



**Barings Korea Trust**

Annual Report & Audited Financial  
Statements

for the year ended 30 April 2020

---

**Barings Korea Trust**  
**Annual Report and Audited Financial Statements**

For the year ended 30 April 2020

**Contents**

---

Introduction .....	3
Investment objective and policy* .....	4
Risk profile* .....	4
The Trust at a glance on 30 April 2020* .....	5
Trust Information* .....	6
Report of the Investment Manager* .....	7
Responsibilities of the Manager and the Trustee .....	10
Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders .....	10
Directors’ statement* .....	12
Portfolio statement* .....	13
Independent auditors’ report to the Unitholders of Barings Korea Trust .....	16
Statement of total return and Statement of changes in net assets attributable to unitholders .....	18
Balance sheet .....	19
Notes to the financial statements .....	20
Distribution tables .....	31
The Risk and Reward Profile* .....	32
Important Information* .....	33
Disclosure for Overseas Investors .....	36
Directory* .....	38

\* Collectively, these comprise the Manager’s report.

---

## Barings Korea Trust

### Introduction

---

This Annual Report and Audited Financial Statements covers the year from 1 May 2019 to 30 April 2020 and reviews the performance and market outlook for the Barings Korea Trust (the “Trust”) which is managed by Baring Fund Managers Limited (the “Manager”).

The functional and presentational currency of the Trust is Sterling.

As an investor in the Trust, your money is pooled with that of other investors and invested by the Manager in the securities of South Korean companies listed on the Korean Stock Exchange. The Trust will also participate in investments such as convertible bonds, fixed interest stocks and mutual funds. As with all funds managed by the Manager, the risk assumed in this portfolio is carefully monitored.

#### **COVID-19**

The spread of COVID-19 around the world in the first half of 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. There was no impact to these financial statements as of 30 April 2020. Please refer to the Post balance sheet events note on page 30.

---

## Barings Korea Trust

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

---

The investment objective of the Trust is to achieve long-term capital growth by investing in Korea.

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 Korea, or quoted or traded on the stock exchanges in Korea.

For the remainder of its total assets, the Trust may invest outside of Korea 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 invest in collective investment schemes 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 Korea Composite Stock Price Index (KOSPI) 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 South Korean stock market.

#### **How the Trust is managed**

The Trust is invested in the South Korean equity market, and managed using a Growth at a Reasonable Price ("GARP") approach. This means that when researching candidates for the portfolio, just as much emphasis is placed on the likely growth in corporate earnings of a company as is placed on the share price valuation before deciding whether to invest or not. It is believed that this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors. A significant emphasis is placed on fundamental research, looking for companies which it is believed to have the potential to deliver better-than-expected earnings growth. Over the long term, the aim is to deliver the majority of returns through active stock picking and we expect to achieve most of our added value from stock selection.

The Investment Manager also considers that the best way of finding unrecognised growth is to identify quality companies with visibility of earnings over a longer time period of three to five years especially as market consensus data tends to be only available for shorter term periods.

#### **Risk profile**

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

- Changes in exchange rates between the base 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.
- One of the main risk factors associated with South Korean investments is the proximity to North Korea and the possibility of increased political tension which may mean your money is at greater risk.
- 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.
- 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.
- 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 Korea Trust

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

### The Trust at a glance on 30 April 2020

Total Trust size: 30 April 2020	£64.46million	
Total Trust size: 30 April 2019	£65.84million	
<b>OCF*</b>	<b>30/04/2020</b>	<b>30/04/2019</b>
Class A GBP Acc	1.69%	1.69%
Class I GBP Acc	0.94%	0.94%
Class I GBP Inc	0.94%	0.94%
Class I USD Acc	0.94%	0.94%
	<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%
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 I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500
Class I USD Acc	US\$10,000,000	US\$2,500

\* 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	272.70p
Class I GBP Acc	287.80p
Class I GBP Inc	284.10p
Class I USD Acc	361.30c

## Barings Korea Trust

### Trust Information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	30/04/2020 (p)	30/04/2019 (p)	30/04/2018 (p)	30/04/2020 (p)	30/04/2019 (p)	30/04/2018 (p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	310.34	374.93	334.75	325.07	389.87	346.14
Return before operating charges	(39.36)	(58.91)	44.32	(41.31)	(61.51)	46.03
Operating charges	(4.78)	(5.68)	(4.14)	(2.78)	(3.29)	(2.30)
Return after operating charges	(44.14)	(64.59)	40.18	(44.09)	(64.80)	43.73
Distributions	–	–	–	(1.90)	(1.97)	(1.43)
Retained distributions on accumulation units	–	–	–	1.90	1.97	1.43
Closing net asset value per unit after direct transaction costs of*	266.20	310.34	374.93	280.98	325.07	389.87
	1.13	2.61	1.87	1.19	2.71	1.94
<b>Performance</b>						
Return after charges	(14.22)%	(17.23)%	12.00%	(13.56)%	(16.62)%	12.63%
<b>Other information</b>						
Closing net asset value ('000)	£51,495	£54,495	£80,130	£9,361	£6,978	£8,358
Closing number of units	19,344,322	17,559,994	21,372,100	3,331,775	2,146,571	2,143,772
Operating charges	1.69%	1.69%	1.61%	0.94%	0.94%	0.86%
Direct transaction costs	0.40%	0.78%	0.53%	0.40%	0.78%	0.53%
<b>Prices</b>						
Highest unit price	311.20	389.50	381.80	326.00	405.40	396.20
Lowest unit price	211.50	304.60	320.00	223.00	318.40	331.20

