

BARINGS



Barings Korea Trust

Interim Report & Unaudited Financial
Statements

for the half year ended 31 October 2018

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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.

* See Key changes during the period on page 7

Directors

C. Biggins

B. Greene

J. Swayne

Registered office*

20 Old Bailey

London, EC4M 7BF

* See Key changes during the period on page 7

Trustee

National Westminster Bank Plc

Trustee & Depositary Services

Floor 1, 280 Bishopsgate

London, EC2M 4RB

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA.

Registrar

Northern Trust Global Services SE

P.O. Box 55736

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

Introduction

Baring Fund Managers Limited (the “Manager”) has delegated its day-to-day investment management responsibilities in relation to the Barings Korea 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 the securities of South Korean companies listed on the Korean Exchange. The Trust will also participate in investments such as convertible bonds, fixed-interest stocks and mutual funds. 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 during the period under review. The 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. Finally, the report of the Manager gives details of any revenue generated by the Trust.

Investment objective and policy

The investment objective of the Barings Korea Trust (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.

While the Trust will aim to diversify its investments, allocations to certain 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 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.

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

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.
- 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.

Investment objective and policy (continued)

Risk profile (continued)

- 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.

Please refer to the Prospectus for the full risk profile.

Constitution

Barings Korea Trust (the "Trust") is constituted by a Trust Deed between Baring Fund Managers Limited (the "Manager") and National Westminster Bank Plc (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 Korea 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 31 October 2018

Total Trust size:		£86.84 million
OCF*:	31/10/2018	30/04/2018
Barings Korea Trust - Class A GBP Accumulation ("Acc") units	1.68%	1.61%
Barings Korea Trust - Class I GBP Acc	0.93%	0.86%
Barings Korea Trust - Class I GBP Income ("Inc") units	0.93%	0.86%
Barings Korea Trust - Class I USD Acc	0.93%	0.86%
Initial charge:		
Barings Korea Trust - Class A GBP Acc		up to 5.00%
Barings Korea Trust - Class I GBP Acc		Nil
Barings Korea Trust - Class I GBP Inc		Nil
Barings Korea Trust - Class I USD Acc		Nil
Annual charge:		
Barings Korea Trust - Class A GBP Acc		1.50%
Barings Korea Trust - Class I GBP Acc		0.75%
Barings Korea Trust - Class I GBP Inc		0.75%
Barings Korea Trust - Class I USD Acc		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 period. It includes fees paid for investment management, trustee, and general charges.

Regulatory disclosure (continued)

The Trust at a glance on 31 October 2018 (continued)

Annualised net yield**:	
Barings Korea Trust - Class A GBP Acc	N/A
Barings Korea Trust - Class I GBP Acc	0.37%
Barings Korea Trust - Class I GBP Inc	0.36%
Barings Korea Trust - Class I USD Acc	0.37%
Minimum initial investment:	
Barings Korea Trust - Class A GBP Acc	£1,000
Barings Korea Trust - Class I GBP Acc	£10,000,000
Barings Korea Trust - Class I GBP Inc	£10,000,000
Barings Korea Trust - Class I USD Acc	US\$10,000,000
Minimum subsequent investment:	
Barings Korea Trust - Class A GBP Acc	£500
Barings Korea Trust - Class I GBP Acc	£500
Barings Korea Trust - Class I GBP Inc	£500
Barings Korea Trust - Class I USD Acc	US\$2,500
Revenue available per unit:	
Barings Korea Trust - Class A GBP Acc	Nil
Barings Korea Trust - Class I GBP Acc	Nil
Barings Korea Trust - Class I GBP Inc	Nil
Barings Korea Trust - Class I USD Acc	Nil

** Calculated based on mid-price and distribution as of the latest annual report and financial statements for the year ended 30 April 2018. The Trust is an annual-paying fund, hence, no distributions for annualised net yield calculation are available for interim report and financial statements for the period ended 31 October 2018.

Price per unit	Mid (selling) price
Barings Korea Trust - Class A GBP Acc	313.10p
Barings Korea Trust - Class I GBP Acc	326.80p
Barings Korea Trust - Class I GBP Inc	323.10p
Barings Korea Trust - Class I USD Acc	US\$4.188

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 annual report and financial statements for the year ended 30 April 2018 and an interim report and financial statements for the period ended 31 October 2018 will be available on the Baring Asset Management Limited website at www.barings.com.

