



Barings Eastern Trust

Interim Report & Unaudited Financial
Statements

for the year ended 28 February 2019

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* Collectively, these comprise the Manager's report.

Management and professional service details

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.

Directors

C. Biggins (Resigned from the Board on 11 January 2019)

E. Browning (Appointed to the Board on 22 January 2019)

B. Greene

R. Kent (Appointed to the Board on 9 April 2019)

J. Swayne

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.

Registrar*

Northern Trust Global Services SE UK Branch

50 Bank Street

Canary Wharf

London, E14 5NT

Telephone: 0333 300 0372†

Fax: 020 7982 3924

Authorised by the PRA and regulated by the FCA and PRA.

† Telephone calls may be recorded and monitored.

Independent Auditors

PricewaterhouseCoopers LLP

Atria One

144 Morrison Street

Edinburgh, EH3 8EX

*See key changes during the year on page 7

Introduction

Baring Fund Managers Limited (the "Manager") has delegated its day-to-day investment management responsibilities in relation to the Barings Eastern Trust (the "Trust") to Baring Asset Management Limited (the "Investment Manager"), which is authorised and regulated by the Financial Conduct Authority ("FCA"). The Investment Manager has further appointed Baring Asset Management (Asia) Limited as Sub-Investment Manager to the Trust.

As an investor in the Trust, your money is pooled with that of other investors and invested by the Manager in any country and in any economic sector of the world, drawing on the wealth of the Manager's global resources and research capabilities. The objective of the Trust is to achieve long-term capital growth. Diversification is key to achieving this objective and contributes to minimizing risk, and reflected in the price of the units. The Trust does not generate significant levels of revenue; however, any revenue generated is paid out to investors. As with all trusts managed by the Manager, the risk assumed in this portfolio is carefully monitored.

The Report of the Manager reviews the performance of the Trust against the returns of the stock markets in which it is investing and analyses the investment environment that influenced the performance of the Trust over the year under review. The Investment Manager then gives an outlook for the markets and details how the Trust will be invested in order to take full advantage of the foreseen opportunities.

Investment objective and policy

The investment objective of Barings Eastern Trust (the "Trust") is to achieve long-term 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 outside of the Asia-Pacific region, excluding Japan, as well as in fixed-income and cash.

While the Trust will aim to diversify its investments, allocation to certain countries, industries or sectors may be more than 30% of its total assets depending on the Investment Manager's assessment at different times.

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 investment funds 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.

How the Trust is managed

The Trust is invested in the Asian equity markets, using a "bottom-up" investment approach. This means that the Manager focuses more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, the Trust is 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 at a company as is placed on the unit 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.

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.

Investment objective and policy (continued)

Risk profile (continued)

- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations. Please refer to the Prospectus for the full risk profile.

Constitution

The Barings Eastern 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”).

Regulatory disclosure

This document has been issued by Baring Fund Managers Limited (the “Manager”), which is authorised and regulated by the Financial Conduct Authority (“FCA”).

Barings Eastern Trust (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”) scheme.

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

The Trust at a glance on 28 February 2019

Total Trust size:	£121.76 million	
OCF*:	28/02/2019	28/02/2018
Barings Eastern Trust - Class A GBP Acc	1.75%	1.70%
Barings Eastern Trust - Class A GBP Inc	1.75%	1.70%
Barings Eastern Trust - Class A USD Acc	1.75%	1.70%
Barings Eastern Trust - Class D GBP Inc	0.85%	0.79%
Barings Eastern Trust - Class I GBP Acc	1.00%	0.95%
Barings Eastern Trust - Class I GBP Inc	1.00%	0.95%
Initial charge:		
Barings Eastern Trust - Class A GBP Acc		up to 5.00%
Barings Eastern Trust - Class A GBP Inc		up to 5.00%
Barings Eastern Trust - Class A USD Acc		up to 5.00%
Barings Eastern Trust - Class D GBP Inc		Nil
Barings Eastern Trust - Class I GBP Acc		Nil
Barings Eastern Trust - Class I GBP Inc		Nil
Annual charge:		
Barings Eastern Trust - Class A GBP Acc		1.50%
Barings Eastern Trust - Class A GBP Inc		1.50%
Barings Eastern Trust - Class A USD Acc		1.50%
Barings Eastern Trust - Class D GBP Inc		0.60%
Barings Eastern Trust - Class I GBP Acc		0.75%
Barings Eastern Trust - Class I GBP Inc		0.75%

* 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.