	Class I GBP Inc - Distribution units			Class I USD Acc - Accumulation units		
	30/04/2020 (p)	30/04/2019 (p)	30/04/2018 (p)	30/04/2020 (c)	30/04/2019 (c)	30/04/2018 (c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	320.96	385.60	343.70	424.36	536.92	452.79
Return before operating charges	(40.81)	(60.79)	45.58	(68.27)	(109.17)	87.30
Operating charges	(2.75)	(3.35)	(2.28)	(3.66)	(3.39)	(3.17)
Return after operating charges	(43.56)	(64.14)	43.30	(71.93)	(112.56)	84.13
Distributions	(1.65)	(0.50)	(1.40)	–	(1.25)	(2.00)
Retained distributions on accumulation units	–	–	–	–	1.25	2.00
Closing net asset value per unit after direct transaction costs of*	275.75	320.96	385.60	352.43	424.36	536.92
	1.17	2.76	1.93	1.56	2.79	2.68
<b>Performance</b>						
Return after charges	(13.57)%	(16.63)%	12.60%	(16.95)%	(20.96)%	18.58%
<b>Other information</b>						
Closing net asset value ('000)	£3,604	£3,062	£12,701	\$1	\$1,697	\$23,052
Closing number of units	1,307,006	953,915	3,293,786	259	399,916	4,293,459
Operating charges	0.94%	0.94%	0.86%	0.94%	0.94%	0.86%
Direct transaction costs	0.40%	0.78%	0.53%	0.40%	0.78%	0.53%
<b>Prices</b>						
Highest unit price	321.90	400.90	393.20	427.10	546.90	555.70
Lowest unit price	220.20	314.90	328.80	258.20	403.20	433.80

\*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.

---

## Barings Korea Trust

### Report of the Investment Manager

---

#### Performance

During the reporting year from 1 May 2019 to 30 April 2020 the Barings Korea Trust (the “Trust”) produced an absolute net return for Class A GBP Acc of -12.23% compared with a return of -12.43% for the performance comparator. The table below shows the 1 year, 3 year, and 5 year absolute net return for the Class A GBP Acc units against the performance comparator.

Driven by our bottom-up investment process, the Trust aims to search for companies with quality growth fundamentals that can provide long-term capital appreciation opportunities. As a result, the Trust outperformed the performance comparator over the past 1 and 3 years, but was behind the performance comparator over the 5-year period.

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
Barings Korea Trust	(12.23)	(13.04)	(7.02)
KRX KOSPI Korea PR KRW	(12.43)	(15.41)	(1.86)

The decline in Korean equities during the year was sparked by the global outbreak of the Coronavirus. Stocks globally plunged during the month of February and March in the year 2020 as investors were faced with global recessionary pressure triggered by the pandemic. Industrial shutdowns wreaked havoc on supply chains, while social distancing also further depressed consumption. In addition, the escalated trade frictions between the US and China alongside geopolitical incidents marked the year of 2018 and 2019 with heightened volatilities, not only among Korea equities but also across global markets.

On the stock level, NAVER, a leading online search portal, and Kakao, a dominant mobile messenger platform provider, contributed positively to the Trust over the past 1 year thanks to growing internet traffic and increasing transaction volume for online purchases and activities, a secular trend which further accelerated due to social distancing measures amid the Coronavirus epidemic. Leeno Industrial, a semiconductor testing pin and socket producer, also added value to relative performance as the company is well-positioned to benefit from structural demand growth for new chip development in the wake of 5G and IoT (Internet of Things).

On the other hand, our structural underweight in Samsung Electronics was the main drag to relative performance over the past 1 year, as the share price rose on growing expectations for improvement in memory chip supply-demand dynamics and recovery in Company's earnings outlook.

During the year, the Trust has increased exposure in selective semiconductor names, reflecting our positive bias towards the sector. These names include SK Hynix and LG Innotek. We also started to add exposure to smartphone component supplier Samsung Electro-Mechanics after the US-China trade dispute eased at the end of 2018, as the company showed improving market positions and better executions on cost management, while later we took partial profit as valuation reached market consensus. That said, we continued to hold the stock as we remain positive on the stock's strong leadership in high-end MLCC (multi-layer ceramic capacitor) market. Meanwhile, the Trust increased its exposure over the year in Internet/online gaming companies such as NAVER, Kakao and NCSoft as these companies are set to benefit from the secular shift to online activity. These companies can further strengthen their positions based on healthy cash flows and balance sheets. We have reduced positions in retail travel channels and China consumption centric companies, such as Shinsegae and Fila and F&F, as the epidemic spread is expected to weigh on their earnings outlook.

