	–
	Sold EUR, bought CNH 4,497,117 for settlement 15/09/2020		
EUR (547,407)	(State Street)	2,286	–
	Sold EUR, bought GBP 100,000 for settlement 15/09/2020		
EUR (110,559)	(State Street)	1,175	–
	Sold USD, bought EUR 36,406 for settlement 15/09/2020		
USD (43,008)	(State Street)	287	–
	Sold USD, bought EUR 19,012 for settlement 15/09/2020		
USD (22,350)	(State Street)	242	–
	Sold USD, bought EUR 17,003 for settlement 15/09/2020		
USD (20,076)	(State Street)	143	–
	Sold EUR, bought GBP 23,131 for settlement 15/09/2020		
EUR (25,725)	(State Street)	120	–
	Sold USD, bought EUR 9,352 for settlement 15/09/2020		
USD (11,076)	(State Street)	50	–
	Sold USD, bought EUR 2,343 for settlement 15/09/2020		
USD (2,766)	(State Street)	20	–
	Sold EUR, bought CNH 187,464 for settlement 15/09/2020		
EUR (22,895)	(State Street)	19	–
	Sold USD, bought EUR 2,296 for settlement 15/09/2020		
USD (2,713)	(State Street)	18	–
	Sold USD, bought EUR 1,078 for settlement 15/09/2020		
USD (1,271)	(State Street)	11	–
	Sold EUR, bought USD 395 for settlement 15/09/2020		
EUR (331)	(State Street)	1	–
	Sold EUR, bought GBP 36 for settlement 15/09/2020		
EUR (39)	(State Street)	–	–
	Sold GBP, bought EUR 95 for settlement 15/09/2020		
GBP (86)	(State Street)	(1)	–
	Sold EUR, bought USD 452 for settlement 15/09/2020		
EUR (381)	(State Street)	(2)	–
	Sold EUR, bought USD 52,600 for settlement 15/09/2020		
EUR (44,177)	(State Street)	(3)	–

## Barings German Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Value (€)	Percentage of total net assets (%)
	<b>Forward Currency Contracts: -0.04% (0.06%)</b> (continued)		
	Sold GBP, bought EUR 886 for settlement 15/09/2020		
GBP (800)	(State Street)	(7)	–
	Sold EUR, bought USD 2,076 for settlement 15/09/2020		
EUR (1,754)	(State Street)	(10)	–
	Sold EUR, bought USD 2,466 for settlement 15/09/2020		
EUR (2,085)	(State Street)	(14)	–
	Sold EUR, bought USD 10,024 for settlement 15/09/2020		
EUR (8,455)	(State Street)	(36)	–
	Sold CNH, bought EUR 18,021 for settlement 15/09/2020		
CNH (148,050)	(State Street)	(75)	–
	Sold GBP, bought EUR 29,208 for settlement 15/09/2020		
GBP (26,320)	(State Street)	(200)	–
	Sold EUR, bought USD 45,321 for settlement 15/09/2020		
EUR (38,419)	(State Street)	(358)	–
	Sold EUR, bought USD 636,451 for settlement 15/09/2020		
EUR (540,757)	(State Street)	(6,258)	–
	Sold EUR, bought USD 15,244,177 for settlement 15/09/2020		
EUR (12,967,345)	(State Street)	(165,097)	(0.04)
		<u>(156,222)</u>	<u>(0.04)</u>
	<b>Portfolio of investments: 100.02% (100.35%)</b>		
	<b>(Cost: €316,824,801 )</b>	<b>366,473,299</b>	<b>100.02</b>
	Net other liabilities	(88,352)	(0.02)
	<b>Net assets</b>	<u><b>366,384,947</b></u>	<u><b>100.00</b></u>

† Units in Investment Funds. Uninvested cash from the Trust is swept into these funds daily.

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 August 2019.

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## Barings German Growth Trust

### Independent Auditors' Report to the Unitholders of Barings German Growth Trust

For the financial year ended 31 August 2020

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings German Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2020 and of the net revenue and the net capital losses on its scheme property 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 Trust Deed.

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 August 2020 (page 145); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 144); the distribution tables (pages 160 to 162); and the notes to the financial statements (pages 146 to 159), 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 Trust 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Manager 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.

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## Barings German Growth Trust

Independent Auditors' Report to the Unitholders of Barings German Growth Trust (continued)

For the financial year ended 31 August 2020

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### *Manager's Report*

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

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

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 135, the Manager 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 Manager 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 Manager is responsible for assessing the Trust'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 Manager either intend to wind up or terminate the Trust, or have 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.

*Price waterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

18 December 2020

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**BARINGS**

## Barings German Growth Trust

### Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2020

#### Statement of Total Return

	Notes	01/09/2019 to 31/08/2020		16/05/2018 to 31/08/2019*	
		€'000	€'000	€'000	€'000
Income					
Net capital losses	2		(11,825)		(107,159)
Revenue	3	7,898		16,529	
Expenses	4	(5,217)		(9,305)	
Interest payable and other similar charges	5	–		(27)	
Net revenue before taxation		<u>2,681</u>		<u>7,197</u>	
Taxation	6	(1,258)		(2,240)	
Net revenue after taxation			<u>1,423</u>		<u>4,957</u>
<b>Total return before distributions</b>			<b>(10,402)</b>		<b>(102,202)</b>
Distributions	7		(1,424)		(4,962)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(11,826)</b>		<b>(107,164)</b>

#### Statement of Change in Net Assets Attributable to Unitholders

		01/09/2019 to 31/08/2020		16/05/2018 to 31/08/2019*	
		€'000	€'000	€'000	€'000
<b>Opening net assets attributable to unitholders</b>			<b>448,154</b>		<b>790,575</b>
Amounts receivable on issue of units		70,658		116,641	
Amounts payable on cancellation of units		(141,853)		(330,047)	
Amounts payable on in-specie transactions		–		(25,453)	
			<u>(71,195)</u>		<u>(238,859)</u>
Dilution adjustment			–		75
Changes in net assets attributable to unitholders from investment activities			<b>(11,826)</b>		<b>(107,164)</b>
Retained distribution on accumulation units	7		1,252		3,527
<b>Closing net assets attributable to unitholders</b>			<b>366,385</b>		<b>448,154</b>

\* The accounting year end date was changed from 31 May to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings German Growth Trust****Balance Sheet**as at 31 August 2020

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	Notes	31/08/2020 €'000	Restated 31/08/2019* €'000
<b>Assets</b>			
Investment assets		<b>366,645</b>	449,725
Current assets:			
Debtors	9	<b>1,303</b>	627
Cash and bank balances	10	<b>804</b>	4,311
Total assets		<b>368,752</b>	454,663
<b>Liabilities</b>			
Creditors:			
Investment liabilities		<b>(172)</b>	(18)
Bank overdraft	10	<b>(807)</b>	(4,287)
Distribution payable on income units	7	<b>(108)</b>	(359)
Other creditors	11	<b>(1,280)</b>	(1,845)
Total liabilities		<b>(2,367)</b>	(6,509)
<b>Net assets attributable to unitholders</b>		<b>366,385</b>	448,154

\* The prior year figure has been restated. In the prior year, the amount was shown net (£24) however, this is now presented gross as there is no right to offset for the bank accounts of the Trust.

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# Barings German Growth Trust

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

#### 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 euro at the rates of exchange ruling at 12 noon on 28 August 2020.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is 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. Equalisation is deducted from the bookcost of the investments.

#### 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 Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 28 August 2020, there were no stock dividends on this Trust.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Treatment of 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.

#### Taxation

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

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Dilution Adjustment

The Trust 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 full Prospectus for further details.

### 2. Net Capital Losses

The net capital losses during the year/period comprise:

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
Non-derivative securities	(10,955)	(110,664)
Currency (losses)/gains	(15)	182
Forward currency contracts	(837)	3,351
Transaction charges	(18)	(28)
Net capital losses on investments	<u>(11,825)</u>	<u>(107,159)</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
Bank interest	–	26
Offshore CIS interest revenue	2	23
Overseas dividends	7,896	16,480
	<u>7,898</u>	<u>16,529</u>

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 4. Expenses

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	5,003	8,896
	<u>5,003</u>	<u>8,896</u>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	84	135
Safe custody charges	31	57
	<u>115</u>	<u>192</u>
<b>Other expenses:</b>		
Administration fees	2	4
Audit fees	10	10
Professional fees	1	25
PRS fees	9	21
Registrar and transfer agency fees	106	145
Regulatory fees	(1)	–
Standing charges	3	4
Taxation fees*	(31)	8
	<u>99</u>	<u>217</u>
<b>Total expenses</b>	<u><u>5,217</u></u>	<u><u>9,305</u></u>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

### 5. Interest payable and other similar charges

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
Interest expenses	–	27
	<u>–</u>	<u>27</u>

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 6. Taxation

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	1,258	2,240
Current tax charge (note 6b)	<u>1,258</u>	<u>2,240</u>

### b) Factors affecting taxation charge for the year/period:

The tax assessed for the year is higher (16 May 2018 to 31 August 2019: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 €'000	16/05/2018 to 31/08/2019 €'000
Net revenue before taxation	<u>2,681</u>	<u>7,197</u>
Corporation tax at 20%	536	1,439
Effects of:		
Overseas withholding tax	1,258	2,240
Excess management expenses not utilised	1,043	1,857
Non taxable overseas dividends	(1,579)	(3,296)
Current tax charge for the year (note 6a)	<u>1,258</u>	<u>2,240</u>

### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of €16,550,207 (31 August 2019: €15,507,175) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	€'000	€'000
Final Distribution	108	359
Final Accumulation	1,252	3,527
	1,360	3,886
Add: Revenue deducted on cancellation of units	155	1,530
Add: Revenue deducted on in-specie transactions	–	44
Deduct: Revenue received on issue of units	(91)	(498)
	64	1,076
<b>Total distributions</b>	<b>1,424</b>	<b>4,962</b>

Details of the distributions per unit are set out in the Distribution Tables on pages 160 to 162.

Distributions payable at the year end of €108,029 (31 August 2019: €359,047) are disclosed in the Balance Sheet on page 145.

### 8. Movement between net revenue and distributions

	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	€'000	€'000
Net revenue after taxation	1,423	4,957
Equalisation on conversions	1	5
	1,424	4,962

### 9. Debtors

	31/08/2020	31/08/2019
	€'000	€'000
Accrued revenue	849	–
Amount receivable for creation of units	257	284
Currency deals awaiting settlement	–	10
Overseas tax recoverable	134	187
Sales awaiting settlement	63	146
	1,303	627

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 10. Cash and bank balances

	31/08/2020	31/08/2019
	€'000	€'000
Bank overdraft	(807)	(4,287)
Cash and bank balances	804	4,311
	<u>(3)</u>	<u>24</u>

### 11. Other creditors

	31/08/2020	31/08/2019
	€'000	€'000
Accrued expenses	413	591
Amounts payable for cancellation of units	867	1,254
	<u>1,280</u>	<u>1,845</u>

### 12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: €nil).

### 13. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

### 14. Financial instruments

In pursuing its investment objective set out on page 126, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager 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 Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €18.324 million (31 August 2019: €22.485 million).

#### Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than euro, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. 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 Trust. The Trust converts all receipts of revenue received in foreign currencies into euro on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Trust. This increases the exposure of the Trust to exchange rate movements and may significantly affect the returns of the Trust.

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

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments €'000	Net other assets €'000	Total €'000
Chinese yuan	555	–	555
US dollar	12,821	8	12,829
Sterling	918	(241)	677
	<b>14,294</b>	<b>(233)</b>	<b>14,061</b>

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments €'000	Net other assets €'000	Total €'000
Chinese yuan	730	–	730
Swiss franc	–	2	2
US dollar	16,483	10	16,493
Sterling	800	(1,760)	(960)
	<u>18,013</u>	<u>(1,748)</u>	<u>16,265</u>

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the euro increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €0.141million (31 August 2019: €0.163 million).

#### Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

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

	Floating rate 31/08/2020 €'000	Fixed rate 31/08/2020 €'000	Non-interest bearing 31/08/2020 €'000	Total 31/08/2020 €'000
Portfolio of investments	(156)	–	366,629	366,473
Cash at bank	(3)	–	–	(3)
Other assets	–	–	1,328	1,328
Liabilities	–	–	(1,413)	(1,413)
	<b>(159)</b>	<b>–</b>	<b>366,544</b>	<b>366,385</b>

	Floating rate 31/08/2019 €'000	Fixed rate 31/08/2019 €'000	Non-interest bearing 31/08/2019 €'000	Total 31/08/2019 €'000
Portfolio of investments	27,217	–	422,508	449,725
Cash at bank	24	–	–	24
Other assets	–	–	627	627
Liabilities	(18)	–	(2,204)	(2,222)
	<b>27,223</b>	<b>–</b>	<b>420,931</b>	<b>448,154</b>

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

#### Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: same).

#### Liquidity risk

The Trust’s assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

#### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. All currency contracts are held with State Street; please see below for details of the notional exposure.

The Trust 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.

During the year, the Trust made use of “Over The Counter” (“OTC”) derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust’s exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 16. 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 Trust 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 Trust 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 for the year ended 31 August 2020:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial Assets				
Equities	361,749	–	–	361,749
Forward Currency Contracts	–	15	–	15
Investment Funds	–	4,880	–	4,880
	<b>361,749</b>	<b>4,895</b>	<b>–</b>	<b>366,644</b>
Financial Liabilities				
Forward Currency Contracts	–	(171)	–	(171)
	<b>–</b>	<b>(171)</b>	<b>–</b>	<b>(171)</b>

#### Valuation technique for the period ended 31 August 2019:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial Assets				
Equities	422,509	–	–	422,509
Forward Currency Contracts	–	293	–	293
Investment Funds	–	26,923	–	26,923
	<b>422,509</b>	<b>27,216</b>	<b>–</b>	<b>449,725</b>
Financial Liabilities				
Forward Currency Contracts	–	(18)	–	(18)
	<b>–</b>	<b>(18)</b>	<b>–</b>	<b>(18)</b>

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs

	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	€'000	€'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	166,666	186,247
Corporate Actions	6,659	15,630
Commissions:		
Equities total value paid	75	95
Taxes:		
Total transaction costs	75	95
<b>Gross purchases total</b>	<b>173,400</b>	<b>201,972</b>
	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	€'000	€'000
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	216,683	402,500
Corporate Actions	6,659	12,827
In-specie transactions	–	25,046
Commissions:		
Equities total value paid	(99)	(206)
Taxes:		
Equities total value paid	–	(1)
Total transaction costs	(99)	(207)
<b>Total sales net of transaction costs</b>	<b>223,243</b>	<b>440,166</b>

\* Not included in 2020 figures are purchases and sales in cash funds totaling €165.92 million and €187.86 million, respectively, where there are no transaction costs applicable. For the period from 16 May 2019 to 31 August 2019, purchases and sales in cash funds totaled €285.59 million and €275.65 million, respectively, where there are no transaction costs applicable.

