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**IMPORTANT:** This document is important and requires your immediate attention. If you have any questions about the content of this document, you should seek independent professional advice. The Directors of Baring Fund Managers Limited (the “Manager”) accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document misleading at the date of issuance. Unless otherwise defined, terms used in this document shall have the same meanings as those defined in the Hong Kong prospectus dated July 2015 (“Prospectus”).

**To Unitholders of Baring Europe Select Trust (the “Trust”)**

16 March 2016

Dear Unitholder

**RE: Introduction of Capacity Limit to the Trust**

**Summary**

To ensure the Trust does not become too large in size to be effectively managed, it has become necessary to restrict new investments into the Trust.

The purpose of this letter is to i) provide you with information on and the rationale for introducing the limited issue powers in the Prospectus of the Trust; and ii) to provide you with notice of activation of these limited issue powers.

If you have any questions, our contact details are at the end of the letter.

**Background**

The Trust’s investment objective is to achieve long-term capital growth by investing in securities of European companies. The Trust has seen consistent and strong inflows over a number of years. As at 29 February 2016, the Trust’s Net Asset Value was approximately £1.53 billion.

We review the fund range on an ongoing basis to ensure that investment strategies remain fit for purpose. Recent analysis of the Trust showed that should the size of the Trust continue to grow, it may become difficult to implement the investment strategy effectively.

Therefore, in order to control the growth of the Trust’s size and to best ensure that the investment strategy can continue to be implemented optimally, we will be introducing powers to the Prospectus that allow the further issue of units in the Trust to be restricted if necessary. This will help us in our aim of achieving the investment objective of the Trust while at the same time protecting the best interests of unitholders of the Trust.

**Prospectus Update**

The Prospectus for the Trust will be updated on 23 March 2016 to introduce limited issue powers in the Trust. This means that if the Trust’s Net Asset Value amounts to and/or exceeds £1.5 billion, the Manager may limit the issue of further units of the Trust. The following disclosures will be added to the Prospectus under the section entitled “Buying Units”:-

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### ***“Limited Issue of units (Baring Europe Select Trust only)***

*During such period as the Net Asset Value of the Baring Europe Select Trust amounts to and/or exceeds £1.5 billion, the Manager may, at its absolute discretion and after giving at least 60 days’ notice to Unitholders in the Trust, limit the issue of units in the Trust in circumstances where it believes that further investment in those units after the expiry of that 60 day notice period would be detrimental to the Trust, in one of the following ways:*

- a) the further issue of units might cause material prejudice to existing unitholders;*
- b) the further issue of units might require the Investment Manager to consider restructuring the Trust’s investment model and approach; or*
- c) the further issue of units might result in the inability of the Trust to liquidate holdings in a timely manner.*

*Notwithstanding the implementation of such limitation, units may still be issued in the Trust at the discretion of the Manager where the proceeds of that issue can be invested without compromising the Trust’s investment objective or materially prejudicing existing unitholders in the Trust, such as on further reinvestment of distributable income, further purchases of units by existing investors or under an existing monthly savings plan.*

*At any time after notification has been given to unitholders as envisaged above the Manager may, at its absolute discretion, on further notification to unitholders, immediately wholly limit the issue of units in the Trust in circumstances where it believes that further investment in those units would be detrimental to the Trust in one of the ways set out above. In this event, no further units may be issued in the Trust unless the Manager believes the proceeds of the issue of units can be invested without compromising the Trust’s investment objective or materially prejudicing existing unitholders in the Trust, and further notification to unitholders is given.*

*Any changes to the status of the Trust as set out above will be notified by the Manager in writing and on the website.*

*The issue of units as envisaged in either case above may remain limited at the discretion of the Manager if the Net Asset Value of the Trust subsequently falls below £1.5 billion. In such circumstances, to avoid if possible the issue of units being resumed only for a short time before becoming limited again, the Manager will review relevant factors including the amount by which the Net Asset Value is lower than £1.5 billion and for how long it has been or is likely to remain so.”*

### **Activation of limited issue**

As the Trust’s Net Asset Value has exceeded £1.5 billion, this letter provides formal notice of our intention to activate the limited issue powers with effect from Monday 23 May 2016.