## Barings Korea Trust

Report of the Investment Manager (continued)

### Performance (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
NCSOFT	3,287	NCSOFT	2,400
Kakao	2,946	F&F	2,364
SK Telecom	2,911	Samsung Electronics	2,306
SK Hynix	2,780	Fila Korea	2,263
NAVER	2,666	KT&G	2,151
LG Innotek	2,412	Hite Jinro	2,074
F&F	2,378	Shinsegae	2,033
KT&G	2,288	Samsung Electro-Mechanics	1,933
Samsung Electro-Mechanics	2,195	POSCO	1,865
LG Chem	2,113	Shinhan Financial	1,796

### Market outlook

The outbreak of the Coronavirus has overshadowed the positive momentum in Korea equity market set for 2020. It is difficult to gauge the actual direct impact from the epidemic and volatility could continue in the near-term. However, it is undoubtedly positive to see that central banks around the world are being proactive with quantitative easing and fiscal measures rekindled. In Korea, the BoK (Bank of Korea) cut the base rate to release liquidity, while large scale fiscal packages as well as supplementary budgets were passed by the parliament to support the economy. While corporate earnings in the near-term will be challenged, markets are expected to look forward to the recovery in latter part of 2020 and 2021. Tailwinds from low oil price, low cost of funds and massive stimulus are expected to help boost earnings recovery in a post Coronavirus world.

We believe that near-term market volatility often provides a favourable window for investors with a long-term, fundamental perspective and extensive research capabilities to successfully identify and exploit attractive opportunities. Furthermore, it's worth highlighting that Korea market is well positioned in terms of its long-term growth outlook and to benefit from the gradual recovery in global demand that is in progress. Our fund strategy and allocation is well-suited to favour Korean companies with attractive fundamentals, strong and sustainable long-term earnings profile and those that are likely to benefit from a benign economic environment. Key themes driven by our bottom-up investment process include: (1) beneficiaries of changing growth dynamics of the technology and mobile internet; (2) beneficiaries of new structural trends in the automobile sector such as Advanced Drive Assistance System and electrical vehicle; (3) beneficiaries of novel technologies, growth segments or niches, and leading edge R&D; (4) beneficiaries of benign input costs and superior manufacturing process/competitiveness; (5) improving corporate governance and improving capital management.

---

## Barings Korea Trust

Report of the Investment Manager (continued)

---

### Market outlook (continued)

We remain disciplined and anchored by our bottom-up investment process. The outlook for Korean equities remains rosy, supported by positive global growth recovery momentum, structurally and fundamentally solid technology sector, signs of improving domestic demand, and favourable fiscal policies supported by the government. In addition to the uniform pace in global growth recovery, Korea is in a key position in terms of economic development and technological level. Korea usually stands at the top of the list of R&D investment versus GDP as investment in new technologies and manufacturing areas always stays in the spotlight for pioneering Korean enterprises. It is in these leading edge sectors and companies where most of Korea's growth will come through. The near-term market volatility should provide a favourable window for getting exposure to investment opportunities with long-term attractive fundamentals. We continue to favour companies with sustainable long-term earnings growth profile, strong franchise and good balance sheet quality which prove to be fundamentally crucial during the current times, and are constructive in selective companies linked to the 5G and memory thematic, and those that are well positioned to benefit from the structural consumption upgrade trend with product and services quality boosts in both Korea and Asia/globally.

### 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.*

---

## Barings Korea Trust

### Responsibilities of the Manager and the Trustee

---

#### 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 Korea 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 Korea Trust (the “Trust”) for the year ended 30 April 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.

---

## Barings Korea Trust

Responsibilities of the Manager and the Trustee (continued)

---

### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Korea Trust (the "Trust") for the year ended 30 April 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  
London 17 July 2020

---

## Barings Korea Trust

### Directors' Statement

---

The financial statements on pages 18 to 31 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

