



Barings Korea Feeder Fund
Interim Report & Unaudited Financial
Statements
for the half year ended 31 October 2018

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Management and administration

Alternative Investment Fund Manager (“AIFM”)

Baring International Fund Managers (Ireland) Limited

Registered office

70 Sir John Rogerson’s Quay

Dublin 2

D02 R296

Ireland

Telephone: + 353 1 542 2930

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Investment Manager of Barings Korea Feeder Fund (the Alternative Investment Fund (“AIF”)) and Barings Korea Trust (“the Trust”)

Baring Asset Management Limited*

20 Old Bailey

London EC4M 7BF

United Kingdom

Baring Asset Management (Asia) Limited**

35th Floor, Gloucester Tower

15 Queen’s Road Central

Hong Kong

Telephone: + 852 2 841 1411

Facsimile: + 852 2 973 3338

* The address of the Investment Manager changed on 15 October 2018 as detailed on page 4.

** Baring Asset Management (Asia) Limited is the delegated Sub-Investment Manager for the Fund as detailed in the Investment Manager’s report.

Depository

Northern Trust Fiduciary Services (Ireland) Limited

Georges Court

54-62 Townsend Street

Dublin 2

D02 R156

Ireland

Administrator and Registrar

Northern Trust International Fund Administration Services (Ireland) Limited

Georges Court

54-62 Townsend Street

Dublin 2

D02 R156

Ireland

Independent Auditors

PricewaterhouseCoopers

One Spencer Dock

North Wall Quay

Dublin 1

D01 X9R7

Ireland

Sponsoring Broker and Legal Advisers

As to Irish Law

Matheson

70 Sir John Rogerson’s Quay

Dublin 2

D02 R296

Ireland

As to Hong Kong Law

Deacons

Alexandra House

16-20 Chater Road

Central Hong Kong

Directors of the AIFM

Peter Clark (British)

James Cleary† (Irish)

David Conway† (Irish)

Barbara Healy† (Irish)

Timothy Schulze (United States)

Julian Swayne (British)

† Non-executive Directors independent of the Investment Manager.

Introduction

Barings Korea Feeder Fund (“the Fund”) is a unit trust scheme constituted under the laws of Ireland and has been authorised as a feeder fund into Barings Korea Trust (“the Trust”). The Manager, Baring International Fund Managers (Ireland) Limited, is authorised by the Central Bank of Ireland (“the CBI”) as an Alternative Investment Fund Manager (“AIFM”) pursuant to the European Union (“EU”) Regulations 2013, and therefore the Fund is classified as a Retail Investor Alternative Investment Fund (“RIAIF”) in accordance with the AIF Rulebook issued by the CBI. The Trust is authorised and regulated by the Financial Conduct Authority. The Trust is managed by Baring Fund Managers Limited. The Fund is also listed on Euronext Dublin (formerly known as the Irish Stock Exchange) Global Exchange Market.

As an investor in the Trust, the Fund’s money is pooled with that of other investors in the Trust and invested in the securities of South Korean companies listed on the Korea Exchange. The Trust will also participate in investments such as convertible bonds, fixed-interest stocks and mutual funds. As with all Funds managed by Baring International Fund Managers (Ireland) Limited, the risk assumed in this portfolio is carefully monitored.

As at 31 October 2018, the Fund had one class of units on offer at period-end. The Fund held 12,108,561 units (30 April 2018: 14,171,816) in the Trust, which represents approximately 44.18% (30 April 2018: 45.56%) of the authorised units in the Trust. The performance of the Fund is directly dependent on the performance of the Trust. The financial statements of the Trust should be read in conjunction with the Fund’s financial statements.

The year-end accounting date of the Trust changed from 8 August to 30 April, and the semi-annual accounting date of the Trust changed from 8 February to 31 October.

The trade receipt and valuation deadline for the interim accounts was 12pm on 31 October 2018.

Investment objective and policy

The investment objective of the Fund is to achieve long-term growth in the value of assets by investing in units of the Trust, which is a unit trust constituted in the United Kingdom and authorised by the Financial Conduct Authority. 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 and quoted or traded on the stock exchanges in Korea.

How the Trust is managed

Baring Asset Management Limited, in its capacity as investment manager to the Trust (“the Investment Manager”), invests the Trust in the South Korean equity market, and manages it 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. 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 have the potential to deliver better-than-expected earnings growth. Over the long term, the Investment Manager aims to deliver the majority of returns through active stock picking and expects to achieve most of the added value from stock selection.