### **What does this mean for you?**

As an existing unitholder in the Trust your current holding will not be affected by the introduction and activation of limited issue powers in the Trust.

The use of the limited issue powers is only intended to allow the Trust to be managed effectively and to protect the interests of unitholders of the Trust.

### **Will redemptions be affected if the Trust moves to limited issue?**

No. There will be no change to redemption rights should the Trust limit the issue of further units.

### **Will further investments in the Trust then be possible when the Trust uses the limited issue powers?**

In general, once the Trust has moved to a limited issue status, there are some exceptions where further investments may be made, at the discretion of the Manager, without compromising the Trust’s investment objective or materially prejudicing existing holders, such as on further reinvestment of distributable income,

further purchases of units by existing investors or under an existing monthly savings plan. If you want to make a further purchase, you may contact your local servicing team for more details.

In addition, we may re-open the Trust on notice to investors if we believe that further investments can be made without compromising the Trust's investment objective, or materially prejudicing its existing unitholders.

**Do you need to take any action?**

No. This letter is for information only and no action is required from you.

**Further Information**

The Prospectus for the Trust will be updated to reflect the above-mentioned amendments and will be available free of charge at the office of the Hong Kong Representative at the address listed below.

Should you have any questions with regard to the contents of this letter, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at [HK.Mutual.Fund.Sales@barings.com](mailto:HK.Mutual.Fund.Sales@barings.com), or by letter at the following address: 19th Floor, Edinburgh Tower, 15 Queen's Road Central, Central, Hong Kong. Alternatively you may wish to speak to your Financial Adviser.

Yours faithfully



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David Stevenson

Director, Baring Fund Managers Limited

**重要提示：**此乃重要文件，務須閣下即時垂注。如閣下對本文件的內容有任何疑問，閣下應尋求獨立專業意見。**Baring Fund Managers Limited**（「經理」）的董事對本文件所載資料的準確性承擔全部責任，並於作出一切合理查詢後確認，就其所知及所信，並無遺漏任何其他事實以致本文件的任何陳述於其刊發日期具有誤導性。除非另有訂明，否則本文件所載的所有特定詞語應與日期為 2015 年 7 月的香港基金說明書（「基金說明書」）所載者具相同涵義。

致：霸菱歐洲精選基金（「信託基金」）的單位持有人

親愛的單位持有人：

### 有關：引進信託基金的投資上限

#### 概要

為了確保信託基金不會因為規模過大而無法有效管理，有必要限制對信託基金作出的新投資。

此信件之目的乃 i) 向閣下提供有關在信託基金的基金說明書中引進限制發行單位的權力的資料及其原因，及 ii) 向閣下提供啓動該限制發行權力的通知。

如閣下有任何疑問，聯繫方式詳載於本信件末端。

#### 背景

信託基金之投資目標為透過投資於歐洲公司之證券，以達致長遠資本增值。近數年，資金持續穩健流入信託基金。截至 2016 年 2 月 29 日，信託基金之資產淨值約為 15.3 億英鎊。

吾等持續地檢討基金系列，以確保投資策略維持切合所需。最近對信託基金的分析顯示，如信託基金的規模繼續增長，或可能使其變得難以有效實施投資策略。

有鑑於此，我們將於基金說明書引進權力以容許於必要時限制信託基金的單位之進一步發行，以控制信託基金的規模增長，以盡量確保投資策略可以繼續以最理想形式實施。此舉將有助吾等達致信託基金之投資目標的目的，同時亦能保障單位持有人的最佳利益。

#### 基金說明書之更新

信託基金之基金說明書將由 2016 年 3 月 23 日起作出更新，以引進限制發行信託基金單位的權力，即如果信託基金的資產淨值達到及／或超過 15 億英鎊，經理可限制進一步發行單位。基金說明書標題為「買入單位」一節將加插以下披露：