E. BROWNING                      Director

J. SWAYNE                         Director

London 17 July 2020

## Barings Korea Trust

### Portfolio statement

as at 30 April 2020

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	<b>Investment Funds: 0.51% (1.24%)</b>		
327,000	Northern Trust Global Funds - Sterling Fund†	<u>327,000</u>	<u>0.51</u>
	<b>Equities: 99.29% (99.26%)</b>		
	<b>Apparel: 0.00% (2.59%)</b>		
	<b>Auto Manufacturers: 1.37% (1.28%)</b>		
14,423	Hyundai Motor	<u>884,712</u>	<u>1.37</u>
	<b>Auto Parts &amp; Equipment: 2.88% (4.50%)</b>		
16,487	Hyundai Mobis	<u>1,854,986</u>	<u>2.88</u>
	<b>Beverages: 0.00% (1.11%)</b>		
	<b>Biotechnology: 2.26% (2.10%)</b>		
5,785	Hugel	<u>1,457,369</u>	<u>2.26</u>
	<b>Chemicals: 7.72% (6.94%)</b>		
24,626	Hansol Chemical	1,386,169	2.15
14,554	LG Chem	<u>3,590,089</u>	<u>5.57</u>
		<u>4,976,258</u>	<u>7.72</u>
	<b>Computers: 0.00% (0.94%)</b>		
	<b>Construction &amp; Materials: 1.06% (0.00%)</b>		
11,842	Daelim Industrial	<u>683,664</u>	<u>1.06</u>
	<b>Cosmetics/Personal Care: 5.50% (7.53%)</b>		
3,898	LG Household & Health Care	<u>3,541,821</u>	<u>5.50</u>
	<b>Diversified Financial Services: 5.18% (6.42%)</b>		
93,731	KB Financial	2,133,770	3.31
60,287	Shinhan Financial	<u>1,206,309</u>	<u>1.87</u>
		<u>3,340,079</u>	<u>5.18</u>
	<b>Electric: 1.19% (0.00%)</b>		
49,056	Korea Electric Power	<u>767,566</u>	<u>1.19</u>
	<b>Electronics: 6.48% (4.92%)</b>		
83,130	Duk San Neolux	1,704,287	2.65
5,494	Koh Young Technology	292,311	0.45
8,644	LG Innotek	748,555	1.16
19,333	Samsung Electro-Mechanics	<u>1,433,219</u>	<u>2.22</u>
		<u>4,178,372</u>	<u>6.48</u>
	<b>Engineering &amp; Construction: 0.00% (1.37%)</b>		
	<b>Financials: 1.78% (0.00%)</b>		
153,625	Macquarie Korea Infrastructure Fund	<u>1,148,952</u>	<u>1.78</u>
	<b>Food: 0.00% (2.70%)</b>		

**Barings Korea Trust**  
**Portfolio statement (continued)**  
as at 30 April 2020

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)	Value (£)	assets (%)
	<b>Equities: 99.29% (99.26%) (continued)</b>			
	<b>General Industrials: 2.01% (0.00%)</b>			
31,745	LG		<u>1,291,225</u>	<u>2.01</u>
	<b>Insurance: 1.87% (6.17%)</b>			
9,624	Samsung Fire & Marine Insurance		<u>1,202,778</u>	<u>1.87</u>
	<b>Internet: 14.78% (6.99%)</b>			
23,662	Kakao		2,848,541	4.42
30,764	NAVER		3,986,070	6.18
6,380	NCSOFT		<u>2,691,328</u>	<u>4.18</u>
			<u>9,525,939</u>	<u>14.78</u>
	<b>Iron/Steel: 0.00% (1.71%)</b>			
	<b>Mining: 2.73% (1.55%)</b>			
6,969	Korea Zinc		<u>1,762,503</u>	<u>2.73</u>
	<b>Miscellaneous Manufacturing: 1.51% (4.88%)</b>			
9,424	SK Materials		<u>973,757</u>	<u>1.51</u>
	<b>Oil &amp; Gas: 0.89% (2.55%)</b>			
8,899	SK Innovation		<u>573,891</u>	<u>0.89</u>
	<b>Pharmaceuticals: 2.34% (2.21%)</b>			
48,932	Yuhan		<u>1,508,780</u>	<u>2.34</u>
	<b>Retail: 2.31% (5.72%)</b>			
21,445	Samsung C&T		<u>1,491,306</u>	<u>2.31</u>
	<b>Semiconductors: 24.01% (17.70%)</b>			
32,631	Leeno Industrial		1,911,687	2.96
176,099	Samsung Electronics		5,770,685	8.95
107,265	SK Hynix		5,890,043	9.14
40,343	Tokai Carbon Korea		<u>1,905,617</u>	<u>2.96</u>
			<u>15,478,032</u>	<u>24.01</u>
	<b>Shipbuilding: 0.00% (1.83%)</b>			
	<b>Software: 5.15% (0.00%)</b>			
25,440	Douzone Bizon		1,467,037	2.27
73,275	NHN KCP		<u>1,855,573</u>	<u>2.88</u>
			<u>3,322,610</u>	<u>5.15</u>
	<b>Support Services: 1.36% (0.00%)</b>			
15,530	S-1		<u>878,241</u>	<u>1.36</u>
	<b>Telecommunications: 4.91% (4.31%)</b>			
6,600	Samsung SDI		1,236,190	1.92
13,878	SK Telecom		<u>1,925,627</u>	<u>2.99</u>
			<u>3,161,817</u>	<u>4.91</u>
	<b>Transportation: 0.00% (1.24%)</b>			