The Investment Manager has further appointed Baring Asset Management (Asia) Limited as Sub-Investment Manager to the Trust.

Introduction (continued)

Risk profile

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

- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated.
- 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 the value of the Fund is at greater risk.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be higher risk.
- Derivative instruments can make a profit or a loss, and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the 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 asset.
- 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.

Key changes during the period

Change of address

With effect from 15 October 2018, the registered address for Baring Asset Management Limited changed from:

155 Bishopsgate
London EC2M 3XY
United Kingdom

To:
20 Old Bailey
London EC4M 7BF
United Kingdom

Barings Korea Feeder Fund – Investment Manager’s report

Performance

Barings Korea Feeder Fund (the “Fund”) registered an absolute gross return of -21.78% and outperformed the performance comparator – which gave a return of -24.37%* – during the reporting period. Korean equities fell in absolute terms, driven by a confluence of domestic drag, namely the weaker activity datapoints, and macro volatility on the back of heightened trade friction between the US and China, signs of slowdown in China’s economic momentum, the US Federal Reserve rates hike and the strengthening of the US dollar, which contributed to the weakness in the Korean currency.

Within the Barings Korea Trust (the “Trust”), Fila Korea was a strong contributor. Its share price was bolstered by better-than-expected quarterly earnings due to margin gains on an increased sales share of high-margin products at the US subsidiary, stronger sales growth, and improving profitability of domestic operations, while outlook continues to be rosy. The investment by the Trust, in Korean lime and refractories manufacturer POSCO Chemtech added value to the Fund’s relative outperformance, as the share price did well on a better margin outlook and alleviated raw material price pressure.

On the flip side, hypermarket business operator E-Mart was a notable drag to the relative performance of the Trust as the share price was pressured by regulatory headwinds and a dampened outlook. We have exited the position in the Trust, in light of the change in the company fundamentals. Samsung Biologics underperformed, largely due to concerns over the financial regulator’s investigation of its accounting surrounding its initial public offering.

Market outlook

Emerging market sentiment continues to be negatively influenced by sustained trade tensions and will put downward pressure on Korea’s growth profile given its concentration on the export market. Korea’s unique domestic elements and “niches” of economic drivers are likely to continue to benefit from the evolving secular growth dynamics and help place the nation ahead of its peers. The near-term market volatility should provide a favourable window for gaining exposure to investment opportunities with long-term attractive fundamentals. Korea is in a key position in terms of its economic development and technological level. Korea usually stands at the top of the list of research and development investment versus gross domestic product, 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 Fund’s return uses the midday prices, whereas the return of the comparator is calculated using global close prices.

**Baring Asset Management (Asia) Limited,
appointed as Sub-Investment Manager by
Baring Asset Management Limited.
November 2018**

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.

Balance sheet

As at 31 October 2018

		Barings Korea Feeder Fund 31/10/2018 US\$	Barings Korea Feeder Fund 30/04/2018 US\$
Assets	Notes		
Financial assets at fair value through profit or loss	2	48,428,668	73,018,373
Funds due from Barings Korea Trust		103,218	-
Cash and cash equivalents		77,158	86,889
Receivable for units sold		38,962	162,566
Trade and other receivables		58,523	2,809
Total assets		<u>48,706,529</u>	<u>73,270,637</u>
Liabilities			
Payable for units redeemed		(148,969)	(120,327)
Funds due to Barings Korea Trust		-	(51,077)
Management fees payable	3	(4,441)	(6,133)
Administration fees payable	3	(12,212)	(16,865)
Depositary fees payable	3	(2,151)	(2,612)
Trade and other payables		(113,379)	(94,483)
Total liabilities (excluding net assets attributable to equity holders)		<u>(281,152)</u>	<u>(291,497)</u>
Net assets attributable to equity holders		<u>48,425,377</u>	<u>72,979,140</u>
Units in issue (note 5)			
	Class A USD Acc	2,303,403	2,684,928

The accompanying notes form an integral part of these financial statements.