##### **「限制發行單位(只適用於霸菱歐洲精選基金)」**

於霸菱歐洲精選基金的資產淨值達到及／或超過 15 億英鎊之期間，倘經理認為在下述 60 日通知期後進一步投資於該等單位會對信託基金造成以下其中一種不利情況，經理可絕對酌情決定限制發行霸菱歐洲精選基金的單位，惟須先向信託基金的單位持有人發出最少 60 日的通知：

- a) 進一步發行單位可能對現有單位持有人造成重大損害；
- b) 進一步發行單位可能需要投資經理考慮重整信託基金的投資模式及方法；或
- c) 進一步發行單位可能導致信託基金不能及時地出售持有的投資。

儘管實施該項限制，如果發行所得款項可在不會違背信託基金的投資目標或不會對信託基金的現有單位持有人造成重大損害的情況下被投資，例如將可分派收入進一步再投資、現有投資者進一步申購單位或根據現有每月儲蓄計劃再申購單位，單位仍可在經理酌情決定下予以發行。

在向單位持有人發出上文預期發出的通知後，倘經理認為進一步投資於該等單位會對信託基金造成上述其中一種不利情況，經理可在任何時間絕對酌情即時全盤限制發行信託基金的單位，惟須向單位持有人發出進一步通知。在此情況下，除非經理認為發行單位所得款項可在不會違背信託基金的投資目標或不會對信託基金的現有單位持有人造成重大損害的情況下被投資，否則概不會進一步發行信託基金的單位，其時將會向單位持有人發出進一步通知。

經理將就上述對信託基金的狀況作出的任何變更以書面方式及於網站上作出通知。

如果信託基金的資產淨值隨後下跌至低於 15 億英鎊，在經理酌情決定下仍可在上文所預期的兩種情況下限制單位的發行。在該情況下，為了盡量避免在恢復發行單位後不久又實施限制發行，經理將會檢討相關因素，包括資產淨值較 15 億英鎊相差多少金額，以及情況已持續的時間或可能仍需持續的時間。」

### 啓動限制發行

茲因信託基金的資產淨值已超出 15 億英鎊，而本信函特此作出正式通知吾等有意由 2016 年 5 月 23 日星期一起啓動限制發行信託基金單位的權力。

### 這對閣下意味著甚麼？

作為信託基金的現有單位持有人，閣下的現有持股將不會受引入及啓動限制發行信託基金的單位之權力所影響。

運用限制發行單位的權力僅為使信託基金進行有效的管理，以及保障信託基金單位持有人的利益。

### 如信託基金實施限制發行單位，贖回會否受到影響？

不會。當信託基金限制進一步發行單位時，贖回權利將不受影響。

### 在信託基金運用限制發行單位權力時，是否有可能進一步投資於信託基金？

一般而言，當信託基金實施限制發行單位時，在若干例外情況下，信託基金可在經理酌情決定，在不會違背信託基金的投資目標或不會對信託基金的現有單位持有人造成重大損害的情況下作進一步投資，例如進一步將可分派收入再作投資、現有投資者進一步申購單位或根據現有每月儲蓄計劃再申購單位。如閣下有意進一步申購單位，閣下可與閣下的本地服務團隊聯繫，以了解詳情。

此外，倘吾等認為進一步投資於該等單位不會違背信託基金的投資目標或不會對信託基金的現有單位持有人造成重大損害，其時將會向單位持有人發出恢復發行單位的通知。

### 閣下是否需要採取任何行動？

不需要。本信件僅供參考，閣下無須採取行動。

### 進一步資料

信託基金的基金說明書將作出更新，以反映上述修訂，該等文件將可於香港代表的辦事處（地址於下文載列）免費取得。

如閣下對本函件的內容有任何疑問，請聯絡香港代表霸菱資產管理（亞洲）有限公司，電話：(852) 2841 1411，電郵：HK.Mutual.Fund.Sales@barings.com，或致函至以下地址：香港中環皇后大道中 15 號公爵大廈 19 樓。另外，閣下亦可聯絡閣下的財務顧問。



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David Stevenson

Baring Fund Managers Limited 董事

謹啟

日期：2016年3月16日