Regulatory disclosure (continued)

The Trust at a glance on 28 February 2019 (continued)

Minimum initial investment:	
Barings Eastern Trust - Class A GBP Acc	£1,000
Barings Eastern Trust - Class A GBP Inc	£1,000
Barings Eastern Trust - Class A USD Acc	US\$5,000
Barings Eastern Trust - Class D GBP Inc	£30,000,000
Barings Eastern Trust - Class I GBP Acc	£10,000,000
Barings Eastern Trust - Class I GBP Inc	£10,000,000
Minimum subsequent investment:	
Barings Eastern Trust - Class A GBP Acc	£500
Barings Eastern Trust - Class A GBP Inc	£500
Barings Eastern Trust - Class A USD Acc	US\$2,500
Barings Eastern Trust - Class D GBP Inc	£500
Barings Eastern Trust - Class I GBP Acc	£500
Barings Eastern Trust - Class I GBP Inc	£500

Price per unit	Mid-price (pence/cents per unit)
Barings Eastern Trust - Class A GBP Acc	975.60p
Barings Eastern Trust - Class A GBP Inc	957.50p
Barings Eastern Trust - Class A USD Acc	1,296.00c
Barings Eastern Trust - Class D GBP Inc	989.20p
Barings Eastern Trust - Class I GBP Acc	1,010.00p
Barings Eastern Trust - Class I GBP Inc	987.10p

Revenue allocations and reports

The amount available for accumulation and distribution has been retained and will be included in the amount available for distribution in the period ending 31 August 2019. The payment date will be 31 October (final)*. The annual report and financial statements for the year ended 28 February 2018, and an interim report and financial statements for the year ended 28 February 2019 will be available on the Barings website at www.barings.com.

*See key changes during the year on page 7

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. Copies of the Prospectus, the KIID(s), and the annual or interim report and financial statements are also available in French, where applicable.

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.

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.

Regulatory disclosure (continued)

Market timing (continued)

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 can be obtained 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 periodic charge is 1.50% per annum for Class A GBP Acc, Class A GBP Inc, and Class A USD Acc, 0.60% per annum for Class D GBP Inc, and 0.75% per annum in respect of Class I GBP Acc and Class I GBP Inc.

Key changes during the year

- With effect from 8 October 2018, the name of the Administrator changed from Northern Trust Global Services Limited to Northern Trust Global Services SE UK Branch.
- With effect from 15 October 2018, the registered address for Baring Fund Managers Limited and Baring Asset Management Limited changed from:
155 Bishopsgate
London EC2M 3XY
United Kingdom
to:
20 Old Bailey
London EC4M 7BF
United Kingdom
- With effect from 28 November 2018, the Trustee changed from National Westminster Bank plc to NatWest Trustee and Depositary Services Limited.
- C. Biggins resigned as a Director of the Manager on 11 January 2019.
- E. Browning was appointed as a Director of the Manager on 22 January 2019.
- R. Kent was appointed as a Director of the Manager on 9 April 2019.
- With effect from 31 August 2019, the annual accounting date of the Trust is changing to 31 August of each year, and subsequent interim period ends are changing to the last day of February of each year.
- The FCA has issued a guideline for asset managers to have a provision for the compulsory conversion of unit classes when the conversion is in the best interest of investors. This flexibility is included in the prospectus. Any such conversion will require a 60 days' notice to investors before the conversion takes place.
- The investment strategy of the Barings Eastern Trust (the "Trust") is clarified to mention the Trust intends to meet the requirements to be classified as being an "equity fund" under the Investmentsteuergesetz (2018) and will invest at least 51% of its assets in direct equities.

General information for overseas investors (France and Germany)

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

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, or via the office of the French and German paying agents.

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.