**Barings Korea Trust**  
**Portfolio statement (continued)**  
as at 30 April 2020

<b>Holdings</b>	<b>Investments</b>	<b>Bid-Market Value (£)</b>	<b>Percentage of total net assets (%)</b>
	<b>Equities: 99.29% (99.26%)</b> (continued)		
	<b>Transportation: 0.00% (1.24%)</b> (continued)		
	<b>Portfolio of investments: 99.80% (100.50%)</b>	<b>64,331,658</b>	<b>99.80</b>
	Net other assets	129,011	0.20
	<b>Net assets</b>	<b>64,460,669</b>	<b>100.00</b>

† 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 30 April 2019.

---

## Barings Korea Trust

### Independent auditors' report to the Unitholders of Barings Korea Trust

---

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

##### Our opinion

In our opinion, Barings Korea Trust's (the "Trust") financial statements:

- give a true and fair view of the financial position of the Trust as at 30 April 2020 and of the net expenses 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 30 April 2020; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables and the notes to the financial statements, which include a summary 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 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.

---

## Barings Korea Trust

Independent auditors' report to the Unitholders of Barings Korea Trust (continued)

---

### *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 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 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 intends 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 assurances 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

17 July 2020

---

**BARINGS**

## Barings Korea Trust

### Statement of total return and Statement of changes in net assets attributable to unitholders

for the year ended 30 April 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Income					
Net capital losses	2		(10,285)		(19,150)
Revenue	3	1,349		1,641	
Expenses	4	(1,078)		(1,337)	
Net revenue before taxation		<u>271</u>		<u>304</u>	
Taxation	5	(295)		(357)	
Net expenses after taxation			<u>(24)</u>		<u>(53)</u>
<b>Total return before distributions</b>			<b>(10,309)</b>		<b>(19,203)</b>
Distributions	6		<u>(71)</u>		<u>(128)</u>
<b>Change in net assets attributable to unitholders from investment activities</b>			<b><u>(10,380)</u></b>		<b><u>(19,331)</u></b>
		2020 £'000	£'000	2019 £'000	£'000
<b>Opening net assets attributable to unitholders</b>			<b>65,839</b>		<b>117,985</b>
Amounts receivable on issue of units		<b>37,691</b>		23,456	
Amounts payable on cancellation of units		<u>(28,763)</u>		<u>(56,412)</u>	
			<b>8,928</b>		<b>(32,956)</b>
Dilution adjustment			<b>11</b>		<b>95</b>
Changes in net assets attributable to unitholders from investment activities			<b>(10,380)</b>		<b>(19,331)</b>
Retained distribution on accumulation units	6		<b>63</b>		<b>46</b>
<b>Closing net assets attributable to unitholders</b>			<b><u>64,461</u></b>		<b><u>65,839</u></b>

---

**Barings Korea Trust****Balance Sheet**as at 30 April 2020

---

	<b>Notes</b>	<b>30/04/2020 £'000</b>	<b>30/04/2019 £'000</b>
<b>Assets</b>			
Investment assets		<b>64,332</b>	66,167
Current assets:			
Debtors	8	<b>951</b>	447
Cash and bank balances		<b>108</b>	42
Total assets		<b>65,391</b>	66,656
<b>Liabilities</b>			
Creditors:			
Bank overdrafts		<b>(69)</b>	(31)
Distribution payable on income units	6	<b>(22)</b>	(5)
Other creditors	9	<b>(839)</b>	(781)
Total liabilities		<b>(930)</b>	(817)
<b>Net assets attributable to unitholders</b>		<b>64,461</b>	65,839

---

# Barings Korea Trust

## Notes to the financial statements

For the year ended 30 April 2020

---

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

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 30 April 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.

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

### 2. Net capital losses

The net capital losses during the year comprise:

	2020 £'000	2019 £'000
Non-derivative securities	(10,177)	(19,072)
Currency losses	(95)	(57)
Forward currency contracts	–	3
Transaction charges	(13)	(24)
Net capital losses on investments	(10,285)	(19,150)

### 3. Revenue

	2020 £'000	2019 £'000
Bank interest	1	4
Offshore CIS interest revenue	6	14
Overseas dividends	1,342	1,623
	1,349	1,641

### 4. Expenses

	2020 £'000	2019 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	956	1,185
	956	1,185
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	16	22
Safe custody charges	50	74
	66	96
<b>Other expenses:</b>		
Administration fees	4	3
Audit fees	11	13
Professional fees	9	6
Registrar and transfer agency fees	26	25
Standing charges	3	3
Taxation fees*	3	6
	56	56
<b>Total expenses</b>	<b>1,078</b>	<b>1,337</b>

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

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

### 5. Taxation

	2020 £'000	2019 £'000
<b>a) Analysis of tax charges for the year:</b>		
Overseas withholding tax	295	357

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

The tax assessed for the year is higher (30 April 2019: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (30 April 2019: 20%). The differences are explained below:

	2020 £'000	2019 £'000
Net revenue before taxation	271	304
Corporation tax at 20%	54	61
Effects of:		
Overseas withholding tax	295	357
Excess management expenses not utilised	214	264
Non taxable overseas dividends	(268)	(325)
Current tax charge for the year (note 5a)	295	357

### c) Provision for the deferred tax

At the year-end, there was an unrecognised potential tax asset of £3,648,601 (30 April 2019: £3,434,534) 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/losses changes.