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust'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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 17. Portfolio transaction costs (continued)

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

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

	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.05	0.05
Equities percentage of average NAV	0.02	0.02

	01/09/2019 to 31/08/2020	16/05/2018 to 31/08/2019
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.05)	(0.05)
Equities percentage of average NAV	(0.02)	(0.04)

### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.31% (31 August 2019: 0.31%), 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.

### 18. Unit classes

The Trust currently has thirteen unit classes: A EUR Acc, A EUR Inc, A GBP Acc, A GBP Inc, A RMB Hedged Acc, A USD Acc, A USD Hedged Acc, I EUR Acc, I EUR Inc, I GBP Acc, I GBP Hedged Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 127. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 129 to 132. The distribution per unit class is given in the distribution tables on pages 160 to 162. All classes have the same rights on winding up.

## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 18. Unit classes (continued)

	<b>Class A GBP Acc</b>	<b>Class A GBP Inc</b>	<b>Class A EUR Acc</b>
Opening units	8,669,792	65,561	20,835,804
Units created	679,133	3,468	1,839,693
Units liquidated	(1,760,160)	(9,020)	(4,898,299)
Units converted	(22,549)	(192)	(3,007)
<b>Closing units</b>	<b>7,566,216</b>	<b>59,817</b>	<b>17,774,191</b>

	<b>Class A EUR Inc</b>	<b>Class A USD Acc</b>	<b>Class A USD Hedged Acc</b>
Opening units	297,194	761,750	1,756,346
Units created	76,485	477,957	608,089
Units liquidated	(179,204)	(511,332)	(898,111)
Units converted	–	–	–
<b>Closing units</b>	<b>194,475</b>	<b>728,375</b>	<b>1,466,324</b>

	<b>Class A RMB Hedged Acc</b>	<b>Class I GBP Acc</b>	<b>Class I GBP Inc</b>
Opening units	82,373	12,482,677	2,747,024
Units created	56,459	3,170,048	178,378
Units liquidated	(74,352)	(5,249,051)	(1,427,447)
Units converted	–	20,019	1,823
<b>Closing units</b>	<b>64,480</b>	<b>10,423,693</b>	<b>1,499,778</b>

	<b>Class I GBP Hedged Acc</b>	<b>Class I EUR Acc</b>	<b>Class I EUR Inc</b>
Opening units	88,542	1,429,644	4,420
Units created	256,881	682,793	–
Units liquidated	(267,434)	(580,214)	–
Units converted	–	2,850	1
<b>Closing units</b>	<b>77,989</b>	<b>1,535,073</b>	<b>4,421</b>

	<b>Class I USD Acc</b>
Opening units	10
Units created	–
Units liquidated	–
Units converted	–
<b>Closing units</b>	<b>10</b>

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## Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager 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 Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

### 20. Post balance sheet events

Subsequent to the year end, the price per unit of the A EUR Accumulation class has increased from 873.10c to 951.80c, A GBP Accumulation class from 781.10p to 857.50p, A GBP Income class from 701.70p to 769.50p, A EUR Income class from 781.30c to 850.70c, A USD Accumulation class from 103.90c to 116.10c, A USD Hedged Accumulation class from 104.70c to 114.50c, A RMB Hedged Accumulation class from RMB 70.82 to RMB 77.92, I GBP Accumulation class from 826.10p to 909.10p, I GBP Income class from 702.20p to 765.90p, I GPB Hedged Accumulation class from 810.40p to 885.90p, I EUR Accumulation class from 933.60c to 1,010.00c, I EUR Income class from 767.40c to 830.70c and I USD Accumulation class from 108.50c to 121.50c as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

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## Barings German Growth Trust

### Distribution Tables

For the year ended 31 August 2020

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#### Final Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 31 August 2020

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

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	0.8162	0.0000	0.8162	4.2076
2	0.7957	0.0205	0.8162	4.2076

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	0.8352	0.0000	0.8352	3.8872
2	0.8345	0.0007	0.8352	3.8872

#### Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	0.9219	0.0000	0.9219	4.7100
2	0.9060	0.0159	0.9219	4.7100

#### Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	0.9091	0.0000	0.9091	4.2486
2	0.8943	0.0148	0.9091	4.2486

#### Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	1.4733	0.0000	1.4733	5.0727
2	1.4393	0.0340	1.4733	5.0727

## Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2020

### Final Distribution (continued)

#### Final accumulation - Class A USD Hedged Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	1.1524	0.0000	1.1524	4.6929
2	1.1429	0.0095	1.1524	4.6929

#### Final accumulation - Class A RMB Hedged Acc (in RMB per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	4.4733	0.0000	4.4733	0.4184
2	4.4733	0.0000	4.4733	0.4184

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

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	7.4300	0.0000	7.4300	13.1427
2	5.8869	1.5431	7.4300	13.1427

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	6.2613	0.0000	6.2613	11.3319
2	4.4165	1.8448	6.2613	11.3319

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

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	3.8829	0.0000	3.8829	13.3540
2	3.7063	0.1766	3.8829	13.3540

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## Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2020

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### Final Distribution (continued)

#### Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	8.2620	0.0000	8.2620	14.4812
2	4.3823	3.8797	8.2620	14.4812

#### Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	7.0469	0.0000	7.0469	6.3043
2	7.0469	0.0000	7.0469	6.3043

#### Final accumulation - Class I USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Accumulation Paid	2019* Accumulation Paid
1	13.3520	0.0000	13.3520	15.8997
2	13.3520	0.0000	13.3520	15.8997

\* The accounting year end date was changed from 31 May to 31 August.

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## Barings Japan Growth Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of Barings Japan Growth Trust (the “Trust”) is to achieve capital growth by investing in Japan.

The Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Japan, or quoted or traded on the stock exchanges in Japan.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity-related securities outside of Japan as well as in fixed-income and cash.

In order to implement the investment policy, the Trust may gain exposure through American Depositary Receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

#### Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the Japan (TSE) First Section (Total Gross Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the largest companies in the Japanese stock market.

#### How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe 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, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations

#### Risk Profile

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

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- 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 Trust’s value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

## Barings Japan Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

### The Trust at a Glance on 31 August 2020

Total Trust size: 31 August 2020	£23.68 million	
Total Trust size: 31 August 2019	£22.94 million	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Acc	1.69%	1.72%
Class I GBP Acc	0.94%	0.97%
Class I GBP Inc	0.94%	0.97%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Acc	£1,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

\* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges. The OCF figures for the current period have decreased due to the decrease in 'Other expenses' and the increase in the 'Net assets attributable to shareholders' as shown on the Balance Sheet on page 177.

Price per unit	(pence per unit)
Class A GBP Acc	236.70p
Class I GBP Acc	247.60p
Class I GBP Inc	238.20p

## Barings Japan Growth Trust

### Trust Information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2020 (p)	31/08/2019 (p)	31/01/2019 (p)	31/08/2020 (p)	31/08/2019 (p)	31/01/2019 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	220.05	195.72	215.16	228.30	202.10	220.51
Return before operating charges	21.07	26.40	(15.89)	22.21	27.42	(16.35)
Operating charges	(3.83)	(2.07)	(3.55)	(2.21)	(1.22)	(2.06)
Return after operating charges	17.24	24.33	(19.44)	20.00	26.20	(18.41)
Distributions	(0.41)	(0.24)	(0.64)	(2.24)	(1.24)	(2.28)
Retained distributions on accumulation units	0.41	0.24	0.64	2.24	1.24	2.28
Closing net asset value per unit after direct transaction costs of*	237.29	220.05	195.72	248.30	228.30	202.10
	0.10	–	0.09	0.11	–	0.09
<b>Performance</b>						
Return after charges	7.83%	12.43%	(9.04)%	8.76%	12.96%	(8.35)%
<b>Other information</b>						
Closing net asset value ('000)	£3,423	£16,716	£17,475	£17,524	£3,369	£983
Closing number of units	1,442,466	7,596,426	8,928,844	7,057,591	1,475,868	486,435
Operating charges	1.69%	1.72%	1.71%	0.94%	0.97%	0.96%
Direct transaction costs	0.05%	0.00%	0.04%	0.05%	0.00%	0.04%
<b>Prices**</b>						
Highest unit price	243.10	224.40	220.50	254.20	232.70	226.90
Lowest unit price	174.00	192.90	182.60	181.50	199.40	188.40

	Class I GBP Inc - Distribution units		
	31/08/2020 (p)	31/08/2019 (p)	31/01/2019 (p)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	219.65	195.52	215.73
Return before operating charges	21.37	26.51	(15.97)
Operating charges	(2.13)	(1.19)	(2.01)
Return after operating charges	19.24	25.32	(17.98)
Distributions	(2.14)	(1.19)	(2.23)
Closing net asset value per unit after direct transaction costs of*	236.75	219.65	195.52
	0.10	–	0.09
<b>Performance</b>			
Return after charges	8.76%	12.95%	(8.33)%
<b>Other information</b>			
Closing net asset value ('000)	£2,732	£2,855	£1,002
Closing number of units	1,154,169	1,299,604	512,263
Operating charges	0.94%	0.97%	0.96%
Direct transaction costs	0.05%	0.00%	0.04%
<b>Prices**</b>			
Highest unit price	244.60	225.10	222.00
Lowest unit price	174.60	192.90	184.30

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 Trust and unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting periods from 1 February 2019 to 31 August 2019 and 1 February 2018 to 31 January 2019 respectively.

## Barings Japan Growth Trust

### Report of the Investment Manager

#### Performance

During the year ended 31 August 2020, the Barings Japan Growth Trust (“the Trust”) produced an absolute net return for Class A GBP Acc of 7.49% compared with a return of (0.06)% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Acc units against the performance comparator.

	1 year	3 years	5 years
Barings Japan Growth Trust	7.49%	5.86%	11.87%
Japan (TSE) First Section (Total Gross Return) Index	(0.06)%	2.34%	9.12%

Japanese equities had a roller coaster 12 months as COVID-19 swept across the globe. The Topix index started the period positively, peaking in December last year before declining to the lows in March, as COVID-19 brought global economic activity almost to a standstill. An unprecedented policy response triggered a subsequent rapid recovery in global equity markets off the March lows, sufficient to drive the Topix index to finish marginally up for the period as a whole. The Japanese Yen weakened against Sterling by approximately 10%, lowering returns to Sterling investors but the portfolio marked a healthy 8.4% gain in GBP terms during the period, outperforming the performance comparator by a strong 10.4%. This reinforces the strong long-term performance of the Trust, with portfolio returns meaningfully ahead of the performance comparator over three and five year time periods.

The portfolio benefitted from strong stock selection, with robust performance of growth stocks contributing strongly, particularly companies exposed to Business Service and IT sectors. At the stock level, we saw strong contributions from Nihon M&A (provider of merger related services) and Elecom (maker of computer peripherals), as well as leading semiconductor equipment companies, such as Tokyo Electron and Daifuku. Furthermore, performance was helped by the opportunistic addition to the portfolio of several new names including those related to electric vehicles, such as LED highlight producer Koito, and component maker Toyota Industries. The main detractors from performance were Zozo, a leading online apparel platform, and JR East, a railway operator. Zozo was impacted by some managerial missteps and was sold from the portfolio, whilst JR East was more negatively impacted by the economic slowdown and reduced travel needs during COVID-19.

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

Purchases	Costs £'000	Sales	Proceeds £'000
NEC	564	Shin-Etsu Chemical	556
KDDI	521	Nihon M&A Center	531
Kioto Manufacturing	463	Sumitomo Mitsui Financial	478
Idemitsu Kosan	459	Yamaha Motor	465
Toyota Industries	453	Meiji	421
Terumo	449	Rohm	419
Nintendo	448	Toyota Motor	419
Sakai Moving Service	436	Jafco	402
TIS	429	Idemitsu Kosan	398
Tokio Marine	425	Bridgestone	393

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## Barings Japan Growth Trust

Report of the Investment Manager (continued)

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### Market Outlook

Despite the recent reported success in COVID-19 vaccine, it is still uncertain what will be a long-term impact of COVID-19 on global economies and equity market valuations. What is more apparent is COVID-19 has been a society-changing experience, and the post COVID-19 business environment may well remain considerably different in many areas. Accordingly, a large number of companies need to change their business models and practices in order to adapt to the new environment. The portfolio has long focused on identifying companies with disruptive technologies and business models that help increase productivities and win market shares. In that regard, our investment focus will remain unchanged, and we will focus on identifying companies that will flourish post COVID-19, leveraging unique business models and broad competitive advantages. Equally important as picking winners, we will also focus on avoiding companies with a large dependency on macro factors and business models that could be permanently impaired by change in business environment post COVID-19.

There has been increasing concern that recent market movement has led to a widening valuation gulf between value and growth stocks, with some pockets of the market becoming overheated. We are also finding some growth companies to be increasingly overpriced. However, we still see a broad range of high quality companies within the Japanese market to be offering attractive valuations on normalized earning bases, thus offering good investment opportunities on a medium term investment horizon. In turn, we will look to exploit such opportunities by rigorously applying our investment process, based on identifying companies with consistent growth at reasonable valuations.

### Baring Asset Management Limited

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

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## Barings Japan Growth Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Japan Growth Trust (the “Trust”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Manager 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.

#### Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Japan Growth Trust (the “Trust”) for the year ended 31 August 2020

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

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## Barings Japan Growth Trust

Responsibilities of the Manager and the Trustee (continued)

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### Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Japan Growth Trust (the "Trust") for the year ended 31 August 2020 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
London 18 December 2020

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## Barings Japan Growth Trust

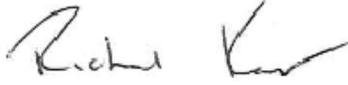
### Directors' Statement

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The financial statements on pages 176 to 189 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

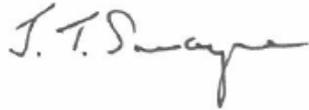
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings Japan Growth Trust

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Value (£)	Percentage Bid-Market of total net assets (%)
	<b>Investment Funds: 1.05% (4.01%)</b>		
249,000	Northern Trust Global Funds - Sterling Fund†	<b>249,000</b>	<b>1.05</b>
	<b>Equities: 99.13% (95.44%)</b>		
	<b>Auto Manufacturers: 3.55% (5.32%)</b>		
16,800	Toyota Motor	<b>839,766</b>	<b>3.55</b>
	<b>Auto Parts &amp; Equipment: 2.46% (3.89%)</b>		
7,200	Bridgestone	172,552	0.73
21,200	Nifco	411,116	1.73
		<b>583,668</b>	<b>2.46</b>
	<b>Banks: 3.25% (4.56%)</b>		
243,900	Mitsubishi UFJ Financial	<b>768,805</b>	<b>3.25</b>
	<b>Basic Materials: 2.27% (0.48%)</b>		
11,600	Aica Kogyo	300,844	1.27
5,900	Nissan Chemical	236,153	1.00
		<b>536,997</b>	<b>2.27</b>
	<b>Building Materials: 3.12% (1.50%)</b>		
3,000	Daikin Industries	427,229	1.81
40,800	Sanwa	310,602	1.31
		<b>737,831</b>	<b>3.12</b>
	<b>Chemicals: 3.09% (5.60%)</b>		
9,800	NOF	300,309	1.27
4,700	Shin-Etsu Chemical	431,742	1.82
		<b>732,051</b>	<b>3.09</b>
	<b>Commercial Services: 2.31% (3.09%)</b>		
6,500	Nihon M&A Center	243,937	1.03
10,600	Recruit	304,026	1.28
		<b>547,963</b>	<b>2.31</b>
	<b>Communications: 3.04% (0.00%)</b>		
13,500	Giftee	241,857	1.02
21,800	KDDI	477,345	2.02
		<b>719,202</b>	<b>3.04</b>
	<b>Computers: 2.98% (3.72%)</b>		
13,700	Nomura Research Institute	274,862	1.16
10,500	SCSK	430,012	1.82
		<b>704,874</b>	<b>2.98</b>
	<b>Consumer, Cyclical: 11.21% (4.87%)</b>		
5,400	Daiwabo	245,421	1.04
13,200	Koito Manufacturing	483,137	2.04
1,700	Nitori	268,841	1.14
16,200	Paltac	676,161	2.85
13,500	Seria	448,366	1.89

## Barings Japan Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)	Value (£)	assets (%)
	<b>Equities: 99.13% (95.44%)</b> (continued)			
	<b>Consumer, Cyclical: 11.21% (4.87%)</b> (continued)			
12,100	Toyota Industries		532,659	2.25
			<b>2,654,585</b>	<b>11.21</b>
	<b>Consumer, Non-cyclical: 7.04% (6.60%)</b>			
5,200	Daiichi Sankyo		350,045	1.48
16,400	Insource		308,204	1.30
14,900	Pigeon		514,530	2.17
16,100	Terumo		494,973	2.09
			<b>1,667,752</b>	<b>7.04</b>
	<b>Diversified Financial Services: 1.54% (2.77%)</b>			
30,200	Aruhi		<b>365,652</b>	<b>1.54</b>
	<b>Electronics: 1.62% (3.05%)</b>			
8,600	Murata Manufacturing		<b>385,272</b>	<b>1.62</b>
	<b>Engineering &amp; Construction: 1.54% (3.89%)</b>			
19,200	Kyowa Exeo		<b>365,619</b>	<b>1.54</b>
	<b>Financial: 0.00% (1.70%)</b>			
	<b>Food: 1.18% (2.98%)</b>			
4,600	MEIJI		<b>280,610</b>	<b>1.18</b>
	<b>Hand/Machine Tools: 1.07% (2.94%)</b>			
22,700	OSG		<b>253,628</b>	<b>1.07</b>
	<b>Healthcare Products: 1.64% (1.72%)</b>			
17,200	Shimadzu		<b>387,788</b>	<b>1.64</b>
	<b>Home Builders: 0.00% (1.71%)</b>			
	<b>Home Furnishings: 4.25% (3.25%)</b>			
17,000	Sony		<b>1,005,865</b>	<b>4.25</b>
	<b>Industrial: 11.89% (1.23%)</b>			
35,100	Casio Computer		427,734	1.81
15,600	Comsys		329,565	1.39
8,700	Giken		235,875	1.00
15,100	Japan Elevator Service		394,309	1.66
9,700	Jeol		214,888	0.91
13,200	Kurita Water Industries		312,673	1.32
18,800	Nichias		337,077	1.42
7,408	Sakai Moving Service		241,280	1.02
9,000	Sho-Bond		321,064	1.36
			<b>2,814,465</b>	<b>11.89</b>
	<b>Insurance: 3.03% (2.49%)</b>			
20,600	Tokio Marine		<b>717,536</b>	<b>3.03</b>
	<b>Leisure Time: 0.00% (1.86%)</b>			

## Barings Japan Growth Trust

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)	Value (£)	assets (%)
	<b>Equities: 99.13% (95.44%)</b> (continued)			
	<b>Machinery-Construction &amp; Mining: 1.26% (1.40%)</b>			
18,100	Komatsu		<u>297,343</u>	<u>1.26</u>
	<b>Machinery-Diversified: 2.52% (3.08%)</b>			
3,600	Daifuku		239,642	1.01
26,300	Fuji		<u>357,462</u>	<u>1.51</u>
			<u>597,104</u>	<u>2.52</u>
	<b>Pharmaceuticals: 2.30% (1.84%)</b>			
19,300	Takeda Pharmaceutical		<u>544,882</u>	<u>2.30</u>
	<b>Real Estate: 1.20% (4.18%)</b>			
15,100	Katitas		<u>284,851</u>	<u>1.20</u>
	<b>Retail: 1.35% (1.39%)</b>			
2,400	Cosmos Pharmaceutical		<u>319,009</u>	<u>1.35</u>
	<b>Semiconductors: 2.70% (3.62%)</b>			
3,300	Tokyo Electron		<u>639,238</u>	<u>2.70</u>
	<b>Technology: 6.63% (1.08%)</b>			
17,200	Elecom		587,204	2.48
13,800	NEC		549,404	2.32
28,600	TIS		<u>432,390</u>	<u>1.83</u>
			<u>1,568,998</u>	<u>6.63</u>
	<b>Telecommunications: 4.60% (4.53%)</b>			
2,000	Hikari Tsushin		365,299	1.54
42,100	Nippon Telegraph & Telephone		<u>724,200</u>	<u>3.06</u>
			<u>1,089,499</u>	<u>4.60</u>
	<b>Toys/Games/Hobbies: 3.41% (2.17%)</b>			
2,000	Nintendo		<u>806,940</u>	<u>3.41</u>
	<b>Transportation: 1.08% (2.93%)</b>			
5,200	East Japan Railway		<u>255,846</u>	<u>1.08</u>
	<b>Portfolio of investments: 100.18% (99.45%)</b>		<u>23,722,639</u>	<u>100.18</u>
	Net other liabilities		(43,143)	(0.18)
	<b>Net assets</b>		<u>23,679,496</u>	<u>100.00</u>

† Units in Investment Funds. Uninvested cash from the Trust is swept into this fund daily.

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 August 2019.

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## Barings Japan Growth Trust

### Independent Auditors' Report to the Unitholders of Barings Japan Growth Trust

For the financial year ended 31 August 2020

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings Japan Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2020 and of the net revenue and the net capital gains on its scheme property 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 Trust Deed.

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 August 2020 (page 177); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 176); the distribution tables (page 190); and the notes to the financial statements (pages 178 to 189), 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 Trust 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Manager 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.

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## Barings Japan Growth Trust

Independent Auditors' Report to the Unitholders of Barings Japan Growth Trust (continued)

For the financial year ended 31 August 2020

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### *Manager's Report*

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

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

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 168, the Manager 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 Manager 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 Manager is responsible for assessing the Trust'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 Manager either intend to wind up or terminate the Trust, 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

18 December 2020

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**BARINGS**

**Barings Japan Growth Trust**  
**Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders**  
for the year ended 31 August 2020

**Statement of Total Return**

	Notes	01/09/2019 to 31/08/2020 £'000	£'000	01/02/2019 to 31/08/2019* £'000	£'000
Income					
Net capital gains	2		1,674		2,357
Revenue	3	471		231	
Expenses	4	(274)		(179)	
Net revenue before taxation		<u>197</u>		<u>52</u>	
Taxation	5	(47)		(23)	
Net revenue after taxation			<u>150</u>		<u>29</u>
<b>Total return before distributions</b>			<u>1,824</u>		<u>2,386</u>
Distributions	6		(195)		(29)
<b>Change in net assets attributable to unitholders from investment activities</b>			<u>1,629</u>		<u>2,357</u>

**Statement of Change in Net Assets Attributable to Unitholders**

	01/09/2019 to 31/08/2020 £'000	£'000	01/02/2019 to 31/08/2019* £'000	£'000
<b>Opening net assets attributable to unitholders</b>		22,940		19,460
Amounts receivable on issue of units	4,531		6,542	
Amounts payable on cancellation of units	(5,585)		(5,462)	
		<u>(1,054)</u>		<u>1,080</u>
Dilution adjustment		-		6
Changes in net assets attributable to unitholders from investment activities		1,629		2,357
Retained distribution on accumulation units	6	164		37
<b>Closing net assets attributable to unitholders</b>		<u>23,679</u>		<u>22,940</u>

\*The accounting year end date was changed from 31 January to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings Japan Growth Trust****Balance Sheet**as at 31 August 2020

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	<b>Notes</b>	<b>31/08/2020 £'000</b>	<b>Restated 31/08/2019* £'000</b>
<b>Assets</b>			
Investment assets		<b>23,723</b>	22,813
Current assets:			
Debtors	7	<b>60</b>	388
Cash and bank balances	8	<b>224</b>	83
Total assets		<b>24,007</b>	23,284
<b>Liabilities</b>			
Creditors:			
Bank overdraft	8	<b>(209)</b>	(72)
Distribution payable on income units	6	<b>(25)</b>	(15)
Other creditors	9	<b>(94)</b>	(257)
Total liabilities		<b>(328)</b>	(344)
<b>Net assets attributable to unitholders</b>		<b>23,679</b>	22,940

\* The prior year figure has been restated. In the prior year, the amount was shown net (£11) however, this is now presented gross as there is no right to offset for the bank accounts of the Trust.

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# Barings Japan Growth Trust

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest. Units will be “single priced”, with the same price for buying or selling on any particular day. This will be based on a bid-market valuation of the underlying investments without addition or deduction of a provision for dealing costs.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

#### 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 28 August 2020.

#### Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is 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. Equalisation is deducted from the bookcost of the investments.

#### 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 Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

#### Treatment of 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.

#### Taxation

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

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## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Dilution Adjustment

The Trust 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 full Prospectus for further details.

### 2. Net Capital Gains

The net capital gains during the year/period comprise:

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
Non-derivative securities	1,689	2,374
Currency losses	(7)	(10)
Transaction charges	(8)	(7)
Net capital gains on investments	<u>1,674</u>	<u>2,357</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
Offshore CIS interest revenue	1	1
Overseas dividends	470	230
	<u>471</u>	<u>231</u>

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## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 4. Expenses

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	239	157
	<u>239</u>	<u>157</u>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	5	3
Safe custody charges	3	1
	<u>8</u>	<u>4</u>
<b>Other expenses:</b>		
Administration fees	2	1
Audit fees	10	8
Professional fees	3	1
Registrar and transfer agency fees	15	6
Regulatory fees	4	–
Standing charges	3	2
Taxation fees*	(10)	–
	<u>27</u>	<u>18</u>
<b>Total expenses</b>	<u>274</u>	<u>179</u>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

## Barings Japan Growth Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

#### 5. Taxation

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Overseas withholding tax	47	23
Current tax charge (note 5b)	47	23

#### b) Factors affecting taxation charge for the year/period:

The tax assessed for the year is higher (1 February 2019 to 31 August 2019: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
Net revenue before taxation	197	52
Corporation tax at 20%	39	10
Effects of:		
Overseas withholding tax	47	23
Excess management expenses not utilised	55	36
Non taxable overseas dividends	(94)	(46)
Current tax charge for the year (note 5a)	47	23

#### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £1,529,683 (31 August 2019: £1,475,174) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

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## Barings Japan Growth Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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#### 6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/09/2019 to 31/08/2020 £'000	01/02/2019 to 31/08/2019 £'000
Final Distribution	25	15
Final Accumulation	164	37
	<hr/>	<hr/>
	189	52
Add: Revenue deducted on cancellation of units	34	14
Deduct: Revenue received on issue of units	(28)	(37)
	<hr/>	<hr/>
	6	(23)
<b>Total distributions</b>	<hr/> <b>195</b> <hr/>	<hr/> <b>29</b> <hr/>

Details of the distributions per unit are set out in the Distribution Tables on page 190.

Distributions payable at the year end of £24,703 (31 August 2019: £15,481) are disclosed in the Balance Sheet on page 177.

#### 7. Debtors

	31/08/2020 £'000	31/08/2019 £'000
Accrued revenue	14	40
Amount receivable for creation of units	46	348
	<hr/>	<hr/>
	60	388

#### 8. Cash and bank balances

	31/08/2020 £'000	31/08/2019 £'000
Bank overdraft	(209)	(72)
Cash and bank balances	224	83
	<hr/>	<hr/>
	15	11

#### 9. Other creditors

	31/08/2020 £'000	31/08/2019 £'000
Accrued expenses	47	76
Amounts payable for cancellation of units	47	19
Purchases awaiting settlement	–	162
	<hr/>	<hr/>
	94	257

#### 10. Contingent liabilities

There were no contingent liabilities at the year end date (31 August 2019: £nil).