BARINGS

Statement of changes in equity

For the period ended 31 October 2018

	Notes	Barings Korea Feeder Fund 31/10/2018* US\$	Barings Korea Feeder Fund 08/02/2018** US\$
Net assets attributable to equity holders of redeemable participating units at the beginning of the period		72,979,140†	68,105,620
(Decrease)/increase in net assets for the period attributable to redeemable participating unitholders from operations		(15,110,843)	6,938,001
Issue of redeemable participating units for the period	5	9,671,204	21,830,112
Redemption of redeemable participating units for the period	5	(19,114,124)	(22,297,721)
Net assets attributable to equity holders at the end of the period		<u>48,425,377</u>	<u>74,576,012</u>

* For the period 1 May 2018 to 31 October 2018.

** For the period 9 August 2017 to 8 February 2018.

† The opening net assets attributed to unitholders for 31 October 2018 differ from the closing position on 8 February 2018 by the change in net assets attributable to unitholders for the period from 9 February 2018 to 30 April 2018.

The accompanying notes form an integral part of these financial statements.

BARINGS

Profit and loss account

For the period ended 31 October 2018

	Notes	Barings Korea Feeder Fund 31/10/2018* US\$	Barings Korea Feeder Fund 08/02/2018** US\$
Investment income			
Net fair value (loss)/gain on financial assets and liabilities at fair value through profit or loss	4	(14,913,489)	7,132,253
Total investment (expense)/income		<u>(14,913,489)</u>	<u>7,132,253</u>
Expenses			
Management fees	3	(30,680)	(35,825)
Administration fees	3	(84,369)	(98,519)
Depositary fees	3	(7,210)	(7,523)
General expenses	3	(75,075)	(52,082)
Total operating expenses		<u>(197,334)</u>	<u>(193,949)</u>
Net (expense)/income before finance costs		(15,110,823)	6,938,304
Finance costs			
Bank interest expense		(20)	(303)
Total finance costs		<u>(20)</u>	<u>(303)</u>
(Decrease)/increase in net assets for the period attributable to equity holders from operations		<u>(15,110,843)</u>	<u>6,938,001</u>

* For the period 1 May 2018 to 31 October 2018.

** For the period 9 August 2017 to 8 February 2018.

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements.

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Notes to the financial statements

1. Principal accounting policies

The principal accounting policies adopted by Barings Korea Feeder Fund (“the Fund”) are as follows:

Basis of preparation

In preparing the financial statements for the financial period ended 31 October 2018, Baring International Fund Managers (Ireland) Limited (“the Alternative Investment Fund Manager (“AIFM”)”) has applied Financial Reporting Standard 104 (“FRS 104”), “Interim Financial Reporting”, and these financial statements comply with that standard.

The Fund has been authorised by the Central Bank of Ireland (“the CBI”) and the Hong Kong Securities and Futures Commission (“SFC”) pursuant to the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed, supplemented or consolidated from time to time. The condensed interim financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute, comprising the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council (“FRC”).

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 April 2018, which have been prepared in accordance with accounting standards generally accepted in Ireland.

The Fund has availed of the exemption under Section 7 of Financial Reporting Standard 102 (“FRS 102”) not to prepare a cash flow statement.

The last business day of the Fund in the current financial period was 31 October 2018. The last valuation point on that day was 12pm.

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 30 April 2018.

FRS 104 requires that the profit and loss account and the statement of changes in net assets attributable to holders of redeemable participating units for the current interim period show the comparable interim period of the immediately preceding financial year. The balance sheet as at the end of the current interim period is required, under FRS 104, to disclose a comparative balance sheet as at the end of the immediately preceding financial year.

2. Fair value information

Fair value hierarchy

FRS 102 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input for the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

Notes to the financial statements (continued)

2. Fair value information (continued)

Fair value hierarchy (continued)

The determination of what constitutes ‘observable’ requires significant judgement by the AIFM. The AIFM considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The tables below set out the classification of the Fund's financial instruments measured at fair value in accordance with FRS 102:

As at 31/10/2018	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Barings Korea Feeder Fund				
Collective Investment Schemes	-	48,428,668	-	48,428,668
Total	-	48,428,668	-	48,428,668

As at 30/04/2018	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Barings Korea Feeder Fund				
Collective Investment Schemes	-	73,018,373	-	73,018,373
Total	-	73,018,373	-	73,018,373

3. Fees and related party disclosures

Management fees

The AIFM is entitled under the Trust Deed to make a management charge at a rate not exceeding 0.5% per annum (or such higher percentage per annum as may be approved by an extraordinary resolution of unitholders) of the value of the net assets of the Fund (“the Management Charge”). The Management Charge is payable monthly in arrears and is calculated by reference to the value of the net assets of the Fund as at each day on which the value of the net assets of the Fund is calculated. The AIFM currently makes a charge at the rate of 0.1% per annum, which may be increased to an amount not exceeding 0.5% per annum on giving not less than three months’ notice to the unitholders.