### 6. Distributions

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

	2020 £'000	2019 £'000
Final Distribution	22	5
Final Accumulation	63	46
	85	51
Add: Revenue deducted on cancellation of units	25	90
Deduct: Revenue received on issue of units	(39)	(13)
<b>Total distributions</b>	71	128

Details of the distributions per unit are set out in the Distribution Tables on page 31.

---

## Barings Korea Trust

### Notes to the financial statements (continued)

For the year ended 30 April 2020

---

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

	2020 £'000	2019 £'000
Net expenses after taxation	(24)	(53)
Income deficit	95	181
	<u>71</u>	<u>128</u>

#### 8. Debtors

	2020 £'000	2019 £'000
Accrued revenue	43	46
Amount receivable for creation of units	272	51
Currency deals awaiting settlement	–	3
Sales awaiting settlement	636	347
	<u>951</u>	<u>447</u>

#### 9. Other creditors

	2020 £'000	2019 £'000
Accrued expenses	139	157
Amounts payable for cancellation of units	47	624
Purchases awaiting settlement	653	–
	<u>839</u>	<u>781</u>

#### 10. Contingent liabilities

There were no contingent liabilities at the year-end date (30 April 2019: £nil).

#### 11. 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 in the relevant fund at the distribution ex-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.

---

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

---

### 12. Financial instruments

In pursuing its investment objective set out on page 4, 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 (30 April 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 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 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 30 April 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 £3.217 million (30 April 2019: £3.308 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 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.

---

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

---

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

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 30 April 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
South Korean won	64,005	57	64,062
	<u>64,005</u>	<u>57</u>	<u>64,062</u>

#### Currency exposure for the year ended 30 April 2019:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
South Korean won	65,351	1	65,352
	<u>65,351</u>	<u>1</u>	<u>65,352</u>

#### Foreign currency risk sensitivity analysis

At 30 April 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 £0.645 million (30 April 2019: £0.658 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 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 Korea Trust

### Notes to the financial statements (continued)

For the year ended 30 April 2020

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

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

	Floating rate 30/04/2020 £'000	Fixed rate 30/04/2020 £'000	Non-interest bearing 30/04/2020 £'000	Total 30/04/2020 £'000
Portfolio of investments	–	–	64,332	64,332
Cash at bank	39	–	–	39
Other assets	–	–	951	951
Liabilities	–	–	(861)	(861)
	<b>39</b>	<b>–</b>	<b>64,422</b>	<b>64,461</b>

  

	Floating rate 30/04/2019 £'000	Fixed rate 30/04/2019 £'000	Non-interest bearing 30/04/2019 £'000	Total 30/04/2019 £'000
Portfolio of investments	–	–	66,167	66,167
Cash at bank	11	–	–	11
Other assets	–	–	447	447
Liabilities	–	–	(786)	(786)
	<b>11</b>	<b>–</b>	<b>65,828</b>	<b>65,839</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

The Trust had no significant interest rate risk exposure as at 30 April 2020 (30 April 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 30 April 2020, the Trust did not hold any open forward currency contracts with any counterparty (30 April 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.

#### 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 Korea Trust

### Notes to the financial statements (continued)

For the year ended 30 April 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 30 April 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	64,005	–	–	64,005
Investment Funds	–	327	–	327
	<b>64,005</b>	<b>327</b>	<b>–</b>	<b>64,332</b>

#### Valuation technique for the year ended 30 April 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	65,351	–	–	65,351
Investment Funds	–	816	–	816
	<b>65,351</b>	<b>816</b>	<b>–</b>	<b>66,167</b>

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

### 15. Portfolio transaction costs

	2020 £'000	2019 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	<b>120,062</b>	160,289
Commissions:		
Equities total value paid	<b>47</b>	104
Total transaction costs	<b>47</b>	104
<b>Gross purchases total</b>	<b>120,109</b>	160,393
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	<b>111,950</b>	191,002
Commissions:		
Equities total value paid	<b>(46)</b>	(135)
Taxes:		
Equities total value paid	<b>(196)</b>	(573)
Total transaction costs	<b>(242)</b>	(708)
<b>Total sales net of transaction costs</b>	<b>111,708</b>	190,294

\* Not included in 2020 figures are purchases and sales in cash funds totalling £33.970 million and £34.459 million, respectively, where there are no transaction costs applicable. In 2019, purchases and sales in cash funds totalled £73.768 million and £78.703 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 in the next page. Transaction costs vary depending on the transaction value and market sentiment.