Prospectus and Manager's report

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

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.

Regulatory disclosure (continued)

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 price of units

The prices of units are published on the Barings website at www.baring.com and on the “Daily Fund Prices” page of the Investment Association website at www.theinvestmentassociation.org. 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 periodic charge is 1.50% per annum for Class A GBP Acc units and 0.75% in respect of Class I GBP Acc units, Class I GBP Inc units and Class I USD Acc units.

Key changes during the period

- With effect from 8 October 2018, the name of the Administrator changed from Northern Trust Global Services Limited to Northern Trust Global Services SE.
- 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

Securities Financing Transaction Regulation (“SFTR”) disclosure

The SFTR applies to the Manager as a UCITS management company and requires the Manager to comply with a series of obligations. In particular, the Manager will be required to provide investors with information on the use of securities financing transactions (“SFTs”) and total return swaps (“TRSs”) by the Trust 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 and TRSs. Should this change in the future, the interim and annual reports for the Trust will disclose all required information on the use of SFTs and TRSs.

General information for overseas investors (Austria, France, Germany, Sweden and Switzerland)

Austrian paying and information agent

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Wein
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 GmbH
Ulmenstraße 37-39
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 and the annual and interim reports and financial statements are available on www.barings.com, or via the Austrian, French, German, Swedish, and Swiss paying agents.

General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (continued)

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, the KIID(s), the last annual and interim reports, copies of the Trust Deed (and any amendments thereto) and 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. Unit prices (Net Asset Value with the words “plus commissions”) are published daily on the internet at www.fundinfo.com.

Important information on the performance tables on page 11

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 a Guideline of the SFA dated 16 May 2008, the Manager is required to publish a total expense ratio (“TER”) for the Trust for the first part of the current accounting period and the second part of the previous accounting period. The TER has been established by the Manager and draws upon the data contained in the “Statement of total return” (the Manager’s management fee, registration fees, trustee fees, safe custody charges, audit fees, FCA and other regulatory fees and taxation fees as well as any further fees and costs listed in the “Statement of total return” account and 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 TER for each class for the period ending 31 October 2018 and year ending 30 April 2018 are as follows:

	TER 31 October 2018 %	TER 30 April 2018 %
Barings Korea Trust - Class A GBP Acc	1.68	1.61
Barings Korea Trust - Class I GBP Acc	0.93	0.86
Barings Korea Trust - Class I GBP Inc	0.93	0.86
Barings Korea Trust - Class I USD Acc	0.93	0.86

General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (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).

General information for overseas investors (Austria, France, Germany, Sweden and Switzerland) (continued)

Performance record to 31 October 2018 (including distribution payments where applicable)

	01/05/2018 - 31/10/2018 %	09/08/2017 - 30/04/2018 %	09/08/2016 - 08/08/2017 %	09/08/2015 - 08/08/2016 %	09/08/2014 - 08/08/2015 %
Barings Korea Trust - Class A GBP Acc (GBP terms)	(16.60)	12.03	6.86	9.92	8.36
Korea SE Composite Index (KOSPI) (GBP terms)	(18.48)	4.12	16.84	26.29	(4.59)
Barings Korea Trust - Class I GBP Acc (GBP terms)*	(16.29)	12.67	7.61	10.77	9.22
Barings Korea Trust - Class I GBP Inc (GBP terms)*	(16.31)	12.62	7.65	10.80	9.13
Barings Korea Trust - Class I USD Acc (USD terms)*	(22.10)	18.60	7.77	(6.68)	(3.26)

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

Source: Morningstar/Barings/KOSPI.

The Trust was launched on 3 November 1992.

* The Class I GBP Inc unit class was launched on 17 December 2012.

The Class I GBP Acc unit class was launched on 2 December 2013.