The Fund is managed by Baring International Fund Managers (Ireland) Limited, who have appointed Baring Asset Management Limited, an investment management company incorporated in London on 6 April 1994, as Investment Manager. The Investment Manager is part of the Barings LLC group and is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”). The outstanding amounts payable as at the end of the period for management fees are disclosed on the Fund’s balance sheet. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Peter Clark, Timothy Schulze and Julian Swayne are/were connected to the AIFM through employment with Barings LLC group and its subsidiaries.

The foregoing charges may be increased up to the relevant amount specified in the Prospectus on giving not less than three months’ notice to unitholders. The rates have not changed from the previous period.

Notes to the financial statements (continued)

3. Fees and related party disclosures (continued)

Administration fees

The AIFM shall be entitled to receive an administration fee out of the assets of the Fund at the rate of 0.275% per annum of the Net Asset Value of the Fund calculated by reference to the daily calculation of asset values and paid monthly in arrears. The fee will be subject to a minimum of £12,000 per annum. The AIFM will pay the fees of Northern Trust International Fund Administration Services (Ireland) Limited (“the Administrator”) and the Registrar out of the administration fee. The Administrator and Registrar are entitled to be reimbursed certain out-of-pocket expenses out of the assets of the Fund.

Depository fees

Northern Trust Fiduciary Services (Ireland) Limited (“the Depository”) is entitled under the Trust Deed to receive out of the assets of the Fund a Trustee fee at the rate of up to 0.025% per annum of the value of the net assets of the Fund, payable monthly in arrears. In addition, the Depository will also charge transaction fees, safekeeping fees and account maintenance charges out of the assets of the Fund, which shall be at normal commercial rates. The Depository is entitled to be reimbursed all fees and charges of sub-custodians appointed by it and all other out-of-pocket expenses incurred by it. Any sub-custodian fees will be charged at normal commercial fees.

Legal fee

The fees paid to Deacons during the period amounted to US\$72,212 (8 February 2018: US\$22,776). The fees paid to Matheson during the period amounted to US\$28,483 (8 February 2018: US\$9,026).

Other expenses

The Depository pays out of the assets of the Fund the above fees and expenses, stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, listing fees and legal expenses of the AIFM. The costs of printing and distributing reports, accounts and any prospectus and of publishing prices, and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law) are also paid out of the assets of the Fund.

Collective Investment Schemes

The Fund invests in another Collective Investment Schemes managed by the Investment Manager. This holding is detailed in the portfolio statement. The investment in the Collective Investment Scheme managed by the Investment Manager is at arm’s length and at normal commercial rates. The management fee rate is also charged at the Trust level. Please refer to the Trust’s Prospectus for further details.

Transaction costs

There were no transaction costs incurred by the Fund for the period ended 31 October 2018 (30 April 2018: nil).

Notes to the financial statements (continued)

3. Fees and related party disclosures (continued)

Significant unitholdings

The following table details significant concentrations in unitholdings of the Fund or instances where the units are beneficially held by other Investment Funds managed by Baring International Fund Managers (Ireland) Limited or one of its affiliates. As at 31 October 2018, the following had significant unitholdings in the Fund:

Fund name	Number of unitholders with beneficial interest greater than 20% of the units in issue	Total % of units held by unitholders with beneficial interest greater than 20% of the units in issue	Total % of units held by Investment Funds managed by Baring International Fund Managers (Ireland) Limited or affiliates
Baring Korea Feeder Fund	2 (30/04/2018: nil)	41.59% (30/04/2018: nil)	4.80% (30/04/2018: 4.24%)

4. Net (losses)/gains on investments

The following table analyses the realised and unrealised gains and losses on investments and currencies from the profit and loss account on page 8. This requirement complies with the CBI's AIF Rulebook.

	31/10/2018*	08/02/2018**
	US\$	US\$
Realised gains on sale of investments	2,195,145	1,745,198
Realised losses on sale of investments	(592,932)	(10,430)
Realised currency gains	218,290	157,001
Realised currency losses	(234,755)	(179,290)
Unrealised (losses)/gains on investments	(16,498,931)	5,425,761
Unrealised currency gains	322	3,308
Unrealised currency losses	(628)	(9,295)
	<u>(14,913,489)</u>	<u>7,132,253</u>

* For the period 1 May 2018 to 31 October 2018.