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

### 15. Portfolio transaction costs (continued)

	2020	2019
Analysis of total purchase costs:	%	%
Commissions:		
Equities percentage of total purchases costs	<b>0.05</b>	0.06
Equities percentage of average NAV	<b>0.07</b>	0.11
Analysis of total sale costs:		
Commissions:		
Equities percentage of total sales costs	<b>(0.06)</b>	(0.07)
Equities percentage of average NAV	<b>(0.07)</b>	(0.15)
Taxes:		
Equities percentage of total sales costs	<b>(0.25)</b>	(0.30)
Equities percentage of average NAV	<b>(0.28)</b>	(0.62)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.20% (30 April 2019: 0.17%), 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 four unit classes: A GBP Acc, I GBP Acc, I GBP Inc and I USD Acc. The annual management charge and Trust 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. The distribution per unit class is given in the distribution tables on page 31. All classes have the same rights on winding up.

	Class A GBP Acc	Class I GBP Acc	Class I GBP Inc
Opening units	17,559,994	2,146,571	953,915
Units created	10,363,145	2,045,863	728,340
Units liquidated	(8,551,354)	(885,539)	(376,566)
Units converted	(27,463)	24,880	1,317
<b>Closing units</b>	<b>19,344,322</b>	<b>3,331,775</b>	<b>1,307,006</b>
	<b>Class I USD Acc</b>		
Opening units	399,916		
Units created	518		
Units liquidated	(400,175)		
Units converted	—		
<b>Closing units</b>	<b>259</b>		

---

## Barings Korea Trust

Notes to the financial statements (continued)

For the year ended 30 April 2020

---

### 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 30 April 2020, no amounts due from or to the Investment Manager in respect of unit transactions (30 April 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 Accumulation class has increased from 272.70p to 333.40p as at 15 July 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 Korea Trust

### Distribution Tables

Group 1: Units purchased prior to 1 May 2019

Group 2: Units purchased between 1 May 2019 and 30 April 2020

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

Group	Net Revenue	Equalisation (Note 11)	2020 Accumulation Payable	2019 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

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

Group	Net Revenue	Equalisation (Note 11)	2020 Accumulation Payable	2019 Accumulation Paid
1	1.9045	0.0000	1.9045	1.9677
2	0.9921	0.9124	1.9045	1.9677

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

Group	Net Revenue	Equalisation (Note 11)	2020 Distribution Payable	2019 Distribution Paid
1	1.6465	0.0000	1.6465	0.4957
2	0.0000	1.6465	1.6465	0.4957

#### Final accumulation - Class I USD Acc (in cents per unit)\*

Group	Net Revenue	Equalisation (Note 11)	2020 Accumulation Payable	2019 Accumulation Paid
1	Nil	Nil	Nil	1.2467
2	Nil	Nil	Nil	1.2467

\* During the distribution period ending 30 April 2020, the total revenue for the Class I USD Acc unit class was less than its expenses, resulting in a revenue shortfall

**Barings Korea Trust**  
**The Risk and Reward Profile**

	<b>SRR I risk category* 30/04/2020</b>	<b>SRR I risk category* 30/04/2019</b>
Class A GBP Acc	6	6
Class I GBP Acc	6	6
Class I GBP Inc	6	6
Class I USD Acc	6	6

\* The Synthetic Risk and Reward Indicator ("SRR I") 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 1–7 (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 SRR I figures shown have not changed during the year.

---

## Barings Korea Trust

### Important Information

---

#### Constitution

The Barings Korea Trust (the “Trust”) is constituted by a Trust Deed between Baring Fund Managers Limited (the “Manager”) and NatWest Trustee and Depositary Services Limited (the “Trustee”).

The Trust is an authorised unit trust scheme as defined in section 243 of the Financial Services and Markets Act 2000 and has been established as an Undertakings for Collective Investments in Transferable Securities (“UCITS”).

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

#### 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 references in the report to other investments held within the Trust should not be read as a recommendation to the investor to buy or sell the same, but are included as illustration only.

#### Key changes during the year

- B. Greene resigned as a Director of the Manager on 23 May 2019.
- J. Armstrong was appointed as a non-executive Director of the Manager on 22 May 2019.
- K. Troup was appointed as a non-executive Director of the Manager on 22 May 2019.
- The trustee fees for the Barings Korea Trust changed as at 1 January 2020 as follows:

Old fees		New fees	
First £150m	0.0200%	First £200m	0.0175%
Next £200m	0.0175%	Next £200m	0.0150%
Thereafter	0.0100%	Next £800m	0.0100%
		Thereafter	0.0050%

#### Market timing

Repeatedly purchasing and selling units in the Trust in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the Manager’s investment strategy and increase the Trust’s expenses to the prejudice of all unitholders.