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

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

Trust information

Change in net assets per unit	Barings Korea Trust - Class A GBP Acc			Barings Korea Trust - Class I GBP Acc		
	31/10/2018 (p)	30/04/2018 (p)	08/08/2017 (p)	31/10/2018 (p)	30/04/2018 (p)	08/08/2017 (p)
Opening net asset value per unit	374.93	334.75	315.99	389.87	346.14	322.95
Return before operating charges	(59.18)	44.32	18.81	(61.69)	46.03	23.27
Operating charges (calculated at average price)	(3.00)	(4.14)	(0.05)	(1.71)	(2.30)	(0.08)
Return after operating charges	(62.18)	40.18	18.76	(63.40)	43.73	23.19
Closing net asset value per unit	312.75	374.93	334.75	326.47	389.87	346.14
Retained distributions on accumulation units	-	-	-	-	1.43	-
After direct transaction costs*	1.52	1.87	4.52	1.57	1.94	12.02
Performance						
Return after charges	(16.58%)	12.00%	5.94%	(16.26%)	12.63%	7.18%
Other information						
Closing net asset value (£'000)	60,385	80,130	78,897	12,093	8,358	7,984
Closing number of units	19,307,887	21,372,100	23,568,890	3,704,353	2,143,772	2,306,545
Operating charges	1.68%	1.61%	1.66%	0.93%	0.86%	0.91%
Direct transaction costs	0.43%	0.53%	1.40%	0.43%	0.53%	1.40%
Prices**						
Highest unit price	389.50	381.80	349.80	405.40	396.20	361.50
Lowest unit price	311.20	320.00	271.90	324.80	331.20	279.80

* 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 spreads and underlying costs with regard to Investment Funds 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 period from 1 May 2018 to 31 October 2018 and the years from 9 August 2017 to 30 April 2018 and 9 August 2016 to 8 August 2017, respectively.

Trust information (continued)

Change in net assets per unit	Barings Korea Trust - Class I GBP Inc			Barings Korea Trust - Class I USD Acc		
	31/10/2018 (p)	30/04/2018 (p)	08/08/2017 (p)	31/10/2018 (\$)	30/04/2018 (\$)	08/08/2017 (\$)
Opening net asset value per unit	385.60	343.70	323.23	5.369	4.528	4.213
Return before operating charges	(61.12)	45.58	22.11	1.168	0.873	0.355
Operating charges (calculated at average price)	(1.73)	(2.28)	(0.03)	(0.017)	(0.032)	(0.040)
Return after operating charges	(62.85)	43.30	22.08	(1.185)	0.841	0.315
Distributions on income units	-	(1.40)	(1.61)			-
Closing net asset value per unit	322.75	385.60	343.70	4.184	5.369	4.528
Retained distributions on accumulation units	-	-	-	-	0.020	0.010
After direct transaction costs*	1.59	1.93	3.97	1.59	2.68	5.42
Performance						
Return after charges	(16.30%)	12.60%	6.33%	(22.07%)	18.58%	(7.48%)
Other information						
Closing net asset value (£'000/\$'000)	3,229	12,701	9,769	14,215	23,052	19,693
Closing number of units	1,000,574	3,293,786	2,842,240	3,397,409	4,293,459	4,349,307
Operating charges	0.93%	0.86%	0.91%	0.93%	0.86%	0.91%
Direct transaction costs	0.43%	0.53%	1.40%	0.43%	0.53%	1.40%
Prices**						
Highest unit price	400.90	393.20	286.50	5.469	5.557	4.730
Lowest unit price	321.10	328.80	273.90	4.152	4.338	3.595

* 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 spreads and underlying costs with regard to Investment Funds 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 period from 1 May 2018 to 31 October 2018 and the years from 9 August 2017 to 30 April 2018 and 9 August 2016 to 8 August 2017, respectively.

Trust information (continued)

Other relevant published prices

Accounting period		Barings Korea Trust - Class A GBP Acc*		
		Offer price (pence per unit)	Mid-price (pence per unit)	Bid price (pence per unit)
03/11/1992	Launch date	50.00	-	47.40
31/10/2018	Financial statements date	-	313.10	-
12/12/2018	Latest date	-	316.70	-

Accounting period		Barings Korea Trust - Class I GBP Acc*		
		Offer price (pence per unit)	Mid-price (pence per unit)	Bid price (pence per unit)
02/12/2013	Launch date	259.90	-	257.80
31/10/2018	Financial statements date	-	326.80	-
12/12/2018	Latest date	-	330.90	-

Accounting period		Barings Korea Trust - Class I GBP Inc*		
		Offer price (pence per unit)	Mid-price (pence per unit)	Bid price (pence per unit)
17/12/2012	Launch date	261.90	-	259.60
31/10/2018	Financial statements date	-	323.10	-
12/12/2018	Latest date	-	327.20	-

Accounting period		Barings Korea Trust - Class I USD Acc *		
		Offer price (US\$ per unit)	Mid-price (US\$ per unit)	Bid price (US\$ per unit)
26/05/2015	Launch date	3.054	-	3.053
31/10/2018	Financial statements date	-	4.188	-
12/12/2018	Latest date	-	4.165	-

* The Trust converted from dual to single pricing on Monday 12 December 2016 and, therefore, offer price and bid price are not applied from/after the date conversion.