Trust information

Change in net assets per unit	Barings Eastern Trust - Class A GBP Acc			Barings Eastern Trust - Class A GBP Inc		
	28/02/2019 (p)	28/02/2018 (p)	28/02/2017 (p)	28/02/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Opening net asset value per unit	1,126.01	848.26	652.58	1,105.08	832.39	640.38
Return before operating charges	(133.63)	295.06	209.57	(130.98)	289.92	205.61
Operating charges (calculated at average price)	(17.85)	(17.31)	(13.89)	(17.61)	(17.23)	(13.60)
Return after operating charges	(151.48)	277.75	195.68	(148.59)	272.69	192.01
Distributions on income units	–	–	–	–	–	–
Closing net asset value per unit	974.53	1,126.01	848.26	956.49	1,105.08	832.39
Retained distributions on accumulation units	–	–	–	–	–	–
After direct transaction costs*	4.82	2.92	5.53	4.76	2.90	5.42
Performance						
Return after charges	(13.45)%	32.74%	29.99%	(13.45)%	32.76%	29.98%
Other information						
Closing net asset value ('000)	£34,351	£50,925	£31,455	£106	£171	£79
Closing number of units	3,524,902	4,522,645	3,708,254	11,100	15,450	9,512
Operating charges	1.75%	1.70%	1.82%	1.75%	1.70%	1.82%
Direct transaction costs	0.47%	0.29%	0.72%	0.47%	0.29%	0.72%
Prices**						
Highest unit price	1,144.00	1,165.00	866.30	1,124.00	1,143.00	850.10
Lowest unit price	889.70	856.80	627.10	873.20	840.70	615.40

*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 are for the accounting year from 1 March to 28 February.

Trust information (continued)

Change in net assets per unit	Barings Eastern Trust - Class A USD Acc			Barings Eastern Trust - Class D GBP Inc		
	28/02/2019 (c)	28/02/2018 (c)	28/02/2017 (c)	28/02/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Opening net asset value per unit	1,557.90	1,055.43	904.15	1,131.18	849.42	695.50
Return before operating charges	(240.57)	527.39	168.59	(134.39)	298.12	164.02
Operating charges (calculated at average price)	(23.16)	(24.92)	(17.31)	(8.62)	(8.64)	(6.50)
Return after operating charges	(263.73)	502.47	151.28	(143.01)	289.48	157.52
Distributions on income units	–	–	–	–	(7.72)	(3.60)
Closing net asset value per unit	1,294.17	1,557.90	1,055.43	988.17	1,131.18	849.42
Retained distributions on accumulation units	–	–	–	–	–	–
After direct transaction costs*	6.26	4.20	6.89	4.81	3.13	5.68
Performance						
Return after charges	(16.93)%	47.61%	16.73%	(12.64)%	34.08%	22.65%
Other information						
Closing net asset value ('000)	\$4,164	\$2,495	\$185	£20,183	£14,079	£1,422
Closing number of units	321,762	160,157	17,526	2,042,441	1,244,606	167,389
Operating charges	1.75%	1.70%	1.82%	0.85%	0.79%	0.83%
Direct transaction costs	0.47%	0.29%	0.72%	0.47%	0.29%	0.72%
Prices**						
Highest unit price	1,586.00	1,627.00	1,100.00	1,150.00	1,177.00	867.70
Lowest unit price	1,135.00	1,050.00	915.90	899.00	858.00	625.80

*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 are for the accounting year from 1 March to 28 February.

Trust information (continued)

Change in net assets per unit	Barings Eastern Trust - Class I GBP Acc			Barings Eastern Trust - Class I GBP Inc		
	28/02/2019 (p)	28/02/2018 (p)	28/02/2017 (p)	28/02/2019 (p)	28/02/2018 (p)	28/02/2017 (p)
Opening net asset value per unit	1,155.83	863.92	659.64	1,130.59	849.44	649.86
Return before operating charges	(137.24)	301.97	212.67	(134.35)	297.12	209.55
Operating charges (calculated at average price)	(10.45)	(10.06)	(8.39)	(10.22)	(9.94)	(8.27)
Return after operating charges	(147.69)	291.91	204.28	(144.57)	287.18	201.28
Distributions on income units	–	–	–	–	(6.03)	(1.70)
Closing net asset value per unit	1,008.14	1,155.83	863.92	986.02	1,130.59	849.44
Retained distributions on accumulation units	–	6.12	1.66	–	–	–
After direct transaction costs*	4.95	3.04	5.69	4.84	3.00	5.60
Performance						
Return after charges	(12.78)%	33.79%	30.97%	(12.79)%	33.81%	30.97%
Other information						
Closing net asset value ('000)	£39,627	£38,475	£13,458	£24,360	£26,086	£8,605
Closing number of units	3,930,749	3,328,795	1,557,727	2,470,515	2,307,300	1,012,967
Operating charges	1.00%	0.95%	1.07%	1.00%	0.95%	1.07%
Direct transaction costs	0.47%	0.29%	0.72%	0.47%	0.29%	0.72%
Prices**						
Highest unit price	1,175.00	1,195.00	879.70	1,150.00	1,175.00	866.70
Lowest unit price	917.80	872.70	635.00	897.60	858.00	625.60