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## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 11. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

### 12. Financial instruments

In pursuing its investment objective set out on page 163, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

### 13. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market price risk

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

The Investment Manager 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 Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.186 million (31 August 2019: £1.141 million).

#### Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. 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 Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

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

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Japanese yen	23,474	20	23,494
	<b>23,474</b>	<b>20</b>	<b>23,494</b>

#### Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Japanese yen	21,892	40	21,932
	<b>21,892</b>	<b>40</b>	<b>21,932</b>

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.235 million (31 August 2019: £0.219 million).

#### Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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 Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	23,723	23,723
Cash at bank	15	–	–	15
Other assets	–	–	60	60
Liabilities	–	–	(119)	(119)
	<b>15</b>	<b>–</b>	<b>23,664</b>	<b>23,679</b>

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	921	–	21,892	22,813
Cash at bank	11	–	–	11
Other assets	–	–	388	388
Liabilities	–	–	(272)	(272)
	<b>932</b>	<b>–</b>	<b>22,008</b>	<b>22,940</b>

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

#### Sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2020 (31 August 2019: same).

#### Liquidity risk

The Trust’s assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

#### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2020, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2019: same).

The Trust 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.

During the year, the Trust made use of “Over The Counter” (“OTC”) derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust’s exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

#### Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

## Barings Japan Growth Trust

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

#### 14. 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 Trust 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 Trust 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 for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	23,474	–	–	23,474
Investment Funds	–	249	–	249
	<b>23,474</b>	<b>249</b>	<b>–</b>	<b>23,723</b>

#### Valuation technique for the period ended 31 August 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	21,892	–	–	21,892
Investment Funds	–	921	–	921
	<b>21,892</b>	<b>921</b>	<b>–</b>	<b>22,813</b>

## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 15. Portfolio transaction costs

	01/09/2019 to 31/08/2020	01/02/2019 to 31/08/2019
	£'000	£'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	14,471	7,285
Commissions:		
Equities total value paid	5	3
Total transaction costs	5	3
<b>Gross purchases total</b>	<b>14,476</b>	<b>7,288</b>
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	14,588	6,962
Commissions:		
Equities total value paid	(5)	(2)
Total transaction costs	(5)	(2)
<b>Total sales net of transaction costs</b>	<b>14,583</b>	<b>6,960</b>

\* Not included in 31 August 2020 figures are purchases and sales in cash funds totalling £3.540 million and £4.212 million, respectively, where there are no transaction costs applicable. In 31 January 2019, purchases and sales in cash funds totalled £4.527 million and £3.618 million, respectively.

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

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust'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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

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

## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 15. Portfolio transaction costs (continued)

	01/09/2019 to 31/08/2020	01/02/2019 to 31/08/2019
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	<b>0.04</b>	0.04
Equities percentage of average NAV	<b>0.02</b>	0.01

	01/09/2019 to 31/08/2020	01/02/2019 to 31/08/2019
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	<b>(0.03)</b>	(0.03)
Equities percentage of average NAV	<b>(0.02)</b>	(0.01)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.31% (31 August 2019: 0.19%), 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.

### 16. Unit classes

The Trust currently has three unit classes: A GBP Acc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 164. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 165. The distribution per unit class is given in the distribution tables on page 190. All classes have the same rights on winding up.

	Class A GBP Acc	Class I GBP Acc	Class I GBP Inc
Opening units	7,596,426	1,475,868	1,299,604
Units created	474,439	1,145,250	340,822
Units liquidated	(1,106,853)	(867,032)	(486,257)
Units converted	(5,521,546)	5,303,505	–
<b>Closing units</b>	<b>1,442,466</b>	<b>7,057,591</b>	<b>1,154,169</b>

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## Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 17. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager 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 Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

### 18. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Accumulation class has increased from 236.70p to 267.70p, I GBP Accumulation class from 247.60p to 280.70p and I GBP Income class from 238.20p to 267.60p as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

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## Barings Japan Growth Trust

### Distribution Tables

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#### Final Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 31 August 2020

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

Group	Net Revenue	Equalisation (Note 11)	2020 Accumulation Paid	2019* Accumulation Paid
1	0.4085	0.0000	0.4085	0.2401
2	0.0000	0.4085	0.4085	0.2401

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

Group	Net Revenue	Equalisation (Note 11)	2020 Accumulation Paid	2019* Accumulation Paid
1	2.2433	0.0000	2.2433	1.2405
2	1.0508	1.1925	2.2433	1.2405

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 11)	2020 Distribution Paid	2019* Distribution Paid
1	2.1403	0.0000	2.1403	1.1912
2	0.6148	1.5255	2.1403	1.1912

\* The accounting year end date was changed from 31 January to 31 August.

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## Barings Strategic Bond Fund

### Investment Objective and Policy and Fund at a Glance

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#### Investment Objective and Policy

The investment objective of Barings Strategic Bond Fund (the “Fund”) is to achieve capital growth together with income by investing globally.

The Fund will seek to achieve its investment objective by investing directly and indirectly in fixed income securities globally, as well as cash, near cash and money market instruments.

The Fund may invest directly and indirectly in investment grade, sub-investment grade and unrated bonds issued by governments, sovereigns, supranationals and corporates in developed and emerging markets. The Investment Manager has the ability to invest directly or indirectly in debt securities of any maturity, duration or credit rating (including unrated).

In order to implement the investment policy, the Fund may gain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also obtain indirect exposure through derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management and for investment purposes. Forward currency transactions will be used to gain exposure to currencies and may be used to manage currency risk when considered appropriate.

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

#### Performance Assessment

The Fund is not managed to a benchmark, nor does the Manager use a benchmark in assessing the Fund’s performance. Investors may however refer to the information in Morningstar’s Global Bond Category, which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

#### How the Fund is Managed

The Fund invests in corporate and government bond markets where it is believed that yields are likely to fall (and prices are likely to rise). It also avoids those which are evaluated as expensive, and where returns are likely to be negative in the medium term. The overall duration or interest rate sensitivity of the Fund will fluctuate as expectations for economic developments change, relative to the market. The Manager will also look to add value through foreign exchange management, identifying those markets where currencies are attractive, for example, due to sound economic fundamentals or rising interest rates.

#### Risk Profile

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

- There is no guarantee that a bond issuer will pay the interest due or repay the loan. Bond values are likely to fall if interest rates rise.
- Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell fund investments at an anticipated price or in a timely manner. This could have a negative impact on the value of your investment. In extreme conditions, this could affect the Fund’s ability to meet investors’ redemption requests.
- 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 as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

## Barings Strategic Bond Fund

Investment Objective and Policy and Fund at a Glance (continued)

### The Fund at a Glance on 31 August 2020

<b>Total Fund size: 31 August 2020</b>	<b>£31.92 million</b>	
<b>Total Fund size: 31 August 2019</b>	<b>£39.03 million</b>	
<b>OCF*</b>	<b>31/08/2020</b>	<b>31/08/2019</b>
Class A GBP Inc**	1.58%	1.44%
Class I GBP Inc	0.98%	0.84%
	<b>Initial charge</b>	<b>Annual charge</b>
Class A GBP Inc**	up to 5.00%	1.25%
Class I GBP Inc	Nil	0.65%
	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
Class A GBP Inc**	£1,000	£500
Class I GBP Inc	£10,000,000	£500

\* 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, trustee and general charges. The OCF figures for the current year have increased due to the decrease in 'Other expenses' and the decrease in the 'Net assets attributable to unitholders' as shown on the Balance Sheet on page 205.

\*\* Calculation based on mid-price.

<b>Price per unit</b>	<b>(pence per unit)</b>
Class A GBP Inc	112.50p
Class I GBP Inc	111.90p

## Barings Strategic Bond Fund

### Fund Information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2020	31/08/2019	12/07/2018	31/08/2020	31/08/2019	12/07/2018
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	119.93	115.24	116.98	120.10	115.38	117.13
Return before operating charges	(5.13)	9.47	0.89	(5.13)	9.52	0.89
Operating charges	(1.83)	(1.90)	(1.62)	(1.14)	(1.11)	(0.92)
Return after operating charges	(6.96)	7.57	(0.73)	(6.27)	8.41	(0.03)
Distributions	(3.08)	(2.88)	(1.01)	(3.78)	(3.69)	(1.72)
Closing net asset value per unit after direct transaction costs of*	109.89	119.93	115.24	110.05	120.10	115.38
	0.03	0.03	–	0.03	0.03	–
<b>Performance</b>						
Return after charges	(5.80)%	6.57%	(0.62)%	(5.22)%	7.29%	(0.03)%
<b>Other information</b>						
Closing net asset value ('000)	£14,855	£18,357	£21,098	£17,065	£20,678	£22,341
Closing number of units	13,517,773	15,306,845	18,308,693	15,507,127	17,216,975	19,363,550
Operating charges	1.58%	1.44%	1.38%	0.98%	0.84%	0.78%
Direct transaction costs	0.02%	0.03%	0.00%	0.02%	0.03%	0.00%
<b>Prices**</b>						
Highest unit price	127.30	122.50	118.10	127.80	123.20	118.50
Lowest unit price	93.44	112.00	115.40	93.67	112.90	115.90

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders 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 unit class returns before operating charges.

\*\*High/low prices included in the table above for the current accounting year are from 1 September 2019 to 31 August 2020. For previous periods, they relate to the accounting period from 13 July 2018 to 31 August 2019 and 13 July 2017 to 12 July 2018.

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## Barings Strategic Bond Fund

Report of the Investment Manager

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### Performance

During the year ended 31 August 2020, the Barings Strategic Bond Fund (the “Fund”) produced an absolute net return for Class A GBP Inc of (6.03)% compared with a return of 2.99% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
Barings Strategic Bond Fund	(6.03)%	(0.30)%	0.26%
Morningstar Global Bond Category	2.99%	2.78%	3.83%

The performance of the Fund was negatively impacted by the COVID-19 pandemic. The broad-based asset price declines resulted in poor performance on most of the Fund’s investments. During this period, the market was also extremely dislocated; portfolio hedges failed to work as expected, transaction activity collapsed, liquidity was extremely poor and transaction costs, both for de-risking and hedging were significantly higher than average.

Asset prices have since rebounded from the lows reached in March due to extra-ordinary policy support initiatives across the globe in response to the pandemic. However, a significant proportion of the Fund’s investments, particularly in credit markets are yet to fully recover.

While the Fund has partly recovered from the COVID-19 related underperformance, it has lagged the performance comparator and its stated capital growth return objective over the past 3-5 years.

Specifically, prior to the pandemic, the Fund had returned +2.7% year to date. However, following COVID-19 induced market declines, the Fund had returned (8.6)% as of 31 August 2020. This translates to a negative return of (6.03)% on a 1 year horizon, (0.30)% on a 3 year horizon and +0.26% on a 5 year horizon.

The legacy underperformance is likely due to: (i) the lower levels of risk-taking; (ii) previous limitation of the investment universe to Developed Markets where returns have been low (even though the Fund has a broad unrestricted mandate); and (iii) not taking advantage of opportunities in credit and emerging markets. The ongoing strategic review will address the under-performance issues, and the Managers are optimistic on recovering lost performance versus the performance comparator and meeting the Fund’s investment objective over the short to medium term. The Fund’s income distributions are not performance linked and have continued as normal.

## Barings Strategic Bond Fund

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
UK Treasury Bond 0.00% 27/01/2020	7,791	UK Treasury Bond 0.00% 27/01/2020	7,796
Hellenic Republic Government Bond 4.2% 30/01/2042	4,840	Invesco AT1 Capital Bond UCITS ETF	5,765
Italy Buoni Poliennali Del Tesoro 2.7% 1/03/2047	4,823	Hellenic Republic Government Bond 4.2% 30/01/2042	4,938
Portugal Obrigacoee 4.10% 15/02/2045 4.1% 15/02/2045	4,507	Italy Buoni Poliennali Del Tesoro 2.7% 1/03/2047	4,598
Invesco AT1 Capital Bond UCITS ETF †	3,727	Hellenic Republic Government Bond 3.9% 30/01/2033	3,530
UK Treasury Bond 8.00% 07/06/2021	3,266	Republic of Italy Government International Bond 6% 4/08/2028	3,265
SPDR Thomson Reuters Global Convertible Bond UCITS	3,266	UK Treasury Bond 8.00% 07/06/2021	3,263
United States Treasury Inflation Indexed Bonds 1.00% 15/02/2048	2,893	Republic of Italy Government International Bond 6.875% 27/09/2023	3,039
Brazilian Government International Bond 5.625% 21/02/2047	2,291	United States Treasury Inflation Indexed Bonds 1.00% 15/02/2048	2,965
United States Treasury Inflation Indexed Bonds 0.25157% 15/02/2050	2,220	Mexican Bonos 8.5% 18/11/2038	2,950

### Market Outlook

The investment environment has changed dramatically since the peak of COVID-19 impact on markets in March 2020. Due to extra-ordinary global fiscal and monetary support from policy makers, asset markets have recovered significantly, led by global equities. In Fixed Income and currencies, credit markets (emerging markets sovereigns and developed market corporates) have continued to recoup their losses led by investment grade segment. However, asset valuations are still broadly lower than a year ago and at the time of the last update in February. This is also reflected in the Fund's overall performance.

Policymakers continue to focus on maintaining ample market liquidity and jobs preservation while/as COVID-19 induced restrictions on economic activity persist. We do not expect a change in this policy stance through 2021, or at least until major economies have returned to full employment. We are therefore conservatively optimistic on the global economic outlook, and expect the recovery to continue, led by China. Both hard and soft data are rebounding, albeit at a slowing pace, but still confirming our baseline economic scenario. Overall, we have maintained a positive stance towards credit markets, including European peripheral government bonds, since March when various stimulus and policy support programs.

### Baring Asset Management Limited

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

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## Barings Strategic Bond Fund

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Strategic Bond Fund (the “Fund”) and of its net revenue and net capital losses for the year. In preparing the financial statements, the Manager 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 a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

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

The Manager 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.