Report of the Investment Manager

Risk and reward profile

	SRRRI risk category* 31/10/2018	SRRRI risk category* 30/04/2018
Barings Korea Trust - Class A GBP Acc	6	6
Barings Korea Trust - Class I GBP Acc	6	6
Barings Korea Trust - Class I GBP Inc	6	6
Barings Korea Trust - Class I USD Acc	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 period-end, is not guaranteed and may change over time. The risk categories are measured from 1 to 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Trust's units are 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 shown have not changed during the period.

Performance

Barings Korea Trust (the "Trust") registered an absolute gross return of -15.90% on the Class A GBP Acc unit class and outperformed the performance comparator (which gave a return of -18.48%) during the reporting period. Korean equities fell in absolute terms, driven by a confluence of domestic drag, (namely the weaker macro prints) 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 ("Fed") rate hike and the strengthening of US dollar, which contributed to the weakness in the Korean currency.

Fila Korea was a strong contributor to the Trust. Share price was bolstered by the better-than-expected quarterly earnings due to margin gains on increased sales share of high-margin products at the US subsidiary, stronger sales growth, and improving profitability of domestic operations, and the outlook continues to be rosy. The investment in Korean lime and refractories manufacturer POSCO Chemtech added value to the Trust'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 relative performance, as the share price was pressured by regulatory headwinds and a dampened outlook. We have exited the position in light of the change in the company fundamentals. Samsung Biologics underperformed, largely due to concerns over the financial regulator's investigation into its accounting surrounding its initial public offering.

Report of the Investment Manager (continued)

Performance (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Northern Trust Global Funds - Sterling Fund†	46,653	Northern Trust Global Funds - Sterling Fund†	46,583
Samsung Biologics	4,998	Hotel Shilla	5,930
Samsung Fire & Marine Insurance	4,243	Shinsegae	4,629
Shinhan Financial	3,910	Hyundai Heavy Industries	3,961
LG Uplus	3,597	KIWOOM Securities	3,850
LG Innotek	3,283	Kumho Petrochemical	3,687
Cosmax	3,251	E-MART	3,521
Korea Investment Holdings	3,188	LG Electronics	3,481
Samsung Engineering	2,969	S-Oil	3,478
SK Materials	2,776	Orion Corp/Republic of Korea	3,263

† Shares in Investment Funds listed in Ireland. Uninvested cash from the Trust is swept into this Fund daily.

Market outlook

Emerging market sentiment continues to be negatively influenced by sustained trade tensions and will put downward pressure on Korea's near-term growth profile given its export market concentration. That said, 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 getting 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 remains in the spotlight for pioneering Korean enterprises. It is in these leading edge sectors and companies where the majority of Korea's growth will come through.

Baring Asset Management (Asia) Limited Appointed as Sub-Investment Manager by Baring Asset Management Limited December 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.

Report of the Investment Manager (continued)

Revenue

The amount available for accumulation and distribution has been retained and will be included in the amount available for distribution in the year ending 30 April 2019.

Post balance sheet events

After the period-end, market fluctuations resulted in changes to the published price. These are shown in the "Other relevant published prices" table on page 14.

Portfolio information

Major holdings - % of total net assets

Top ten holdings	31/10/2018 %	30/04/2018 %
Samsung Electronics	9.56	9.80
Northern Trust Global Funds - Sterling Fund†	5.93	3.01
Samsung Fire & Marine Insurance	5.11	0.00
SK Hynix	4.94	6.46
Shinhan Financial	4.37	0.00
SK Telecom	4.07	2.55
Samsung Engineering	3.22	0.00
Samsung SDI	3.19	1.77
SK Materials	3.09	0.00
LG Household & Health Care	2.96	2.45

† Shares in Investment Funds listed in Ireland. Uninvested cash from the Trust is swept into this Fund daily.

Geographical breakdown - % of total net assets

The Trust's main country of investment is South Korea.

