



Barings UK Unit Trusts

Annual Report & Audited Financial
Statements

for the year ended 31 August 2021

Barings UK Unit Trusts
Annual Report and Audited Financial Statements

For the year ended 31 August 2021

Contents

Introduction	3
Trusts Available in Hong Kong	3
Barings Dynamic Capital Growth Fund	4
Barings Eastern Trust	27
Barings European Growth Trust	64
Barings Europe Select Trust	94
Barings German Growth Trust	132
Barings Japan Growth Trust	170
Barings Strategic Bond Fund	200
The Risk and Reward profile*	232
Important Information*	235
Disclosure for Overseas Investors	239
Unit Price History - Hong Kong Registered Trusts	246
Directory*	254

* These pages, together with the investment report, directors' statement, trust information table disclosure and portfolio statement of each trust comprise the Manager's Report

Barings UK Unit Trusts

Introduction

These Annual Reports and Audited Financial Statements cover the period from 1 September 2020 to 31 August 2021 and review the performance and market outlook for seven of the unit trusts managed by Baring Fund Managers Limited (“the Manager”). These comprise the Barings Dynamic Capital Growth Fund, the Barings Eastern Trust, the Barings European Growth Trust, the Barings Europe Select Trust, the Barings German Growth Trust, the Barings Japan Growth Trust and the Barings Strategic Bond Fund (“the Trusts”).

Baring Asset Management Limited is the Investment Manager for the Trusts.

The functional and presentational currency for all the Trusts is Sterling except for the Barings German Growth Trust where the functional and presentational currency is Euros.

As an investor in one of the Trusts, your money is pooled with that of other investors in the same Trust and invested by the Manager in line with the Investment Objective of the particular trust.

The Barings Dynamic Capital Growth Fund (the “Fund”) closed on 3 December 2019, Barings Japan Growth Trust (the “Trust”) closed on 6 December 2021 and the closure of Barings Strategic Bond Fund (the “Fund”) has been approved by the Manager and the expected closure date is 18 January 2022, therefore the financial statements for these Trusts have been produced on a basis other than Going Concern for the current year. The financial statements for the other Trusts have been produced on a Going Concern basis.

For further information about the Trusts please visit the Barings website, www.barings.com.

Trusts Available in Hong Kong

Warning: In relation to the Trusts as set out in this annual report, only the following Trusts are authorised by the Securities and Futures Commission (“SFC”) pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong (“SFO”) and hence may be offered to the public of Hong Kong:

- Barings Europe Select Trust
- Barings Eastern Trust
- Barings European Growth Trust
- Barings German Growth Trust

The SFC’s authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Please note that this annual financial report is a global document and therefore also contains information of the following Trusts which are not authorised by the SFC in Hong Kong and not available to the public in Hong Kong.

- Barings Dynamic Capital Growth Fund
- Barings Japan Growth Trust
- Barings Strategic Bond Fund

No offer shall be made to the public of Hong Kong in respect of the above unauthorised Trusts and unauthorised collective investment schemes.

COVID-19

The spread of COVID-19 around the world in 2020 caused significant volatility in international markets. There remains significant uncertainty around the breadth and duration of business disruptions related to further COVID-19 variants, as well as its impact on the international economies and, as such, the Manager continues to actively monitor the extent of the impact to its operations, financial accounting and reporting.

Barings Dynamic Capital Growth Fund

Investment Objective and Policy and Fund at a Glance

Fund Closure

Following a review of the Fund, the Directors resolved on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund and unitholders were offered a Scheme of Election to switch their holding into the Barings Multi Asset Fund. Any units which were not switched were redeemed on 3 December 2019, the closing date of the Fund and proceeds were returned to the unitholders.

Investment Objective and Policy

The investment objective of Barings Dynamic Capital Growth Fund (the "Fund") was to achieve capital growth by investing globally.

In order to achieve this objective, the Fund invested directly and indirectly across a range of asset classes, such as equities and equity-related securities, fixed income, currencies, deposits, cash and money market instruments. Exposure might be gained indirectly to alternative investments.

In order to implement the investment policy, the Fund gained exposure through transferable securities, or collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager). It also used derivatives including futures, options, warrants, swaps and forward contracts for efficient portfolio management and for investment purposes.

Please refer to the Prospectus for the full investment objective and policy.