** For the period 9 August 2017 to 8 February 2018.

5. Units issued and redeemed

Barings Korea Feeder Fund	Class A USD Acc	Class A USD Acc
Units	31/10/2018	30/04/2018
Units in issue at the beginning of the period	2,684,928	2,942,934
Units issued during the period	388,898	1,037,576
Units redeemed during the period	(770,423)	(1,295,582)
Units in issue at the end of the period	<u>2,303,403</u>	<u>2,684,928</u>

Notes to the financial statements (continued)

6. Soft commission arrangements

The Investment Manager will pay for research from their own books, as such commission paid on trades will be “execution only”, which is the agreed cost for that broker to settle the trade.

7. Comparative statistics

	31/10/2018	30/04/2018	08/08/2017
Total Net Asset Value	US\$	US\$	US\$
Barings Korea Feeder Fund - Class A USD Acc	US\$48,425,377	US\$72,979,140	US\$68,105,620

	31/10/2018	30/04/2018	08/08/2017
Net Asset Value per unit	US\$	US\$	US\$
Barings Korea Feeder Fund - Class A USD Acc	US\$21.02	US\$27.18	US\$23.14

8. Exchange rates

The exchange rates used at the period/year-end were as follows:

	Exchange rate to US\$ 31/10/2018	Exchange rate to US\$ 30/04/2018
Euro	0.8814	0.8268
Pound sterling	0.7828	0.7286

9. Transactions with connected parties

The CBI’s Alternative Investment Fund (“AIF”) Rulebook requires that any transaction carried out with the Fund by a Promoter, AIFM, Depositary, and/or Investment Manager and/or associate of the Fund, or a group of companies of these (“connected parties”), are carried out as if negotiated at arm’s length and are in the best interests of the unitholders.

The Directors of the AIFM are satisfied that there are arrangements in place to ensure that this requirement is applied to all transactions with connected parties, and that all transactions with connected parties during the period complied with the requirement.

10. Bank facilities

There is a bank overdraft facility in place with The Northern Trust Company (“TNTC”). An “uncommitted” multi-currency loan facility has been made available by TNTC to the Fund. As at 31 October 2018, there was no amount drawn down on this facility (8 February 2018: same).

11. Efficient portfolio management

During the period ended 31 October 2018, the Fund did not engage in any efficient portfolio management techniques (30 April 2018: same).

Notes to the financial statements (continued)

12. Taxation

Under current law and practice, the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (“the TCA”). On that basis, it is not chargeable to Irish tax on its income or capital gains.

However, Irish tax can arise on the happening of a chargeable event in the Fund. A chargeable event includes any distribution payments to unitholders or any encashment, redemption, transfer or cancellation of units and any deemed disposal of units for Irish tax purposes arising as a result of holding units in the Fund for a period of eight years or more.

No Irish tax will arise in respect of chargeable events due to a unitholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither an Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Fund or the Fund has been authorised by Irish Revenue to make gross payments in the absence of appropriate declarations.

Capital gains, dividends and interest received on investments made by the Fund may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its unitholders.

13. Significant events

Please refer to the key changes during the period on page 4.

14. Subsequent events

There have been no events subsequent to the period-end which, in the opinion of the Directors of the AIFM, may have had a material impact on these financial statements.

15. Approval of financial statements

The financial statements were approved by the Directors of the AIFM on 13 December 2018.

Portfolio statement

As at 31 October 2018

Investment unit trust	Holding as at 30/04/2018	Nominal purchases	Nominal sales	Holding as at 31/10/2018	Fair value in US\$ as at 31/10/2018	% of NAV
Barings Korea Trust	14,171,816	1,436,149	(3,499,404)	12,108,561	48,428,668	100.01
Cash and cash equivalents					77,158	0.16
Other net liabilities					(80,449)	(0.17)
Net assets attributable to equity holders					48,425,377	100.00

As at 30 April 2018

Investment unit trust	Holding as at 08/08/2017	Nominal purchases	Nominal sales	Holding as at 30/04/2018	Fair value in US\$ as at 30/04/2018	% of NAV
Barings Korea Trust	15,606,732	2,708,666	(4,143,582)	14,171,816	73,018,373	100.05
Cash and cash equivalents					86,889	0.12
Other net liabilities					(126,122)	(0.17)
Net assets attributable to equity holders					72,979,140	100.00

General information

Barings Korea Feeder Fund (“the Fund”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited (“the Alternative Investment Fund Manager (“AIFM”)”). The Fund is a feeder fund investing solely in the units of Barings Korea Trust (“the Trust”), a United Kingdom authorised unit trust scheme, which has also been authorised by the Securities and Futures Commission in Hong Kong.