Sector breakdown - % of total net assets

Sector	31/10/2018 %	30/04/2018 %
Apparel	2.85	0.00
Auto Manufacturers	1.34	4.21
Auto Parts and Equipment	2.04	0.80
Biotechnology	3.69	2.37
Chemicals	2.23	8.89
Commercial Services	2.26	0.00
Computers	1.67	0.00
Cosmetics/Personal Care	2.96	4.50
Diversified Financial Services	8.00	4.91
Electric	1.08	2.62
Electrical Components & Equipment	0.00	3.12
Electronics	7.61	5.52

Portfolio information (continued)

Sector breakdown - % of total net assets (continued)

Sector	31/10/2018 %	30/04/2018 %
Energy-Alternate Sources	0.00	1.51
Engineering & Construction	4.16	2.34
Entertainment	0.00	1.32
Food	1.66	2.30
Healthcare Products	1.92	2.06
Insurance	5.11	0.38
Internet	0.32	2.66
Investment Funds †	5.93	3.01
Iron/Steel	2.24	2.64
Mining	2.05	0.00
Miscellaneous Manufacturing	4.98	0.00
Oil & Gas	5.21	5.10
Pharmaceuticals	0.00	0.36
Retail	1.50	13.17
Semiconductors	14.50	16.26
Shipbuilding	0.00	3.68
Software	1.36	0.00
Telecommunications	10.11	4.32
Transportation	0.00	1.86

Asset type breakdown - % of total net assets

Asset type	31/10/2018 %	30/04/2018 %
Investment Funds †	5.93	3.01
Equities	90.85	96.90
Net other assets	3.22	0.09

† Shares in Investment Funds listed in Ireland. Uninvested cash from the Trust is swept into this Fund daily.

Directors' statement

The financial statements on pages 25 to 26 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

J. SWAYNE Director

C. BIGGINS Director

London 14 December 2018

Portfolio statement

as at 31 October 2018

		Bid-market value (£)	Percentage of total net assets (%)
Holdings	Investments		
	Investment Funds: 5.93% (3.01%)		
5,148,000	Northern Trust Global Funds - Sterling Fund†	5,148,000	5.93
	Equities: 90.85% (96.90%)		
	Apparel: 2.85% (0.00%)		
85,694	Fila Korea	2,472,517	2.85
	Auto Manufacturers: 1.34% (4.21%)		
15,970	Hyundai Motor	1,162,922	1.34
	Auto Parts & Equipment: 2.04% (0.80%)		
236,361	Hanon Systems	1,769,873	2.04
	Biotechnology: 3.69% (2.37%)		
16,215	Medipost	871,091	1.00
8,774	Samsung Biologics	2,332,643	2.69
		3,203,734	3.69
	Chemicals: 2.23% (8.89%)		
8,127	LG Chem	1,931,728	2.23
	Commercial Services: 2.26% (0.00%)		
228,398	NICE Total Cash Management	1,961,291	2.26
	Computers: 1.67% (0.00%)		
8,074	SK	1,447,668	1.67
	Cosmetics/Personal Care: 2.96% (4.50%)		
3,585	LG Household & Health Care	2,566,236	2.96
	Diversified Financial Services: 8.00% (4.91%)		
43,417	Hana Financial	1,142,348	1.32
61,704	KB Financial	2,009,238	2.31
129,880	Shinhan Financial	3,796,483	4.37
		6,948,069	8.00

Portfolio statement (continued)

as at 31 October 2018

Holdings	Investments	Bid-market value (£)	Percentage of total net assets (%)
	Equities: 90.85% (96.90%) (continued)		
	Electric: 1.08% (2.62%)		
50,622	Korea Electric Power	938,951	1.08
	Electrical Components & Equipment: 0.00% (3.12%)		
	Electronics: 7.61% (5.52%)		
29,746	Ijin Materials	928,757	1.07
652,576	ISU Petasys	2,501,526	2.88
17,893	Koh Young Technology	1,108,739	1.27
25,574	Samsung Electro-Mechanics	2,073,100	2.39
		6,612,122	7.61
	Energy-Alternate Sources: 0.00% (1.51%)		
	Engineering & Construction: 4.16% (2.34%)		
28,396	GS Engineering & Construction	813,454	0.94
223,695	Samsung Engineering	2,796,838	3.22
		3,610,292	4.16
	Entertainment: 0.00% (1.32%)		
	Food: 1.66% (2.30%)		
12,456	BGF Retail	1,441,844	1.66
	Healthcare Products: 1.92% (2.06%)		
33,647	Dentium	1,671,184	1.92
	Insurance: 5.11% (0.38%)		
23,234	Samsung Fire & Marine Insurance	4,437,194	5.11
	Internet: 0.32% (2.66%)		
3,638	CAFE24	276,162	0.32
	Iron/Steel: 2.24% (2.64%)		
11,017	POSCO	1,948,858	2.24