*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 are for the accounting year from 1 March to 28 February.

Report of the Investment Manager

The risk and reward profile

	SRRRI risk category* 28/02/2019	SRRRI risk category* 28/02/2018
Barings Eastern Trust - Class A GBP Acc	6	5
Barings Eastern Trust - Class A GBP Inc	6	6
Barings Eastern Trust - Class A USD Acc	5	5
Barings Eastern Trust - Class D GBP Inc	6	6
Barings Eastern Trust - Class I GBP Acc	5	5
Barings Eastern Trust - Class I GBP Inc	6	6

* 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 1–7 (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 presented are as of 28 February 2019 and have changed during the year as follows: Class A GBP Acc moved from 5 as at 28 February 2018 to 6 as at 28 February 2019 while other unit classes' SRRRI figures did not change.

Performance

During the period under review, the Barings Eastern Trust (the "Trust") produced an absolute net return for the class A GBP Acc unit class of -13.51%* compared with a return of -4.65% for the performance comparator. Performance was challenged due to stock selection especially among our holdings in the information technology sector. Escalating trade tensions and the consequential business investment slowdown leading to inventory overbuild in certain segments like DRAM industry weighed on sector performance. Stocks that detracted from relative performance included Taiwan's passive components manufacturer Yageo, as muted earnings and trade tensions weighed on its share price over the 6-month period. The stake in Malaysia's electronic government services My E.G. Services was another major drag to the Trust. Share price plummeted during 4th quarter of 2018, partly due to concerns that the company would potentially be implicated amid charges pressed against the country's former Deputy Prime Minister, despite clarifications made by the Malaysian Anti-Corruption Commission that the company and its board was not under the investigation. The stock price further weakened after the company posted tepid 3rd quarter of 2018 earnings results.

On the positive front, the lack of exposure to Chinese online search engine Baidu contributed, as share price weakened on mixed 4th quarter of 2018 results with in-line revenue growth but lower-than-consensus margin. Chinese liquor producer Kweichow Moutai also ended the 6-month period as a notable contributor to relative performance. Share price was buoyed by the positive product pricing outlook, while the company still sees a healthy liquor growth, and its comprehensive product mix and more direct sales to streamline the sales distribution are expected to help drive its 2019 sales growth.

* The Trust's return uses the midday prices and is net of fees and charges with gross revenue reinvested, whereas the return of the comparator is calculated using global close prices on a gross basis.

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Alibaba	9,163	Samsung Electronics - Preference Shares	4,198
POSCO	3,641	Globalwafers	3,690
Taiwan Semiconductor Manufacturing	3,512	Thai Oil	3,603
Kweichow Moutai	3,304	SK Innovation	3,597
Baidu	3,025	Largan Precision	3,027
SK Hynix	2,923	Yangzijiang Shipbuilding	2,908
Largan Precision	2,841	Samsung Biologics	2,869
Link REIT	2,796	ASMedia Technology	2,864
China Mobile	2,779	China Mobile	2,859
Shinsegae	2,758	POSCO	2,824

Market outlook

Going into 2019, we remain constructive on Asian equities despite a softer global growth outlook given some of the headwinds that the Asian markets endured in 2018 such as strength of the USD, Fed rate hikes, China deleveraging and high oil price, should very likely abate. With policies particularly in China and other Asia (as we head into elections in a few) becoming more pro-growth, the pace of earnings revisions should moderate and we are likely approaching the trough in earnings downgrades cycle. Given the market rally since the beginning of the year, and valuations having re-rated from very attractive levels seen in 4th quarter of 2018, we expect some market volatility in the short-term as the market attempts to price in an earnings recovery in the second half of 2019, while at the same time digesting likely poor first half of 2019 results and still soft economic prints.

