



BARING EMERGING EUROPE PLC

JULY 2010

SUMMARY FUND OBJECTIVE

The investment objective of the Trust is to achieve long-term capital growth, principally through investment in Emerging European securities. (Please refer to the Prospectus for the full investment objective and policy.)

MANAGER'S COMMENTS

Performance Summary

Encouraged by a combination of resilient domestic economic data and attractive equity valuations investors returned to equity markets. Markets rallied across Emerging Europe, outperforming emerging and developed markets alike. The upbeat economic assessment also affected currencies positively, with the Polish Zloty and the Czech Koruna increasing by more than 3% versus the EUR. Hungary, living up to its reputation of being Emerging Europe's problem child, declared its unwillingness to comply with the International Monetary Fund's set of fiscal measures and this caused continuing volatility in that market.

Strategy / Portfolio Positioning

The Fund's increased emphasis on the Financials sector was beneficial, as our preferred stocks outperformed strongly. Financials were buoyed by strong earnings guidance and positive results following the European Union's bank stress tests. The position in Hungary's OTP Bank was increased on price weakness, while the rapid price increases in Turkish banks led us to take some profits. We remain overweight the materials sector, while staying underweight the energy sector relative to the benchmark index. This stance has helped Fund performance.

Market Outlook

The rapid increase in risk appetite across the region's equity markets shows that Emerging Europe's combination of sustainable growth and attractive valuations is attractive to investors. While the results from the EU-wide banking sector stress tests were as anticipated, the main takeaway for European investors is that Emerging Europe's banking sector is in better shape and operates in markets that offer long-term structural growth potential.

FUND INFORMATION ¹

Fund Manager	Matthias Siller
Fund Type	Closed-Ended Investment Trust Company
Fund Size (Mn)	£302.6
Launch Date	Jan 1994
NAV price ⁴	£8.70
Mid-Price	£7.90
Discount to NAV	9.28%
Listing	London SE
Min Investment	N/A
Min Subsequent Inv	N/A
Management Charges	0.8%
Performance Fee ³	10% of the amount by which the change in the company's NAV exceeds change in benchmark.
Year end	30th September
ISIN	GB0032273343
Bloomberg Code	BEE LN
Lipper ID	71000959
Benchmark Index	MSCI Emerging Europe 10/40

HISTORIC PERFORMANCE ² (CASH VALUE OF £1000)



Past performance is not a guide to future performance. The chart shown above should be viewed in conjunction with the rolling 12 month performance table below.

CALENDAR YEAR PERFORMANCE (£) ²

% Change	Fund	Index
2009	+82.8	+69.2
2008	-55.4	-54.1
2007	+35.1	+32.5
2006	+28.1	+36.5
2005	+67.6	+63.6

ROLLING 12 MONTH PERFORMANCE (£) ²

% Change	Fund
31 July 2009 - 31 July 2010	+39.0
31 July 2008 - 31 July 2009	-32.2
31 July 2007 - 31 July 2008	+7.6
31 July 2006 - 31 July 2007	+30.0
31 July 2005 - 31 July 2006	+42.6

PERFORMANCE (£) ²

% Change	Fund	Index
1 month	+7.9	+8.4
3 months	-7.9	-6.7
YTD	+4.5	+6.1
1 year	+39.0	+37.4

ANNUALISED PERFORMANCE (£) ²

% Change	Fund	Index
3 years annualised	+0.4	-1.1
5 years annualised	+13.4	+13.3
10 years annualised	+18.1	+14.9
SI annualised	+18.4	+8.4

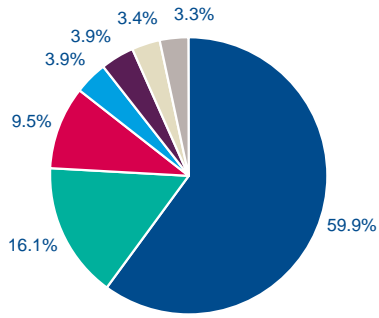


Ratings are subject to change.

Index return source: MSCI #

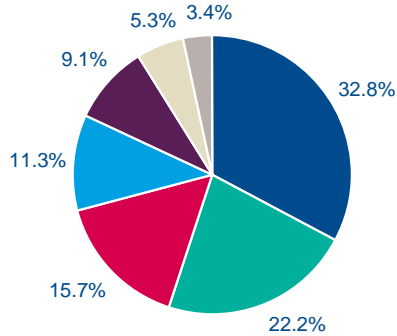
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COUNTRY BREAKDOWN ¹



- Russia = 59.9%
- Turkey = 16.1%
- Poland = 9.5%
- Czech Republic = 3.9%
- Hungary = 3.9%
- Cash = 3.4%
- Others = 3.3%

SECTOR BREAKDOWN ¹



- Financials = 32.8%
- Energy = 22.2%
- Materials = 15.7%
- Telecommunication Services = 11.3%
- Others = 9.1%
- Utilities = 5.3%
- Cash = 3.4%

TOP 10 HOLDINGS ¹

	(%)
Sberbank	10.8
Gazprom	9.3
Rosneft OJSC	6.8
Turkiye Garanti Bankasi	5.8
JSC MMC Norilsk	5.5
Mobile Telesystem	5.2
Powszechna Kasa Polski	4.8
Lukoil Oil Company	4.5
Turkiye Halk Bankasi	4.0
CEZ AS	3.9

NOTES

¹ Unless otherwise stated, all fund portfolio figures within this factsheet are as at the end of the month shown at the top of page one. Source: Barings

² Performance figures are shown in sterling on a NAV per share basis. Baring Emerging Europe Plc (BEEP) was launched on 17/12/2002. The past performance figures are that of Baring Emerging Europe Trust (BEET), undiluted NAV, up to 16/12/2002. From this point onwards the track record reflects the performance of BEEP. In effect the performance is an aggregate of the two funds. Source: Barings

³ Performance Fee - 10% of the amount by which the change in the company's net asset value exceeds the change in the benchmark. The performance fee payable in respect of any performance period will be capped at 0.6% of the NAV of the company on the first day of the relevant performance period. ** Current benchmark effective from 1st April 2007. Prior to this date the fund was shown against a customised FTSE benchmark with Turkey restricted to 30% of market capitalisation.

⁴ The NAV price is a single price for dealing which is a mid-price. For purchases, an initial charge is added to the NAV price.

Baring Emerging Europe Plc (BEEP) was launched on 17/12/2002. BEEP was launched in connection with the scheme of reconstruction of the Baring Emerging Europe Trust (BEET). Baring Asset Management Limited (Authorised and regulated by the Financial Services Authority) is the investment manager of BEEP and was the investment manager of BEET for the entire period of past performance stated. BEEP was launched with the same Investment Objective as BEET. Under the terms of the reconstruction of BEET, the initial portfolio composition of BEEP initially replicated that of BEET. BEEP is now denominated in Sterling, whereas BEET was denominated in US\$.

GLOSSARY OF INVESTMENT TERMS

We produce a glossary to assist you in case you find any of the investment terms we've used in this factsheet unfamiliar. This is available from our website www.barings.com/uk/individualinvestors or free on request by calling +44 (0) 845 082 2479.

IMPORTANT INFORMATION

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Compensation arrangements under the Financial Services and Markets Act 2000 of the United Kingdom will not be available in respect of any offshore fund. Shares in the Fund are not available in any jurisdiction in which the offer or sale would be prohibited; in particular the Fund may not be sold directly or indirectly in the US or to a US person. Subscriptions will only be received and shares issued on the basis of the current Prospectus.

⁶ The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Baring Investment Services Limited. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Version 03/2009



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