Portfolio statement (continued)

as at 31 October 2018

Holdings	Investments	Bid-market value (£)	Percentage of total net assets (%)
	Equities: 90.85% (96.90%) (continued)		
	Mining: 2.05% (0.00%)		
6,831	Korea Zinc	1,778,538	2.05
	Miscellaneous Manufacturing: 4.98% (0.00%)		
36,722	POSCO Chemtech	1,642,279	1.89
20,968	SK Materials	2,682,109	3.09
		4,324,388	4.98
	Oil & Gas: 5.21% (5.10%)		
15,808	SK Innovation	2,313,110	2.66
26,058	S-Oil	2,210,791	2.55
		3,116,015	2.64
	Pharmaceuticals: 0.00% (0.36%)		
	Retail: 1.50% (13.17%)		
17,524	Samsung C&T	1,306,179	1.50
	Semiconductors: 14.50% (16.26%)		
285,435	Samsung Electronics	8,304,248	9.56
91,719	SK Hynix	4,290,877	4.94
		12,595,125	14.50
	Shipbuilding: 0.00% (3.68%)		
	Software: 1.36% (0.00%)		
39,558	Douzone Bizon	1,178,048	1.36
	Telecommunications: 10.11% (4.32%)		
223,357	LG Uplus	2,478,060	2.85
17,098	Samsung SDI	2,766,151	3.19
19,253	SK Telecom	3,538,033	4.07
		8,782,244	10.11

Portfolio statement (continued)

as at 31 October 2018

	Bid-market value (£)	Percentage of total net assets (%)
Holdings		
Investments		
Equities: 90.85% (96.90%) (continued)		
Transportation: 0.00% (1.86%)		
Portfolio of Investments: 96.78% (99.91%)	84,037,068	96.78
Net other assets	2,798,734	3.22
Net assets	86,835,802	100.00

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.

† Shares in Investment Funds. Uninvested cash from the Trust is swept into this Fund daily.

Comparative figures shown in brackets relate to 30 April 2018.

Statement of total return

for the period ended 31 October 2018

	31/10/2018		08/02/2018	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(18,042)		3,568
Revenue	298		1,360	
Expenses	(769)		(835)	
Net (expense)/revenue before taxation	(471)		525	
Taxation	(64)		(298)	
Net expense after taxation		(535)		(227)
Total return before distributions		(18,577)		3,795
Distributions		-		17
Change in the net assets attributable to unitholders from investment activities		(18,577)		3,812

Statement of change in net assets attributable to unitholders

for the period ended 31 October 2018

	31/10/2018		08/02/2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders*		117,985		111,760
Amounts receivable on issue of units	17,289		26,294	
Amounts payable on cancellation of units	(29,906)		(20,823)	
		(12,617)		5,471
Change in the net assets attributable to unitholders from investment activities		(18,577)		(3,812)
Dilution adjustment		45		-
Closing net assets attributable to unitholders		86,836		121,043

* The opening net assets attributable to unitholders for 31 October 2018 differs to the closing position in 8 February 2018 by the change in net assets attributable to unitholders for the second half of the comparative financial year and the change of year-end from 8 August 2018 to 30 April 2018.

Balance sheet

as at 31 October 2018

	31/10/2018	30/04/2018
	£'000	£'000
Assets		
Investment assets	84,037	117,874
Current assets:		
Debtors	4,764	348
Cash and bank balances	1,435	1,422
Total assets	<u>90,236</u>	<u>119,644</u>
Liabilities		
Creditors:		
Other creditors	(3,400)	(1,613)
Distribution payable	-	(46)
Total liabilities	<u>(3,400)</u>	<u>(1,659)</u>
Net assets attributable to unitholders	<u><u>86,836</u></u>	<u><u>117,985</u></u>

Note to the financial statements

for the period ended 31 October 2018

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 April 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:

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

BARINGS

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