Performance Assessment

The Fund was not managed to a benchmark, nor did the Manager use a benchmark in assessing the Fund's performance. Investors may however refer to the information in the Morningstar's GBP Flexible Allocation Category which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

How the Fund was Managed

The Manager used the ideas generated by the Strategic Policy Group, our global macro research asset allocation group, to choose what we believed were the best investments to achieve the investment objectives of the Fund. This means we constructed a portfolio of stocks or bonds from a mix of companies, countries and sectors to suit our asset allocation policy at that point in time.

We believed that asset allocation was the most important driver of returns. It was important to be in the right market at the right time, and to be able to retreat to a more defensive position to help manage risk. We followed a two-stage investment process that assessed both long-term return opportunities, driven by slowly evolving macroeconomic factors, and shorter-term opportunities generated by market volatility. We maintained a forward-looking approach and were conscious that what proved to be a defensive asset in a previous downturn may not always be suitable. We used our wide investment universe to ensure that we avoided over diversification and focused on assets that we believed were appropriate for the prevailing economic and market cycle.

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.
- The rating of a bond is subject to change. There is no guarantee that a bond issuer will pay the interest due or repay the loan, which would result in a loss of income to the Fund, along with its initial investment. Bond values are likely to fall if interest rates rise.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater 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 Fund's value rises and falls and could expose the Fund 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.

Barings Dynamic Capital Growth Fund

Investment Objective and Policy and Fund at a Glance (continued)

Risk Profile (continued)

- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

The Fund at a Glance on 31 August 2021

Total Fund size: 31 August 2021*	£Nil	
Total Fund size: 31 August 2020*	£Nil	
OCF**	31/08/2021	31/08/2020
Class A GBP Acc	N/A	N/A
Class A GBP Inc	N/A	N/A
Class D GBP Acc***	N/A	N/A
Class I GBP Acc	N/A	N/A
Class I GBP Inc	N/A	N/A
	Initial charge	Annual charge
Class A GBP Acc	up to 5.00%	0.75%
Class A GBP Inc	up to 5.00%	0.75%
Class D GBP Acc***	Nil	0.30%
Class I GBP Acc	Nil	0.50%
Class I GBP Inc	Nil	0.50%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class D GBP Acc***	£20,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

* The Fund ceased trading on 3 December 2019 and the Fund value as at 2 December 2019 was £21.72 million.

** The Ongoing Charge Figure ("OCF") reflected the payments and expenses which cover aspects of operating the Fund and was deducted from the assets over the period. It included fees paid for the investment management, trustee and general charges. Due to the Fund ceased trading on 3 December 2019, there is no OCF.

*** Class D units were only available for subscription by certain distributors who had in place a placing agency agreement or distribution agreement with the Manager or the Investment Manager or their delegates or otherwise at the discretion of the Manager.

The Fund ceased trading and was fully redeemed on 3 December 2019. No prices were available after 2 December 2019.

Barings Dynamic Capital Growth Fund

Fund Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2021	31/08/2020*	31/08/2019	31/08/2021	31/08/2020*	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	–	767.83	737.31	–	278.25	270.52
Return before operating charges	–	14.33	34.62	–	5.22	12.72
Operating charges	–	(7.36)	(4.10)	–	(2.67)	(1.51)
Return after operating charges	–	6.97	30.52	–	2.55	11.21
Distributions	–	(3.46)	(9.50)	–	(1.20)	(3.48)
Retained distributions on accumulation units	–	3.46	9.50	–	–	–
Last quoted unit price	–	774.80	–	–	279.60	–
Closing net asset value per unit	–	–	767.83	–	–	278.25
after direct transaction costs of**	–	1.04	0.09	–	0.38	0.03
Performance						
Return after charges	–	0.91%	4.14%	–	0.92%	4.14%
Other information						
Closing net asset value ('000)	£–	£–	£3,060	£–	£–	£10,347
Closing number of units	–	–	398,509	–	–	3,718,639
Operating charges	–	0.95%	1.00%	–	0.95%	1.00%
Direct transaction costs	–	–	0.01%	–	–	0.01%
Prices***						
Highest unit price	–	778.80	780.00	–	282.10	286.20
Lowest unit price	–	766.20	737.50	–	277.60	270.90
	Class D GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2021	31/08/2020*	31/08/2019	31/08/2021	31/08/2020*	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	–	318.79	305.36	–	775.43	743.57
Return before operating charges	–	1.84	14.37	–	9.04	34.97
Operating charges	–	(0.43)	(0.94)	–	(1.47)	(3.11)
Return after operating charges	–	1.41	13.43	–	7.57	31.86
Distributions	–	(1.74)	(4.70)	–	(3.94)	(10.62)
Retained distributions on accumulation units	–	1.74	4.70	–	3.94	10.62
Last quoted unit price	–	320.20	–	–	783.00	–
Closing net asset value per unit	–	–	318.79	–	–	775.43
after direct transaction costs of**	–	0.12	0.04	–	0.28	0.09
Performance						
Return after charges	–	0.44%	4.40%	–	0.98%	4.28%
Other information						
Closing net asset value ('000)	£–	£–	£38	£–	£–	£1,049
Closing number of units	–	–	11,820	–	–	135,358
Operating charges	–	0.50%	0.55%	–	0.70%	0.75%
Direct transaction costs	–	–	0.01%	–	–	0.01%
Prices***						
Highest unit price	–	323.50	323.70	–	786.60	787.60
Lowest unit price	–	318.30	305.50	–	774.00	743.90