The Trust continues to focus on bottom-up fundamentals with exposure to long-term domestic growth trends in Asia, notably China and South Asia, while at the same time looking for globally competitive Asian companies and brands. Among key growth thematic embedded in the Trust are changing and emerging consumption patterns in Asia, beneficiaries of the next secular growth areas in technology, and the rise of Asian brands in a global landscape. The recent correction in markets has seen selective growth companies with good quality being sold down to compelling levels, which indeed provided opportunities for bottom-up investors like us to initiate or add to such heavily sold-off stocks in which we have a high level of conviction, primarily those within consumption, financials, and information technology sectors within the Asia ex-Japan space. We are also looking into attractive opportunities within the China A-share universe, especially those that are positioned to benefit from the ongoing industry consolidation and consumption upgrade trend.

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.

Directors' statement

The financial statements on pages 18 to 19 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

J. SWAYNE Director

B. GREENE Director

London 23 April 2019

Portfolio statement

as at 28 February 2019

Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	Investment Funds: 1.34% (1.36%)		
	Ireland: 1.34% (1.36%)		
113,587	Barings China A-Share Fund	1,628,838	1.34
	Equities: 97.83% (94.24%)		
	China: 41.24% (31.45%)		
6,784,000	Agricultural Bank of China	2,436,224	2.00
61,107	Alibaba	8,480,933	6.97
1,906,000	Angang Steel	1,062,297	0.87
264,400	AsialInfo Technologies	243,830	0.20
2,230,000	AviChina Industry & Technology	1,187,353	0.98
1,842,000	China Communications Services	1,390,004	1.14
7,069,000	China Construction Bank	4,718,358	3.88
173,000	China Fortune Land Development	615,073	0.50
1,922,000	China Resources Cement	1,535,039	1.26
382,000	China Resources Land	1,071,843	0.88
527,000	China Shenhua Energy	977,048	0.80
1,140,000	CNOOC	1,478,167	1.21
33,604	Kweichow Moutai	2,853,644	2.34
1,634,000	Lenovo	1,106,297	0.91
1,290,500	Li Ning	1,359,411	1.12
570,500	Ping An Insurance Group of China	4,515,425	3.71
1,472,000	Shenzhen Expressway	1,216,518	1.00
191,000	Shenzhou	1,791,587	1.47
661,000	Shimao Property	1,174,842	0.96
447,600	STO Express	1,071,820	0.88
279,300	Tencent	8,981,559	7.38
224,500	ZTE	947,027	0.78
		50,214,299	41.24
	Hong Kong: 8.90% (6.01%)		
630,200	AIA	4,734,471	3.89
396,000	Galaxy Entertainment	2,112,275	1.73
95,900	Hong Kong Exchange	2,485,115	2.04
177,500	Link REIT	1,508,575	1.24
		10,840,436	8.90
	India: 11.48% (10.73%)		
133,026	HDFC Bank	2,922,673	2.40
406,602	ICICI Prudential Life Insurance India	1,384,142	1.14
92,902	IndusInd Bank	1,447,248	1.19
186,312	Infosys	1,445,298	1.19
467,819	ITC	1,366,090	1.12
221,920	Kajaria Ceramics	1,272,966	1.04
140,875	PI Industries	1,378,760	1.13
212,078	Reliance Industries	2,760,263	2.27
		13,977,440	11.48
	Indonesia: 2.35% (4.89%)		
9,375,800	Ace Hardware Indonesia	879,263	0.72
9,604,500	Bank Rakyat Indonesia Persero	1,975,918	1.63
		2,855,181	2.35