#### **Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the “Fund”) for the year ended 31 August 2020**

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Fund is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

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

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

The Trustee must ensure that:

- the Fund’s cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund’s assets is remitted to the Fund within the usual time limits;
- the Fund’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

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## Barings Strategic Bond Fund

Responsibilities of the Manager and the Trustee (continued)

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### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the "Fund") for the year ended 31 August 2020** (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited  
Trustee & Depositary Services  
London 18 December 2020

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## Barings Strategic Bond Fund

### Directors' Statement

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The financial statements on pages 204 to 219 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

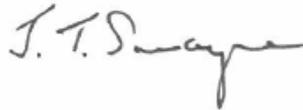
R. KENT

Director



J. SWAYNE

Director



London 18 December 2020

## Barings Strategic Bond Fund

### Portfolio Statement

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value assets (£) (%)	value (£)	assets (%)
	<b>Bonds: 77.23% (87.50%)</b>			
	<b>Brazilian real: 0.00% (1.86%)</b>			
	<b>Euro: 25.86% (36.56%)</b>			
	Hellenic Republic Government Bond 3.90%			
EUR 876,109	30/01/2033		1,022,146	3.20
EUR 1,705,000	Italy Buoni Poliennali Del Tesoro 2.80% 01/03/2067		1,777,047	5.57
	Mexico Government International Bond 4.00%			
EUR 1,492,000	15/03/2115		1,343,215	4.21
EUR 731,000	Petrobras Global Finance 4.75% 14/01/2025		716,462	2.24
EUR 1,111,913	Portugal Obrigacoee 4.10% 15/02/2045		1,617,736	5.07
	Republic of Austria Government Bond 2.10%			
EUR 347,000	20/09/2117		594,340	1.86
	Republic of South Africa Government International			
EUR 600,000	Bond 3.75% 24/07/2026		543,377	1.70
EUR 700,000	Societe Du Grand Paris EPIC 1.00% 18/02/2070		642,008	2.01
			<b>8,256,331</b>	<b>25.86</b>
	<b>Indonesian rupiah: 0.00% (1.98%)</b>			
	<b>Mexican peso: 0.00% (2.52%)</b>			
	<b>Philippine peso: 0.00% (2.24%)</b>			
	<b>Pound sterling: 2.70% (11.31%)</b>			
GBP 800,000	Petrobras Global Finance 6.625% 16/01/2034		<b>861,072</b>	<b>2.70</b>
	<b>Russian ruble: 0.00% (2.44%)</b>			
	<b>US dollar: 48.67% (28.60%)</b>			
	Brazilian Government International Bond 5.625%			
USD 1,632,000	21/02/2047		1,370,887	4.30
	Brazilian Government International Bond 12.25%			
USD 876,000	06/03/2030		1,075,945	3.37
	Colombia Government International Bond 8.125%			
USD 634,000	21/05/2024		578,790	1.81
	Ghana Government International Bond 10.75%			
USD 755,000	14/10/2030		697,970	2.19
	Hungary Government International Bond 7.625%			
USD 734,000	29/03/2041		977,484	3.06
	Indonesia Government International Bond 4.35%			
USD 800,000	11/01/2048		707,375	2.22
	Mexico Government International Bond 6.05%			
USD 1,310,000	11/01/2040		1,257,840	3.94
	Oman Government International Bond 5.375%			
USD 1,100,000	08/03/2027		805,666	2.52
USD 1,172,000	Petrobras Global Finance 6.90% 19/03/2049		1,010,712	3.16
USD 1,150,000	Petroleos Mexicanos 7.69% 23/01/2050		771,905	2.42
USD 1,562,000	Petroleos Mexicanos 6.95% 28/01/2060		976,005	3.06
	Republic of South Africa Government International			
USD 800,000	Bond 5.75% 30/09/2049		537,771	1.69

## Barings Strategic Bond Fund

Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value (£)	assets (%)
	<b>Bonds: 77.23% (87.50%)</b> (continued)		
	<b>US dollar: 48.67% (28.60%)</b> (continued)		
	Republic of South Africa Government International		
USD 600,000	Bond 5.875% 22/06/2030	472,521	1.48
USD 1,200,000	Russian Foreign Bond - Eurobond 5.625% 04/04/2042	1,225,067	3.84
	Saudi Government International Bond 4.50%		
USD 1,049,000	22/04/2060	981,195	3.07
	United States Treasury Inflation Indexed Bonds		
USD 2,384,000	0.252% 15/02/2050	2,088,769	6.54
		<b>15,535,902</b>	<b>48.67</b>
	<b>Collective Investment Schemes: 0.00% (7.78%)</b>		
	<b>US dollar: 0.00% (7.78%)</b>		
	<b>Credit Default Swaps: 1.71% (1.01%)</b>		
	<b>Euro: 1.41% (0.83%)</b>		
(1,500,000)	CDX Citigroup 5.00% 20/06/2025	102,472	0.32
(5,000,000)	CDX Citigroup 5.00% 20/12/2024	349,115	1.09
		<b>451,587</b>	<b>1.41</b>
	<b>US dollar: 0.30% (0.18%)</b>		
(2,000,000)	CDX Citigroup 1.00% 20/06/2025	23,783	0.08
(1,525,000)	CDX Citigroup 1.00% 20/06/2025	18,134	0.06
(2,000,000)	CDX Citigroup 1.00% 20/06/2025	23,783	0.07
(2,500,000)	CDX Citigroup 1.00% 20/12/2024	28,971	0.09
		<b>94,671</b>	<b>0.30</b>
	<b>Time Deposits: 0.66% (0.00%)</b>		
	<b>US dollar: 0.66% (0.00%)</b>		
280,000	OTC Derivative Cash Collateral	210,471	0.66
	<b>Exchange Traded Funds: 10.39% (0.00%)</b>		
	<b>US dollar: 10.39% (0.00%)</b>		
	SPDR Thomson Reuters Global Convertible Bond		
96,136	UCITS	3,315,458	10.39
	<b>Futures Contracts: 1.76% (-0.23%)</b>		
	<b>Euro: -0.26% (-0.19%)</b>		
20	Future Euro BTP Eux December 2020	(6,894)	(0.02)
30	Future Euro BTP September 2020	63,520	0.20
20	Future Euro Buxl September 2020	(56,922)	(0.18)
(45)	Future Euro FOAT September 2020	(86,081)	(0.27)
(22)	Future Eurx Eur-Bund September 2020	2,740	0.01
		<b>(83,637)</b>	<b>(0.26)</b>
	<b>Pound sterling: 0.00% (0.47%)</b>		
	<b>US dollar: 2.02% (-0.51%)</b>		
35	Future 5yr TNote December 2020	6,366	0.02
298	Future British Pound CME September 2020	513,772	1.61
50	Future iBoxx iShares Cbf October 2020	721	-
10	Future Norwegian Krone September 2020	11,415	0.04
(100)	Future Turkey Lira/US Dollar September 2020	144,600	0.45

**BARINGS**

## Barings Strategic Bond Fund

### Portfolio Statement (continued)

as at 31 August 2020

Holdings	Investments	Percentage Bid-Market of total net value (£)	assets (%)
	<b>Futures Contracts: 1.76% (-0.23%)</b> (continued)		
	<b>US dollar: 2.02% (-0.51%)</b> (continued)		
37	Future US Long Bond CBT December 2020	(32,996)	(0.10)
		<b>643,878</b>	<b>2.02</b>
	<b>Forward Currency Contracts: -0.05% (0.08%)</b>		
	Sold USD, bought EGP 36,000,000 for settlement		
USD (2,155,689)	05/10/2020 (Northern Trust)	69,945	0.22
	Sold USD, bought IDR 39,000,000,000 for settlement		
USD (2,627,501)	22/10/2020 (Standard Chartered Bank)	29,548	0.09
	Sold USD, bought EGP 33,320,000 for settlement		
USD (2,023,625)	03/12/2020 (Northern Trust)	21,762	0.07
	Sold USD, bought PHP 100,000,000 for settlement		
USD (2,037,905)	07/01/2021 (State Street)	9,845	0.03
	Sold RUB, bought USD 1,386,862 for settlement		
RUB (102,468,282)	22/10/2020 (State Street)	4,988	0.02
	Sold USD, bought CLP 2,460,000,000 for settlement		
USD (3,149,808)	13/10/2020 (Northern Trust)	4,908	0.01
	Sold CLP, bought USD 293,390 for settlement		
CLP (239,171,700)	13/10/2020 (Northern Trust)	(10,123)	(0.03)
	Sold CLP, bought USD 1,043,061 for settlement		
CLP (829,233,160)	13/10/2020 (Northern Trust)	(15,692)	(0.05)
	Sold IDR, bought USD 2,582,439 for settlement		
IDR (39,000,000,000)	22/10/2020 (State Street)	(63,378)	(0.20)
	Sold USD, bought RUB 200,000,000 for settlement		
USD (2,782,226)	22/10/2020 (Standard Chartered Bank)	(66,279)	(0.21)
		<b>(14,476)</b>	<b>(0.05)</b>
	<b>Portfolio of investments: 91.70% (96.14%)</b>	<b>29,271,257</b>	<b>91.70</b>
	Net other assets	2,648,404	8.30
	<b>Net assets</b>	<b>31,919,661</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 August 2019.

#### Debt security allocation is as follows:

Percentage of debt securities above investment grade	63.03%
Percentage of debt securities below investment grade (sub BBB - or unrated)	36.97%
	<b>100.00%</b>

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## Barings Strategic Bond Fund

### Independent Auditors' Report to the Unitholders of Barings Strategic Bond Fund

For the financial year ended 31 August 2020

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, the financial statements of Barings Strategic Bond Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 August 2020 and of the net revenue and the net capital losses on its scheme property 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 Trust Deed.

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 August 2020 (page 205); the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended (page 204); the distribution tables (page 220); and the notes to the financial statements (pages 206 to 219), 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 Fund 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 where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 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 Manager 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 if it 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.

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## Barings Strategic Bond Fund

Independent Auditors' Report to the Unitholders of Barings Strategic Bond Fund (continued)

For the financial year ended 31 August 2020

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### *Manager's Report*

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

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

#### *Responsibilities of the Manager for the financial statements*

As explained more fully in the Responsibilities of the Manager set out on page 196, the Manager 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 Manager is also responsible for such internal control as they determine is to be 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 Manager is responsible for assessing the 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 Manager either intend to wind up or terminate the Fund, or have 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 Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, 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 and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
18 December 2020

**BARINGS**

## Barings Strategic Bond Fund

### Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2020

#### Statement of Total Return

	Notes	01/09/2019 to 31/08/2020		13/07/2018 to 31/08/2019*	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(3,132)		1,521
Revenue	3	1,512		1,660	
Expenses	4	(394)		(505)	
Interest payable and other similar charges	5	(56)		(3)	
Net revenue before taxation		<u>1,062</u>		<u>1,152</u>	
Taxation	6	–		–	
Net revenue after taxation			<u>1,062</u>		<u>1,152</u>
<b>Total return before distributions</b>			<u>(2,070)</u>		<u>2,673</u>
Distributions	7		<u>(1,062)</u>		<u>(1,153)</u>
<b>Change in net assets attributable to unitholders from investment activities</b>			<u>(3,132)</u>		<u>1,520</u>

#### Statement of Change in Net Assets Attributable to Unitholders

	01/09/2019 to 31/08/2020		13/07/2018 to 31/08/2019*	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>39,035</b>		<b>43,439</b>
Amounts receivable on issue of units	1,820		1,944	
Amounts payable on cancellation of units	<u>(5,806)</u>		<u>(7,871)</u>	
		<b>(3,986)</b>		<b>(5,927)</b>
Changes in net assets attributable to unitholders from investment activities		<b>(3,132)</b>		<b>1,520</b>
Unclaimed distributions		<b>3</b>		<b>3</b>
<b>Closing net assets attributable to unitholders</b>		<u><b>31,920</b></u>		<u><b>39,035</b></u>

\*The accounting year end date was changed from 12 July to 31 August, therefore the comparative figures for the previous financial period do not represent a period of similar length.

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**Barings Strategic Bond Fund****Balance Sheet**as at 31 August 2020

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	<b>Notes</b>	<b>31/08/2020 £'000</b>	<b>31/08/2019 £'000</b>
<b>Assets</b>			
Investment assets		<b>29,609</b>	37,823
Current assets:			
Debtors	9	<b>451</b>	4,006
Cash and bank balances	10	<b>2,954</b>	2,362
Total assets		<b>33,014</b>	44,191
<b>Liabilities</b>			
Creditors:			
Investment liabilities		<b>(338)</b>	(294)
Distribution payable on income units	7	<b>(618)</b>	(826)
Other creditors	11	<b>(138)</b>	(4,036)
Total liabilities		<b>(1,094)</b>	(5,156)
<b>Net assets attributable to unitholders</b>		<b>31,920</b>	39,035

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# Barings Strategic Bond Fund

## Notes to the Financial Statements

for the year ended 31 August 2020

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### 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 28 August 2020 being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest. Units will be “single priced”, with the same price for buying or selling on any particular day. This will be based on a bid-market valuation of the underlying investments without addition or deduction of a provision for dealing costs.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

#### 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 28 August 2020.

#### Revenue Recognition

Bank interest and other revenue is recognised on an accruals basis.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment, and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase or an investment over its remaining life based on contractual cash flows. Any adjustments resulting from changes in actual cash flows are treated as capital.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Fund's distribution.

#### Derivative Financial Instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts are accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance is to protect or enhance capital return, gains or losses are recognised in net capital (losses)/gains in the statement of total return; Where the motive and circumstance is to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the year-end are reflected in the balance sheet at their marked to market value.

#### Distribution Policy

Where applicable, for the income (“Inc”) units, the Fund will pay any surplus revenue as a distribution.

#### Treatment of 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.

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## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 1. Accounting policies (continued)

#### Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses 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 full Prospectus for further details.

#### Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Fund.