The Trust is 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 Trust.

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.barings.com](http://www.barings.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 Trust’s 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 page 5.

#### Revenue allocations and reports

Revenue allocations are made on 31 July (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 Barings website at [www.barings.com](http://www.barings.com).

---

## Barings Korea Trust

### Important Information (continued)

---

#### 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. The annual or interim report and financial statements are also available in French.

PricewaterhouseCoopers LLP (the "Independent Auditors") 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.

#### Remuneration (unaudited)

The Manager's Remuneration Policy ensures the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policy 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 and AIFM Remuneration Code (SYSC 19b and 19E) and complies with the UCITS remuneration principles in a way and to the extent that is appropriate to its size and business.

#### Remuneration Committee

Due to the size and nature of 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 Code Staff

The Manager has determined its Remuneration Code Staff as the following:

1. Senior Management

Senior Management comprises of Directors, all SMFs 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.

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.

## Barings Korea Trust

### Important Information (continued)

#### 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.

### Remuneration Disclosure (unaudited)

The disclosure below details fixed and variable remuneration paid to Barings Fund Managers ("BFM") staff and BFM Remuneration Code Staff.

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Trust*	19	£20,582	£5,198	£15,384
Total Senior Management Remuneration paid by BFM**	19	£665,882	£168,176	£497,706

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 Asset Under Management ("AUM") basis as a proportion of Barings total AUM as at 30 April 2020. 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.

A performance fee of €1,792,79 was charged during the year.

There has been no award of carry interest in the year.

---

## Barings Korea Trust

### Disclosure for Overseas Investors

---

#### 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 Barings Korea Trust (the "Trust"), in French, from the representative at the above address. Official publications for the Trust 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 37

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 months to 30 April 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.

The TERs for each class for the year ended 30 April 2020 and the year ended 30 April 2019 are as follows:

	TER as at 30 April 2020 %	TER as at 30 April 2019 %
Class A GBP Acc	1.69	1.69
Class I GBP Acc	0.94	0.94
Class I GBP Inc	0.94	0.94
Class I USD Acc	0.94	0.94

## Barings Korea Trust

Disclosure for Overseas Investors (continued)

### Trailer fees and reimbursements

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

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

- life insurance companies (in respect of trust 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 trust units held for the account of beneficiaries);
- investment foundations (in respect of trust units held for the account of in-house funds);
- Swiss fund management companies (in respect of trust units held for the account of the trusts managed); and
- foreign fund management companies and providers (in respect of trust units held for the account of managed trusts and investing unitholders).

### Performance record to 30 April 2020 (including distribution payments where applicable)

	01/05/2019 - 30/04/2020 %	01/05/2018 - 30/04/2019 %	09/08/2017 - 30/04/2018 %	09/08/2016 - 08/08/2017 %	09/08/2015 - 08/08/2016 %
Barings Korea Trust - Class A GBP Acc (GBP terms)	(12.23)	(17.23)	12.03	6.86	9.92
Korea SE Composite Index (KOSPI) (GBP terms)	(12.43)	(15.37)	4.12	16.84	26.29
Barings Korea Trust - Class I GBP Acc (GBP terms)	(11.56)	(16.65)	12.67	7.61	10.77
Barings Korea Trust - Class I GBP Inc (GBP terms)	(11.58)	(16.65)	12.62	7.65	10.80
Barings Korea Trust - Class I USD Acc (USD terms)*	(12.10)	(20.98)	18.00	7.77	(6.68)

Performance figures are shown net of fees and charges, on a published NAV per unit basis, with gross revenue reinvested.

Source: Morningstar/Barings/KOSPI.

\* The Class I USD Acc unit class was launched on 26 May 2015.

For data sourced from Morningstar: © Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The Trust was launched on 3 November 1992.

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

---

## Barings Korea Trust

### Directory

---

#### **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**

Barings Asset Management (Asia) Limited

35th Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

#### **Directors\***

J. Armstrong (non-executive) (Appointed to the Board on 22 May 2019)

E. Browning

B. Greene (Resigned from the Board on 23 May 2019)

R. Kent

J. Swayne

K. Troup (non-executive) (Appointed to the Board on 22 May 2019)

#### **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.*

\*See key changes during the year on page 32.

---

## Barings Korea Trust

Directory (continued)

---

### **Independent Auditors**

PricewaterhouseCoopers LLP

Atria One

144 Morrison Street

Edinburgh, EH3 8EX

### **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 Trust Deed 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.

---

**BARINGS**

**Address:**

Baring Asset Management Limited  
20 Old Bailey  
London, EC4M 7BF

**Contact:**

Tel: +44 (0)20 7628 6000  
Fax: +44 (0)20 7638 7928  
[www.barings.com](http://www.barings.com)

**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, with a slight upward curve at the ends.