Each redeemable participating unit in the Fund represents one undivided unit in the property of the Fund.

The Fund is valued on each dealing day following the initial issue of units of the relevant class, and such units may normally be purchased or realised by application to the AIFM c/o the Administrator on a dealing day. Dealing days are every business day and/or such other day or days as the AIFM may, with the approval of Northern Trust Fiduciary Services (Ireland) Limited (“the Depository”), determine (as will be notified in advance to unitholders), provided that such day is also a dealing day in respect of the Trust and provided further that there shall be at least two dealing days in each month. A business day is any day, other than a Saturday or Sunday, on which banks in both Dublin and London are open for business.

The AIFM may decline any application for redeemable participating units in whole or in part and will not accept subscriptions for units of an amount (inclusive of the preliminary charge) which is less than US\$5,000. A preliminary charge of up to 6% (or such higher amounts as may be approved by an extraordinary resolution) of the amount invested may be made and retained by the AIFM, but it is the intention of the AIFM that such charge should not, until further notice, exceed 5%. Redeemable participating units in the Trust will, however, be acquired by the Fund at the creation price, the effect of which is that there will be no initial charge made on the acquisition of units in the Trust.

The Fund is constituted under the laws of Ireland by a Trust Deed dated 2 October 1992 (such deed as amended from time to time being hereinafter referred to as the “Trust Deed”) made between the AIFM and the Depository.

All unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed.

Information in this section is selective and should be read in conjunction with the full text of the Prospectus.

Market timing

Repeatedly purchasing and selling redeemable participating units in the Fund in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the AIFM’s investment strategy and increase the Fund’s expenses to the prejudice of all unitholders. The Fund is not intended for market timing or excessive trading. To deter these activities, the AIFM may refuse to accept an application for redeemable participating units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Trust.

The AIFM reserves the right to redeem redeemable participating units from a unitholder on the basis of the circumstances of the unitholder concerned, or if it has reasonable grounds to believe that the unitholder is engaging in any activity which might result in the Fund or its unitholders as a whole suffering any legal, regulatory, reputational or other material disadvantage which the Fund or its unitholders as a whole might not otherwise have suffered.

Particulars relating to the Trust

Particulars relating to the Trust are contained in the Prospectus, copies of which, together with the latest published Manager’s report, can be obtained, free of charge, from Baring Asset Management Limited at 20 Old Bailey, London EC4M 7BF, United Kingdom.

Appendix 1 – Additional information Hong Kong code

Highest issue and lowest redemption prices

The highest issue and lowest redemption prices of the Fund during the period/year are stated below:

	31/10/2018	30/04/2018	08/08/2017	08/08/2016	08/08/2015
	US\$	US\$	US\$	US\$	US\$
Highest issue price during the period/year	27.61	28.19	24.16	24.27	25.95
Lowest redemption price during the period/year	20.84	22.15	18.54	18.87	20.63

	08/08/2014	08/08/2013	08/08/2012	08/08/2011	08/08/2010
	US\$	US\$	US\$	US\$	US\$
Highest issue price during the period/year	24.69	24.05	23.50	27.66	20.30
Lowest redemption price during the period/year	20.12	19.13	19.01	18.56	15.50

Appendix 2 – Securities financing transactions regulation

The securities financing transactions regulation requires Baring International Fund Managers (Ireland) Limited (“the AIFM”) to comply with a series of obligations. In particular, the AIFM is required to provide investors with information on the use of securities financial transactions (“SFTs”) and total return swaps (“TRSs”) by Barings Korea Feeder Fund (“the Fund”) in all interim and annual reports published from 13 January 2017.

During the period 1 May 2018 to 31 October 2018, the Trust did not enter into SFTs or TRSs.

Registered address:

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Important information:

This document is approved and issued by Baring International Fund Managers (Ireland) Limited.

Disclosure:

Baring International Fund Managers (Ireland) Limited
Authorised and regulated by the Central Bank of Ireland
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