Portfolio statement (continued)

as at 28 February 2019

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 97.83% (94.24%) (continued)		
	Italy: 0.00% (0.35%)		
	Malaysia: 0.86% (0.90%)		
1,132,600	Hartalega	1,044,736	0.86
	Philippines: 2.32% (1.48%)		
132,410	Ayala	1,780,141	1.46
75,960	GT Capital	1,046,059	0.86
		2,826,200	2.32
	Singapore: 2.05% (2.73%)		
1,153,200	CapitaLand Commercial Trust	1,241,099	1.02
91,000	DBS	1,260,484	1.03
		2,501,583	2.05
	South Korea: 12.60% (14.06%)		
8,706	Hyundai Mobis	1,280,133	1.05
3,055	NCSOFT	941,295	0.77
21,354	POSCO	983,359	0.81
8,013	Samsung Electro-Mechanics	573,050	0.47
78,236	Samsung Electronics	2,358,288	1.94
109,965	Samsung Electronics - Preference Shares	2,645,883	2.17
7,230	Samsung SDI	1,145,250	0.94
42,001	Shinhan Financial	1,222,536	1.01
8,681	Shinsegae	1,317,071	1.08
61,391	SK Hynix	2,872,212	2.36
		15,339,077	12.60
	Taiwan: 10.45% (16.28%)		
624,560	Chailease	1,838,198	1.51
319,000	Delta Electronics	1,195,997	0.98
150,000	Hiwin Technologies	1,013,019	0.83
1,113,000	Taiwan Semiconductor Manufacturing	6,483,578	5.33
419,000	Taiwan Union Technology	1,023,399	0.84
102,000	TCI	1,172,171	0.96
		12,726,362	10.45
	Thailand: 4.29% (5.36%)		
1,440,200	Bangkok Dusit Medical Services	810,779	0.67
1,237,300	CP ALL	2,294,790	1.88
905,000	Indorama Ventures	1,111,792	0.91
2,235,000	Thai Beverage	1,009,501	0.83
		5,226,862	4.29

Portfolio statement (continued)

as at 28 February 2019

		Percentage Bid-Market of total net value assets (£) (%)	
Holdings	Investments		
	Equities: 97.83% (94.24%) (continued)		
	Vietnam: 1.29% (0.00%)		
550,000	Airports Corp of Vietnam	<u>1,566,441</u>	<u>1.29</u>
	Portfolio of investments: 99.17% (95.60%)	120,747,455	99.17
	Net other assets	1,010,241	0.83
	Net assets	<u>121,757,696</u>	<u>100.00</u>

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 28 February 2018.

Statement of total return

for the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(21,176)		19,401
Revenue	2,946		1,293	
Expenses	(1,553)		(1,021)	
Net revenue before taxation	<u>1,393</u>		<u>272</u>	
Taxation	(287)		(175)	
Net revenue after taxation		<u>1,106</u>		<u>97</u>
Total return before equalisation/ distributions		(20,070)		19,498
(Equalisation)/(distributions)		(94)		(171)
Change in net assets attributable to unitholders from investment activities		<u>(20,164)</u>		<u>19,327</u>

Statement of change in net assets attributable to unitholders

for the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		131,539		55,167
Amounts receivable on issue of units	85,940		83,646	
Amounts payable on cancellation of units	<u>(75,587)</u>		<u>(26,889)</u>	
		10,353		56,757
Dilution adjustment		30		84
Changes in net assets attributable to unitholders from investment activities		(20,164)		19,327
Retained distribution on accumulation units		–		204
Closing net assets attributable to unitholders		<u>121,758</u>		<u>131,539</u>

Balance sheet

as at 28 February 2019

	28/02/2019 £'000	28/02/2018 £'000
Assets		
Investment assets	120,747	125,794
Current assets:		
Debtors	4,766	2,475
Cash and bank balances	3,075	4,674
Total assets	<u>128,588</u>	<u>132,943</u>
Liabilities		
Creditors:		
Distribution payable on income units	–	(235)
Other creditors	(6,830)	(1,169)
Total liabilities	<u>(6,830)</u>	<u>(1,404)</u>
Net assets attributable to unitholders	<u>121,758</u>	<u>131,539</u>

Note to the financial statements

for the year ended 28 February 2019

The interim financial statements have been prepared on the same basis as the annual audited financial statements for the year ended 28 February 2018. They are in accordance with the historical cost convention, as modified by the revaluation of investments and the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 (the "IMA SORP 2014"). The financial statements have been prepared on a going concern basis.

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Important information:

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

Disclosure:

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BARINGS

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