### 2. Net Capital (Losses)/Gains

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

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
Non-derivative securities	(3,404)	4,556
Derivative securities	557	350
Currency gains	279	553
Forward currency contracts	(504)	(3,932)
Transaction charges	(52)	(5)
Derivative charges	(8)	(1)
Net capital (losses)/gains on investments	<u>(3,132)</u>	<u>1,521</u>

### 3. Revenue

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
Bank interest	8	7
Futures Income	–	60
Interest on debt securities	1,443	1,555
Offshore CIS interest revenue	53	38
Overseas dividends	8	–
	<u>1,512</u>	<u>1,660</u>

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 4. Expenses

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	330	437
	330	437
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	7	10
Safe custody charges	6	7
	13	17
<b>Other expenses:</b>		
Administration fees	2	2
Audit fees	13	13
Legal fees	1	–
Professional fees	10	3
Registrar and transfer agency fees	29	19
Regulatory fees	–	3
Standing charges	3	3
Taxation fees*	(7)	8
	51	51
<b>Total expenses</b>	<b>394</b>	<b>505</b>

\* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

### 5. Interest payable and other similar charges

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
Derivative expenses	51	–
Interest expenses	5	3
	56	3

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 6. Taxation

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
<b>a) Analysis of tax charges for the year/period:</b>		
Corporation tax	–	–
Current tax charge (note 6b)	–	–

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

The tax assessed for the year is lower (13 July 2018 to 31 August 2019: lower) than the standard rate of corporation tax in the UK for an authorised unit fund, which is 20% (31 August 2019: 20%). The differences are explained below:

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
Net revenue before taxation	1,062	1,152
Corporation tax at 20%	212	230
Effects of:		
Interest distributions	(212)	(230)
Current tax charge for the year (note 6a)	–	–

### c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £nil (31 August 2019: £nil) in relation to unutilised management expenses.

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
Interim Distribution	410	274
Final Distribution	618	826
	1,028	1,100
Add: Revenue deducted on cancellation of units	51	66
Deduct: Revenue received on issue of units	(17)	(13)
	34	53
<b>Total distributions</b>	<b>1,062</b>	<b>1,153</b>

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 7. Distributions (continued)

Details of the distributions per unit are set out in the Distribution Tables on page 220.

Distributions payable at the year end of £618,113 (31 August 2019: £825,619) are disclosed in the Balance Sheet on page 205.

### 8. Movement between net revenue and distributions

	01/09/2019 to 31/08/2020	13/07/2018 to 31/08/2019
	£'000	£'000
Net revenue after taxation	1,062	1,152
Equalisation on conversions	–	1
	<b>1,062</b>	<b>1,153</b>

### 9. Debtors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued revenue	374	575
Amount receivable for creation of units	1	38
Currency deals awaiting settlement	1	–
Credit default swap receivable	69	40
Overseas tax recoverable	6	6
Sales awaiting settlement	–	3,347
	<b>451</b>	<b>4,006</b>

### 10. Cash and bank balances

	31/08/2020	31/08/2019
	£'000	£'000
Cash and bank balances	1,516	777
Cash held by the broker	1,438	1,585
	<b>2,954</b>	<b>2,362</b>

### 11. Other creditors

	31/08/2020	31/08/2019
	£'000	£'000
Accrued expenses	65	71
Amounts payable for cancellation of units	73	61
Purchases awaiting settlement	–	3,904
	<b>138</b>	<b>4,036</b>

### 12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2019: £nil).

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## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution.

### 14. Financial instruments

In pursuing its investment objective set out on page 191, the Fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Fund's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Fund's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

### 15. 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 Investment Manager reviews (and agrees with the Trustee) 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 August 2019: same):

#### Market price 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.

The Investment Manager 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 Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

#### Market price risk sensitivity analysis

As at 31 August 2020, 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 unitholders would increase or decrease by approximately £1.464 million (31 August 2019: £1.876 million).

#### Foreign currency risk

The revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as the majority of the Fund's assets and revenue are denominated in currencies other than sterling, which is the Fund's functional currency.

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## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

The Investment Manager 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 revenue received in foreign currencies into sterling on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Fund. This increases the exposure of the Fund to exchange rate movements and may significantly affect the returns of the Fund.

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. These net assets consist of the following:

#### Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	–	9	9
Brazilian real	–	28	28
Canadian dollar	–	6	6
Chilean peso	1,341	–	1,341
Egyptian pound	3,229	–	3,229
Euro	8,624	193	8,817
Japanese yen	–	37	37
Philippine peso	1,539	–	1,539
Polish zloty	–	6	6
Russian ruble	986	1	987
Swiss franc	–	47	47
US dollar	12,691	1,993	14,683
	<b>28,410</b>	<b>2,319</b>	<b>30,729</b>

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## Barings Strategic Bond Fund

### Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

Currency exposure for the period ended 31 August 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	–	9	9
Brazilian real	727	2	729
Egyptian pound	2,117	–	2,117
Euro	13,347	133	13,480
Indonesian rupiah	772	–	772
Japanese yen	–	1	1
Mexican peso	982	–	982
Philippine peso	875	–	875
Polish zloty	–	6	6
Russian ruble	2,138	34	2,172
US dollar	11,969	1,052	13,021
	<u>32,927</u>	<u>1,237</u>	<u>34,164</u>

#### Foreign currency risk sensitivity analysis

At 31 August 2020, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.307 million (31 August 2019: £0.342 million).

#### Interest rate risk

The Fund may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager 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.

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

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

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	(14)	24,653	4,632	29,271
Cash at bank	2,954	–	–	2,954
Other assets	–	–	451	451
Liabilities	–	–	(756)	(756)
	<b>2,940</b>	<b>24,653</b>	<b>4,327</b>	<b>31,920</b>

	Floating rate 31/08/2019 £'000	Fixed rate 31/08/2019 £'000	Non-interest bearing 31/08/2019 £'000	Total 31/08/2019 £'000
Portfolio of investments	82	32,553	5,235	37,870
Cash at bank	2,362	–	–	2,362
Other assets	–	–	4,005	4,005
Liabilities	(49)	–	(5,153)	(5,202)
	<b>2,395</b>	<b>32,553</b>	<b>4,087</b>	<b>39,035</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.

#### Interest rate risk sensitivity analysis

As at 31 August 2020, if the interest rate increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.245 million (31 August 2019: £0.349 million\*).

\*As restated

#### 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 units 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. All currency contracts are held with Standard Chartered Bank; please see below for details of the notional exposure.

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.

During the year, the Fund made use of “Over The Counter” (“OTC”) derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Fund’s exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Fund.

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## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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

#### Derivatives and other financial instruments

Transactions in derivatives, warrants, forward contracts and futures may be used for the purpose of hedging and meeting the investment objectives of the Fund. In pursuing the Fund's objectives, the Investment Manager may make use of a variety of instruments in accordance with the rules. The Fund does not hold any derivatives that could impact the value of the Fund significantly in the current or prior year.

#### Counterparty exposure for the year ended 31 August 2020:

	Credit default swaps	Forward contracts
	£	£
Citigroup	546,258	–
Standard Chartered Bank	–	(36,731)
Northern Trust	–	70,800
State Street	–	(48,545)

#### Counterparty exposure for the period ended 31 August 2019:

	Credit default swaps	Forward contracts
	£	£
Citigroup	392,931	–
Standard Chartered Bank	–	32,612

Counterparty exposure has not been disclosed for exchange-traded derivatives (such as futures) as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated. In respect of derivative assets, the Fund is exposed to counterparty risk from the counterparty, whereas in respect of derivative liabilities, the counterparty is exposed to counterparty risk from the Fund.

### 16. 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.

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 16. Fair value (continued)

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 for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Credit Default Swaps	–	546	–	546
Debt Securities	3,866	20,787	–	24,653
Exchange Traded Funds	3,315	–	–	3,315
Forward Currency Contracts	–	141	–	141
Futures Contracts	743	–	–	743
Time Deposit	211	–	–	211
	<b>8,135</b>	<b>21,474</b>	<b>–</b>	<b>29,609</b>
Financial Liabilities				
Forward Currency Contracts	–	(155)	–	(155)
Futures Contracts	(183)	–	–	(183)
	<b>(183)</b>	<b>(155)</b>	<b>–</b>	<b>(338)</b>

#### Valuation technique for the period ended 31 August 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Bonds	31,228	2,927	–	34,155
Credit Default Swaps	–	393	–	393
Collective investment schemes	3,036	–	–	3,036
Derivatives	206	–	–	206
Forward Currency Contracts	–	33	–	33
	<b>34,470</b>	<b>3,353</b>	<b>–</b>	<b>37,823</b>
Financial Liabilities				
Derivatives	(294)	–	–	(294)
	<b>(294)</b>	<b>–</b>	<b>–</b>	<b>(294)</b>

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs

	01/09/2019 to 31/08/2020 £'000	13/07/2018 to 31/08/2019 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	107,050	139,449
Commissions:		
Collective Investment Schemes total value paid	4	6
Taxes:		
Bonds total value paid	–	1
Total transaction costs	4	7
<b>Gross purchases total</b>	<b>107,054</b>	<b>139,456</b>
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	112,566	147,902
Commissions:		
Collective Investment Schemes total value paid	(4)	(4)
Total transaction costs	(4)	(4)
<b>Total sales net of transaction costs</b>	<b>112,562</b>	<b>147,898</b>

\* There were no purchases and sales in cash funds during the year ended 31 August 2020. For the period from 13 July 2018 to 31 August 2019, there were also no purchases and sales in cash funds.

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

In the case of equities and Investment Funds, 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.

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 period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions 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.

## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

### 17. Portfolio transaction costs (continued)

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

	01/09/2019 to 31/08/2020	13/07/2018 to 31/08/2019
	%	%
Analysis of total purchase costs:		
Commissions:		
Collective Investment Schemes percentage of total CIS purchases costs	<b>0.04</b>	0.05
Collective Investment Schemes percentage of average NAV	<b>0.01</b>	0.01

	01/09/2019 to 31/08/2020	13/07/2018 to 31/08/2019
	%	%
Analysis of total sale costs:		
Commissions:		
Collective Investment Schemes percentage of total CIS sales costs	<b>(0.05)</b>	(0.05)
Collective Investment Schemes percentage of average NAV	<b>(0.01)</b>	(0.01)

### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was (1.20)% (31 August 2019: 0.18%), 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.

### 18. Unit classes

The Fund currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Fund management fee can be found on page 192. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 193. The distribution per unit class is given in the distribution tables on page 220. All classes have the same rights on winding up.

	Class A GBP Inc	Class I GBP Inc
Opening units	15,306,845	17,216,975
Units created	524,155	1,027,575
Units liquidated	(2,269,709)	(2,780,824)
Units converted	(43,518)	43,401
<b>Closing units</b>	<b>13,517,773</b>	<b>15,507,127</b>

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## Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2020

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### 19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Fund. As at 31 August 2020, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2019: nil).

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

### 20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class has increased from 112.50p to 120.20p and I GBP Income class from 111.90p to 120.60p as at Wednesday, 16 December 2020. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus. The Manager continues to monitor investment performance in line with investment objectives.

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## Barings Strategic Bond Fund

### Distribution Tables

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#### Interim Distribution

Group 1: Units purchased prior to 1 September 2019

Group 2: Units purchased between 1 September 2019 and 29 February 2020

#### Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	1.1686	0.0000	1.1686	0.6229
2	0.5479	0.6207	1.1686	0.6229

#### Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019 Distribution Paid
1	1.4638	0.0000	1.4638	0.9009
2	0.5294	0.9344	1.4638	0.9009

#### Final Distribution

Group 1: Units purchased prior to 1 March 2020

Group 2: Units purchased between 1 March 2020 and 31 August 2020

#### Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	1.9106	0.0000	1.9106	2.2599
2	0.9174	0.9932	1.9106	2.2599

#### Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2020 Distribution Paid	2019* Distribution Paid
1	2.3205	0.0000	2.3205	2.7862
2	0.9348	1.3857	2.3205	2.7862

\* The accounting year end date was changed from 12 July to 31 August.

## Barings UK Unit Trusts

### The Risk and Reward Profile

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings Dynamic Capital Growth Fund - Class A GBP Acc**	N/A	4
Barings Dynamic Capital Growth Fund - Class A GBP Inc**	N/A	4
Barings Dynamic Capital Growth Fund - Class D GBP Acc**	N/A	4
Barings Dynamic Capital Growth Fund - Class I GBP Acc**	N/A	4
Barings Dynamic Capital Growth Fund - Class I GBP Inc**	N/A	4

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings Eastern Trust - Class A GBP Acc	6	6
Barings Eastern Trust - Class A GBP Inc	6	5
Barings Eastern Trust - Class A USD Acc	6	6
Barings Eastern Trust - Class D GBP Inc	6	6
Barings Eastern Trust - Class I GBP Acc	6	6
Barings Eastern Trust - Class I GBP Inc	6	6

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings European Growth - Class A GBP Inc	6	6
Barings European Growth - Class I GBP Inc	6	6

## Barings UK Unit Trusts

The Risk and Reward Profile (continued)

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings Europe Select - Class A GBP Inc	6	5
Barings Europe Select - Class A EUR Acc	6	5
Barings Europe Select - Class A EUR Inc	6	5
Barings Europe Select - Class A USD Acc	6	5
Barings Europe Select - Class I GBP Inc	6	5
Barings Europe Select - Class I EUR Acc	6	5
Barings Europe Select - Class I EUR Inc	6	5

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings German Growth - Class A GBP Acc	6	6
Barings German Growth - Class A GBP Inc	6	5
Barings German Growth - Class A EUR Acc	6	6
Barings German Growth - Class A EUR Inc	6	6
Barings German Growth - Class A USD Acc	6	6
Barings German Growth - Class A USD Hedged Acc	6	6
Barings German Growth - Class A CHF Hedged Acc	6	6
Barings German Growth - Class A RMB Hedged Acc	6	6
Barings German Growth - Class I GBP Acc	6	6
Barings German Growth - Class I GBP Inc	6	6
Barings German Growth - Class I GBP Hedged Acc	6	5
Barings German Growth - Class I EUR Acc	6	6
Barings German Growth - Class I EUR Inc	6	6
Barings German Growth - Class I USD Acc	6	6

## Barings UK Unit Trusts

The Risk and Reward Profile (continued)

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings Japan Growth - Class A GBP Acc	6	5
Barings Japan Growth - Class I GBP Acc	6	6
Barings Japan Growth - Class I GBP Inc	6	6

	SRRRI risk category* 31/08/2020	SRRRI risk category* 31/08/2019
Barings Strategic Bond - Class A GBP Inc	5	3
Barings Strategic Bond - Class I GBP Inc	5	3

\* The Synthetic Risk and Reward Indicator ("SRRRI") is not a measure of the risk of capital loss, but a measure of the Trust'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 Trust. 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 to 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 Trust is classified in the category indicated due to past movements in the Trust'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 for some unit classes shown have changed during the year, while for some, these remain unchanged.

\*\* The Fund ceased trading on 3 December 2019.

## Barings UK Unit Trusts

### Important Information

#### Constitution

The Trusts were constituted by a Trust Deed between Baring Fund Managers Limited ("the Manager") and NatWest Trustee and Depositary Services Limited.

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

The Trusts are authorised unit trust schemes as defined in section 243 of the Financial Services and Markets Act 2000 and have been established as Undertakings for Collective Investments in Transferable Securities ("UCITS") schemes.

#### Performance

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 reference in the Investment Manager reports for any of the Trusts should not be read as recommendations to investors to buy or sell the same but are included as illustrations only.

#### Key changes during the year

##### Termination of Barings Dynamic Capital Growth

Following a review of the Fund, the Directors resolved to terminate the Barings Dynamic Capital Growth Fund and unitholders were offered a Scheme of Election to switch their holding into the Barings Multi Asset Fund. Any units which were not switched were redeemed on 3 December 2019, the closing date of the Fund and proceeds returned to the unitholders.

The Prospectus of the Trusts was updated on 31 August 2020. The material changes to the Prospectus are outlined as follows:

- The trustee fees for the Barings Unit Trusts changed as at 1 January 2020 as follows:

Strategic Bond Fund	Old fees	New fees
First £200m	0.0175%	0.0175%
Next £200m	0.0150%	0.0150%
Next £800m	N/A	0.0100%
Thereafter	0.0100%	0.0050%

Equity Funds	Old fees	New fees
First £150m	0.0200%	N/A
First £200m	N/A	0.0175%
Next £200m	0.0175%	0.0150%
Next £800m	N/A	0.0100%
Thereafter	0.0100%	0.0050%

## Barings UK Unit Trusts

Important Information (continued)

### Key changes during the year (continued)

- The following Trusts benchmarks changed from gross to net indices:

Trust Name	Benchmark Name - Old	Benchmark Name - New
Barings Eastern Trust	MSCI AC Asia ex Japan (Total Gross Return)	MSCI AC Asia ex Japan (Total Net Return)
Barings Europe Select Trust	EMIX Smaller European Companies Ex UK (Total Gross Return)	EMIX Smaller European Companies Ex UK (Total Net Return)
Barings Japan Growth Trust	Japan (TSE) First Section (Total Gross Return)	Japan (TSE) First Section (Total Net Return)

- Barings Japan Growth Trust settlement period changed from T+4 to T+3 days.
- Two new unit classes were included: Barings Europe Select Trust - Class I GBP Acc and Barings Eastern Trust - Class I USD Acc.

There are other immaterial changes to the Prospectus that are not listed above.

Effective 1 September 2020, Barings Europe Select Trust re-opened for ongoing subscription by existing and new investors.

### Market timing

Repeatedly purchasing and selling units in the Trusts in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the Manager’s investment strategy and increase the Trusts’ expenses to the prejudice of all unitholders.

The Trusts are not intended for market timing or excessive trading. To deter these activities, the Manager may refuse to accept an application for units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Trusts.

The Manager also reserves the right to redeem units which it reasonably believes have been purchased by unitholders engaged in market timing.

### Publication of prices

The prices of units are published on the Barings website at [www.baring.com](http://www.baring.com). You can also obtain prices by telephone by calling +44 (0) 333 300 0372.

### Dealing basis

The Manager’s basis for dealing in purchases and sales of the Trusts’ units 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 Manager’s periodic charge is calculated on each business day, based on the value of the property of the Trust on the immediately preceding business day, and is paid to the Manager monthly, in arrears, on the first business day of the calendar month immediately following. The current annual management fees charged to the Trust are shown on pages 5, 35, 66, 93, 127, 164, and 192.

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## Barings UK Unit Trusts

Important Information (continued)

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### Revenue allocations and reports

Revenue allocations are made on 30 April (interim) and 31 October (final) of each year, where applicable, and forwarded to unitholders together with tax vouchers. The most recent annual report and audited financial statements and interim report and unaudited financial statements will be available on the Baring Asset Management Limited website at [www.barings.com](http://www.barings.com).

### Prospectus and Manager's reports

Copies of the Prospectus, the Key Investor Information Document(s) ("KIID(s)"), and the most recent annual or interim report and financial statements are available to all persons free of charge from the Manager upon request. 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.

### Value Assessment

As part of the FCA's Asset Management Market Study, Authorised Fund Managers are now required to produce an annual Value Assessment for all UK authorised funds. The Manager will publish the first Value Assessment for the Barings funds as part of a broader composite report in the 4th Quarter 2020. This will be made available on the Barings website at [www.barings.com](http://www.barings.com).

### Remuneration (unaudited)

The Manager's Remuneration Policy ensures that the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policies under the UCITS directive and AIFMD" (ESMA 2016/411) (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 the Manager or the Trust; and
- (ii) consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is also subject to the Financial Conduct Authority's ("FCA's") UCITS Remuneration Codes (SYSC 19B and 19E) and must comply with the 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 the Manager, the Board of Directors considers it appropriate not to apply the requirement to appoint a remuneration committee.

The Manager forms part of the Barings Europe Limited (UK) group of companies ("Barings"). Barings has two remuneration committees to take remuneration decisions, namely the Remunerations Committee and the Senior Compensation Committee. The remuneration committee ensures the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

### Remuneration Identified Staff

**The Manager has determined its Remuneration Identified Staff as the following:**

1. Senior Management

Senior Management comprises of Directors and all members of the European Management Team ("EMT"). All control functions detailed in section 2 below are also senior managers.

2. Control Functions

The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

## Barings UK Unit Trusts

### Important Information (continued)

#### Remuneration Identified Staff (continued)

##### 3. Risk takers

Risk takers are defined as the investment managers of the Trust. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to Baring Asset Management Limited ("BAML"). Accordingly, the Manager currently has no risk takers outside of the senior management.

BAML is a BIPRU firm and subject to the Capital Requirements Directive ("CRD") which has equivalent remuneration rules.

##### 4. Employees in the same remuneration bracket as risk takers

The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Trust. Accordingly, the Manager currently has no staff in this category.

##### 5. Staff responsible for heading the investment management, administration, marketing and human resources

To the extent that the Manager's staff fall within this category, they are also control function staff falling within section 2 above.

The disclosure below details fixed and variable remuneration paid to Baring Fund Managers ("BFM") Staff and BFM Remuneration Code Staff.

#### Barings Dynamic Capital Growth Fund

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£0	£0	£0
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

#### Barings Eastern Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	16	£48,532	£11,704	£36,828
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

## Barings UK Unit Trusts

Important Information (continued)

### Remuneration Identified Staff (continued)

#### Barings European Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	16	£20,589	£4,965	£15,624
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

#### Barings Europe Select Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	16	£441,196	£106,394	£334,802
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

#### Barings German Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	16	£114,711	£27,663	£87,048
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

## Barings UK Unit Trusts

Important Information (continued)

### Remuneration Identified Staff (continued)

#### Barings Japan Growth Trust

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	16	£20,939	£5,070	£15,869
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

#### Barings Strategic Bond Fund

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	16	£11,765	£2,837	£8,928
Total Senior Management Remuneration paid by BFM**	16	£835,331	£201,441	£633,890

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation.

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Barings fund disclosures in that same year.

#### Notes:

\*Manager does not make any direct payments to staff who are paid by other Barings Group entities. Figures shown are apportioned on a fund/trust Asset Under Management ("AUM") basis as a proportion of Barings total AUM. Accordingly, the figures are not representative of any individual's actual remuneration.

\*\*Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind and discretionary pension awards.

The Trusts does not pay performance fees.

There has been no award of carry interest in the year.

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## Barings UK Unit Trusts

### Disclosure for Overseas Investors

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

A foreign investment company such as Baring Fund Managers Limited (the "Manager") 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 Manager'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 Manager has appointed BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. Units are distributed in Switzerland by BNP Paribas (Switzerland) Limited at the above address. Investors can obtain free of charge the Prospectus, KIID(s), the latest annual and interim reports, copies of the Trust Deed (and any amendments thereto) as well as a list of the purchases and sales made on behalf of the Trust, in French, from the representative at the above address. Official publications for the relevant trusts are found on the internet at [www.fundinfo.com](http://www.fundinfo.com). Unit 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 233 to 235**

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 units, nor the effect of the Manager's preliminary charge.

In conformity with a Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is providing the below additional information regarding performance.

#### **Total Expense Ratio ("TER")**

Following the Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the Trust for the 12 month to 31 August 2020. The TER has been established by the Manager and draws upon the data contained in the "Statement of total return" (Manager's management fee, registration fees, trustee fees, safe custody charges, audit fees, Financial Conduct Authority ("FCA") and other regulatory fees and taxation fees as well as any further fees and costs listed in the "Statement of total return" account which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above guideline.

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## Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

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The TERs for each class for the year ended 31 August 2020 and period ended 31 August 2019 are as follows:

	TER 31/08/2020 %	TER 31/08/2019 %
Barings Europe Select Trust - Class A GBP Inc	1.57	1.56
Barings Europe Select Trust - Class A EUR Acc	1.57	1.56
Barings Europe Select Trust - Class A EUR Inc	1.57	1.56
Barings Europe Select Trust - Class A USD Acc	1.57	1.56
Barings Europe Select Trust - Class I GBP Inc	0.82	0.81
Barings Europe Select Trust - Class I EUR Acc	0.82	0.81
Barings Europe Select Trust - Class I EUR Inc	0.82	0.81

## Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

The TERs for each class for the year ended 31 August 2020 and period ended 31 August 2019 are as follows:

	TER 31/08/2020 %	TER 31/08/2019 %
Barings German Growth Trust - Class A GBP Acc	1.56	1.57
Barings German Growth Trust - Class A GBP Inc	1.56	1.57
Barings German Growth Trust - Class A EUR Acc	1.56	1.57
Barings German Growth Trust - Class A EUR Inc	1.56	1.57
Barings German Growth Trust - Class A USD Acc	1.56	1.57
Barings German Growth Trust - Class A USD Hedged Acc	1.56	1.57
Barings German Growth Trust - Class A CHF Hedged Acc	1.56	1.57
Barings German Growth Trust - Class A RMB Hedged Acc	1.56	1.57
Barings German Growth Trust - Class I GBP Acc	0.81	0.82
Barings German Growth Trust - Class I GBP Inc	0.81	0.82
Barings German Growth Trust - Class I GBP Acc	0.81	0.82
Barings German Growth Trust - Class I GBP Hedged Acc Acc	0.81	0.82
Barings German Growth Trust - Class I EUR Acc	0.81	0.82
Barings German Growth Trust - Class I EUR Inc	0.81	0.82
Barings German Growth Trust - Class I USD Acc	0.81	0.82

The TERs for each class for the year ended 31 August 2020 and period ended 31 August 2019 are as follows:

	TER 31/08/2020 %	TER 31/08/2019 %
Barings Strategic Bond Fund - Class A GBP Inc	1.58	1.44
Barings Strategic Bond Fund - Class I GBP Inc	0.98	0.84

### 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;

**BARINGS**

## Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

### Trailer fees and reimbursements (continued)

- sales partners who place fund units exclusively with institutional investors with professional treasury facilities; and/or;
- sales partners who place fund units with their clients exclusively on the basis of a written commission-based asset management mandate.

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

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

### Performance record to 31 August 2020

#### Barings Europe Select Trust

	01/09/2019 - 31/08/2020 %	01/06/2018 - 31/08/2019 %	01/06/2017 - 31/05/2018 %	01/06/2016 - 31/05/2017 %	01/06/2015 - 31/05/2016 %
Class A GBP Inc (GBP terms)*	2.34	4.25	5.27	36.09	7.22
Euromoney Smaller European Companies (ex UK) Index, Total Return (GBP terms)	6.74	(0.62)	6.17	39.89	6.27
Class A EUR Acc (EUR terms)*	3.69	1.00	4.91	18.91	1.00
Class A EUR Inc (EUR terms)*	3.70	0.76	4.92	18.91	1.00
Class A USD Acc (USD terms)	11.81	(4.74)	9.27	19.58	2.78
Class I GBP Inc (GBP terms)	3.12	5.22	6.06	37.17	8.08
Class I EUR Acc (EUR terms)**	4.50	1.72	5.72	19.79	2.02
Class I EUR Inc (EUR terms)**	4.49	1.71	5.70	19.82	1.84

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

Source: Morningstar/Barings/Euromoney.

\* 'Baring Europe Select Trust - Class GBP Inc' changed its name to 'Barings Europe Select Trust - Class A GBP Inc' on 29 August 2017.

'Baring Europe Select Trust - Class EUR Acc' changed its name to 'Barings Europe Select Trust - Class A EUR Acc' on 29 August 2017.

'Baring Europe Select Trust - Class EUR Inc' changed its name to 'Barings Europe Select Trust - Class A EUR Inc' on 29 August 2017.

\*\* The Class I EUR Acc unit class was launched on 22 May 2015.

## Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

### Barings German Growth Trust

	01/09/2019 - 31/08/2020 %	16/05/2018 - 31/08/2019 %	16/05/2017 - 15/05/2018 %	16/05/2016 - 15/05/2017 %	16/05/2015 - 15/05/2016 %
Class A GBP Acc (GBP terms)	(4.62)	(11.92)	9.84	39.62	(0.90)
Class A GBP Inc (GBP terms)	(4.62)	(11.91)	9.84	39.60	(0.91)
HDAX @ Total Return (GBP terms)	6.60	(5.65)	7.19	38.53	(3.39)
Class A EUR Acc (EUR terms)	(3.35)	(14.53)	5.94	29.55	(9.09)
Class A EUR Inc (EUR terms)	(3.35)	(14.49)	5.89	29.57	(9.07)
Class A USD Acc (USD terms)	4.20	(20.80)	14.98	25.36	(9.20)
Class A USD Hedged Acc (USD terms)*	(1.32)	(11.21)	8.14	31.77	(10.45)
Class A CHF Hedged Acc (CHF terms)*	-	-	-	28.75	(10.33)
Class A RMB Hedged Acc (RMB terms)*	-	-	9.97	36.10	(4.59)
Class I GBP Acc (GBP terms)	(3.91)	(11.03)	10.67	40.69	(0.08)
Class I GBP Inc (GBP terms)	(3.91)	(11.03)	10.67	40.65	(0.05)
Class I GBP Hedged Acc (GBP terms)*	(3.21)	(12.39)	7.26	7.71	N/A
Class I EUR Acc (EUR terms)*	(2.65)	(13.68)	6.70	30.56	(10.19)
Class I EUR Inc (EUR terms)*	(2.63)	(17.09)	6.67	30.48	(0.14)
Class I USD Acc (USD terms)*	5.34	(20.03)	15.93	26.42	(0.45)

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

Source: Morningstar/Barings/HDAX.

\* The Class I EUR Acc unit class was launched on 26 May 2015.

The Class A CHF Hedged Acc unit class was launched on 29 May 2015 and closed on 17 April 2018.

The Class A USD Hedged Acc unit class was launched on 29 May 2015.

The Class A RMB Hedged Acc unit class was launched on 3 July 2015.

The Class I EUR Inc unit class was launched on 13 October 2015.

The Class I USD Acc unit class was launched on 13 October 2015.

The Class I GBP Hedged Acc unit class was launched on 24 March 2017.

## Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

### Barings Strategic Bond Fund

	01/09/2019 - 31/08/2020 %	13/07/2018 - 31/08/2019 %	13/07/2017 - 12/07/2018 %	13/07/2016 - 12/07/2017 %	13/07/2015 - 12/07/2016 %
Class A GBP Inc (GBP terms)*	(6.03)	6.79	(0.68)	0.48	0.54
Class I GBP Inc (GBP terms)	(5.43)	7.49	0.00	1.09	1.24

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

Source: Morningstar/Barings

\* 'Baring Strategic Bond Fund – Class GBP Inc' changed its name to 'Barings Strategic Bond Fund – Class A GBP Inc' on 29 August 2017.

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**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 units. Please note that changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.**

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts

Barings Eastern Trust, Barings European Growth Trust, Barings Europe Select Trust and Barings German Growth Trust have been registered for sale in Hong Kong. The other Trusts within this report are not authorised in Hong Kong and are not available to Hong Kong residents.

#### Barings Eastern Trust

	A GBP Acc (p)	A GBP Inc (p)	A USD Acc (c)	A USD Inc* (c)	D GBP Inc** (p)
2020 High Low	1,411.00 935.90	1,373.00 910.70	1,857.00 1,077.00	N/A N/A	1,419.00 937.80
2019 High Low	1,145.00 889.70	1,150.00 899.00	1,139.57 888.47	N/A N/A	1,149.99 898.95
2018 High Low	1,165.00 856.80	1,143.00 840.70	1,627.00 1,050.00	N/A N/A	1,177.00 858.00
2017 High Low	866.30 627.10	850.10 615.40	1,110.00 890.90	N/A N/A	867.70 625.80
2016 High Low	770.40 559.00	756.10 548.60	1,153.00 878.80	1,131.00 862.20	N/A N/A
2015 High Low	705.80 521.50	692.60 511.80	1,065.00 848.80	1,045.00 833.00	N/A N/A
2014 High Low	554.60 522.50	544.30 511.80	943.60 797.50	912.40 728.90	N/A N/A
2013 High Low	609.20 563.50	598.12 553.12	927.40 758.00	912.40 745.60	N/A N/A
2012 High Low	557.10 492.10	549.20 485.10	1,009.00 691.10	993.70 681.20	N/A N/A
2011 High Low	616.90 447.40	608.10 441.00	952.90 671.30	939.20 661.70	N/A N/A

\* Class A USD Inc was closed in 2016 hence no data available from 2017 – 2020.

\*\* Class D GBP Inc was only launched in 2017 hence no data available from 2011 – 2016.

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts (continued)

#### Barings Eastern Trust (continued)

	I GBP Acc* (p)	I GBP Inc** (p)
2020 High Low	1,476.00 976.10	1,416.00 936.10
2019 High Low	1,175.00 917.80	1,150.00 897.60
2018 High Low	1,195.00 872.70	1,175.00 858.00
2017 High Low	879.70 635.00	866.70 625.60
2016 High Low	773.37 562.67	764.00 556.10
2015 High Low	707.21 579.73	701.60 516.80
2014 High Low	N/A N/A	549.40 516.80
2013 High Low	N/A N/A	599.50 553.96
2012 High Low	N/A N/A	N/A N/A
2011 High Low	N/A N/A	N/A N/A

\* Class I GBP Acc was only launched in 2015 hence no data available from 2011 - 2014.

\*\* Class I GBP Inc was only launched in 2013 hence no data available from 2011 – 2012.

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts (continued)

#### Barings European Growth Trust

	A GBP Inc* (p)	I GBP Inc (p)
2020 High Low	1,451.00 961.40	1,461.0 968.80
2019 High Low	1,512.00 1,152.00	1,517.00 1,161.00
2018 High Low	1,552.00 1,315.00	1,564.00 1,318.00
2017 High Low	1,326.00 980.40	1,338.00 982.80
2016 High Low	1,167.00 912.90	1,114.00 920.40
2015 High Low	1,185.00 964.30	1,138.00 970.80
2014 High Low	1,107.00 984.60	1,064.00 992.00
2013 High Low	972.90 815.10	927.30 815.10
2012 High Low	N/A N/A	816.30 668.80
2011 High Low	N/A N/A	951.80 608.80

\* Class A GBP Inc was only launched in 2013 hence no data available from 2011 – 2012.

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts (continued)

#### Barings Europe Select Trust

	A GBP Inc (p)	A EUR Acc (c)	A Eur Inc (c)	A USD Acc* (c)	I GBP Inc** (p)
2020					
High	4,419.00	5,616.00	5,265.00	6,125.00	4,434.00
Low	3,072.00	3,607.00	3,382.00	3,928.00	3,084.00
2019					
High	4,383.00	5,141.00	4,828.00	5,971.00	4,424.00
Low	3,534.00	4,150.00	3,907.00	4,728.00	3,552.00
2018					
High	4,184.00	5,000.00	4,735.00	6,184.00	4,212.00
Low	3,828.00	4,482.00	4,243.00	5,206.00	3,837.00
2017					
High	3,887.00	4,717.00	4,481.00	5,253.00	3,929.00
Low	2,793.00	3,615.00	3,450.00	3,982.00	2,803.00
2016					
High	2,891.00	4,042.00	3,866.00	4,393.00	2,917.00
Low	2,439.00	3,373.00	3,226.00	3,783.00	2,450.00
2015					
High	2,701.00	3,908.00	3,757.00	4,372.00	2,722.00
Low	2,033.00	2,652.00	2,550.00	3,380.00	2,043.00
2014					
High	2,486.00	3,106.00	3,004.00	4,277.00	2,507.00
Low	2,299.00	2,406.00	2,327.00	3,834.00	2,317.00
2013					
High	2,171.00	2,579.00	2,536.00	N/A	2,183.00
Low	1,843.00	1,879.00	1,849.00	N/A	1,848.00
2012					
High	1,676.21	2,136.00	2,116.00	N/A	1,761.00
Low	1,438.74	1,582.00	1,567.00	N/A	1,361.00
2011					
High	1,907.00	2,157.00	2,147.00	N/A	N/A
Low	1,327.00	1,618.00	1,612.00	N/A	N/A

\* Class A USD Acc was only launched in 2014 hence no data available from 2011 – 2013.

\*\* Class I GBP Inc was only launched in 2012 hence no data available for 2011.

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts (continued)

#### Barings Europe Select Trust (continued)

	I EUR Acc* (c)	I EUR Inc** (c)
2020 High Low	5,655.00 3,635.00	5,287.00 3,398.00
2019 High Low	5,152.00 4,152.00	4,886.00 3,939.00
2018 High Low	4,973.00 4,438.00	4,786.00 4,271.00
2017 High Low	4,660.00 3,550.00	4,531.00 3,450.00
2016 High Low	3,940.00 3,293.00	3,892.00 3,252.00
2015 High Low	3,794.00 3,777.00	3,793.00 2,563.00
2014 High Low	N/A N/A	3,033.00 2,874.00
2013 High Low	N/A N/A	N/A N/A
2012 High Low	N/A N/A	N/A N/A
2011 High Low	N/A N/A	N/A N/A

\* Class I EUR Acc was only launched in 2015 hence no data available from 2011 – 2014.

\*\* Class I EUR Inc was only launched in 2014 hence no data available from 2011 – 2013.

## Barings UK Unit Trusts

### Unit Price History - Hong Kong Registered Trusts (continued)

#### Barings German Growth Trust

	A GBP Inc (p)	A GBP Acc (p)	A Eur Acc (c)	A EUR Inc (c)	A USD Acc* (c)
2020 High Low	778.10 479.00	866.10 533.10	1,031.00 572.50	922.30 512.30	1,260.00 615.10
2019 High Low	846.20 639.90	936.90 708.50	1,068.00 785.80	960.40 706.90	1,262.00 894.70
2018 High Low	887.30 752.00	980.20 830.70	1,117.00 956.60	1,009.00 864.00	1,378.00 1,083.00
2017 High Low	771.10 535.80	846.40 587.90	9,97.70 712.100	907.80 648.10	1,095.00 788.00
2016 High Low	584.30 500.90	634.80 544.20	879.20 694.60	808.40 638.70	966.60 785.20
2015 High Low	589.60 497.30	638.80 538.80	885.70 606.60	817.50 559.80	1,014.00 772.90
2014 High Low	553.30 516.50	596.80 557.30	722.10 566.10	669.60 515.70	990.80 909.40
2013 High Low	472.10 409.80	509.00 441.80	601.90 430.20	558.30 399.10	N/A N/A
2012 High Low	387.60 330.70	412.90 352.40	506.60 340.70	539.80 363.10	N/A N/A
2011 High Low	448.00 302.70	473.50 320.20	327.00 274.60	504.20 355.30	N/A N/A

\* Class A USD Acc was only launched in 2014 hence no data available from 2011 – 2013.

## Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

### Barings German Growth Trust (continued)

	A USD Hedged Acc* (c)	A CHF Hedged Acc** (CHF)	A RMB Hedged Acc* (RMB)	I GBP Acc*** (p)	I GBP Inc*** (p)
2020 High Low	1,223.00 679.40	N/A N/A	82.82 45.98	912.30 562.00	775.60 477.80
2019 High Low	1,208.00 904.60	N/A N/A	81.33 61.30	973.90 740.00	840.70 638.90
2018 High Low	1,253.00 1,064.00	11.35 9.74	83.87 70.80	1,017.00 857.00	885.90 747.00
2017 High Low	1,105.00 778.00	9.30 6.75	73.02 49.90	886.00 602.40	771.10 532.10
2016 High Low	954.80 755.10	9.06 7.14	59.71 47.93	649.6 556.1	584.40 500.30
2015 High Low	N/A N/A	N/A N/A	N/A N/A	648.7 546.1	589.40 496.10
2014 High Low	N/A N/A	N/A N/A	N/A N/A	600.9 560.9	553.30 516.50
2013 High Low	N/A N/A	N/A N/A	N/A N/A	509.5 469.2	474.20 410.30
2012 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2011 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A

\* Class A USD Hedged Acc and A RMB Hedged Acc were only launched in 2016 hence no data available from 2011 – 2015.

\*\* Class A CHF Hedged Acc was only launched in 2016 and closed in 2018 hence no data available from 2011 – 2015 and 2019 – 2020.

\*\*\* Class I GBP Acc and Class I GBP Inc were launched in 2013 hence no data available from 2011 – 2012.

## Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

### Barings German Growth Trust (continued)

	I GBP Hedged Acc* (p)	I EUR Acc** (c)	I Eur Inc** (c)	I USD Acc** (c)
2020 High Low	961.20 530.20	1,087.00 603.60	902.20 501.50	1,167.00 638.30
2019 High Low	966.30 719.30	1,111.00 821.10	969.00 688.00	1,290.00 918.80
2018 High Low	1,007.00 857.20	1,159.00 989.00	1,020.00 871.00	1,406.00 1,100.00
2017 High Low	891.00 826.20	1,030.00 730.00	919.00 652.10	1,111.00 794.00
2016 High Low	N/A N/A	895.00 710.10	807.70 641.30	930.90 788.10
2015 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2014 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2013 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2012 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2011 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A

\* Class I GBP Hedged Acc was only launched in 2017 hence no data available from 2011 – 2016.

\*\* Class I EUR Acc, I EUR Inc and I USD Acc were only launched in 2016 hence no data available from 2011 – 2015.

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## Barings UK Unit Trusts

### Directory

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#### **Manager**

Baring Fund Managers Limited

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

#### **Investment Manager**

Baring Asset Management Limited

20 Old Bailey

London, EC4M 7BF

*Authorised and regulated by the FCA.*

#### **Sub-Investment Manager for Barings Eastern Trust**

Barings Asset Management (Asia) Limited

35th Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

#### **Directors**

J. Armstrong (non-executive)

E. Browning

R. Kent

J. Swayne

K. Troup (non-executive)

#### **Registered Office**

20 Old Bailey

London, EC4M 7BF

#### **Trustee**

NatWest Trustee and Depositary Services Limited

250 Bishopsgate

London, EC2M 4AA

*Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA.*

#### **Administrator & Registrar**

Northern Trust Global Services SE

6 rue Lou Hemmer,

Senningerberg

Luxembourg, L-1748

#### **The Administrator & Registrar's principal place of business in the United Kingdom:**

Northern Trust Global Services SE UK Branch

50 Bank Street

London, E14 5NT

*Authorised by the PRA and regulated by the FCA and PRA.*

#### **Independent Auditors**

PricewaterhouseCoopers LLP

Atria One

144 Morrison Street

Edinburgh, EH3 8EX

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## Barings UK Unit Trusts

Directory (continued)

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### **Austrian paying agent**

UniCredit Bank Austria AG  
Schottengasse 6-8  
1010 Wien  
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 Limited GmbH  
Guiollettstraße 54  
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 on [www.barings.com](http://www.barings.com), or via the office of the Austrian, French, German, Swedish, and Swiss paying agents.

**Address:**

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**BARINGS**

The logo consists of the word "BARINGS" in a bold, dark blue, sans-serif font. Below the text is a horizontal line that is green on the left and blue on the right.