*The Fund's last trading date was 3 December 2019 and prices were only available for the period from 1 September 2019 to 3 December 2019.

**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 Fund and unit class returns before operating charges.

***High/low prices included in the table above were for prior accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 February 2019 to 31 August 2019, respectively.

Barings Dynamic Capital Growth Fund

Fund Information (continued)

Class I GBP Inc - Distribution units			
	31/08/2021	31/08/2020*	31/08/2019
	(p)	(p)	(p)
Change in net assets per unit			
Opening net asset value per unit	–	278.28	270.54
Return before operating charges	–	3.23	12.73
Operating charges	–	(0.53)	(1.13)
Return after operating charges	–	2.70	11.60
Distributions	–	(1.38)	(3.86)
Last quoted unit price	–	279.60	–
Closing net asset value per unit	–	–	278.28
after direct transaction costs of**	–	0.10	0.03
Performance			
Return after charges	–	0.97%	4.29%
Other information			
Closing net asset value ('000)	£–	£–	£10,821
Closing number of units	–	–	3,888,654
Operating charges	–	0.70%	0.75%
Direct transaction costs	–	–	0.01%
Prices***			
Highest unit price	–	282.30	286.60
Lowest unit price	–	277.70	270.90

*The Fund's last trading date was 3 December 2019 and prices were only available for the period from 1 September 2019 to 3 December 2019.

**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 Fund and unit class returns before operating charges.

***High/low prices included in the table above were for prior accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 February 2019 to 31 August 2019, respectively.

Barings Dynamic Capital Growth Fund

Report of the Investment Manager

Clients of the Fund received a notification on the 10th of September 2019 regarding the Fund liquidation with the option to 'switch' to hold new shares in the Barings Multi Asset Fund (Elected Fund) upon Fund liquidation. The Fund liquidation and the 'switch' took place on the 3rd December 2019. This was not a merger.

Barings Dynamic Capital Growth Fund

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Dynamic Capital Growth Fund (the "Fund") and of its net expenses and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Fund in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the "Fund") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

Barings Dynamic Capital Growth Fund

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Dynamic Capital Growth Fund (the "Fund") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services

London 21 December 2021

Barings Dynamic Capital Growth Fund

Directors' Statement

The financial statements on pages 16 to 25 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings Dynamic Capital Growth Fund

Portfolio Statement

as at 31 August 2021

The Fund ceased investment activity on 3 December 2019. The Fund had nil investments for both years ended 31 August 2021 and 31 August 2020.

Barings Dynamic Capital Growth Fund

Independent auditors' Report to the Unitholders of Barings Dynamic Capital Growth Fund

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Dynamic Capital Growth Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 August 2021 and of the net expense and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 17); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 16); the distribution tables (pages 26); and the notes to the financial statements (pages 18 to 25), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of Matter – Basis of Preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 of the financial statements (page 18) which describes the Manager's reasons why the financial statements for the Barings Dynamic Capital Growth Fund have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Barings Dynamic Capital Growth Fund

Independent auditors' Report to the Unitholders of Barings Dynamic Capital Growth Fund (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Fund/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings Dynamic Capital Growth Fund

Independent auditors' Report to the Unitholders of Barings Dynamic Capital Growth Fund (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

21 December 2021

Barings Dynamic Capital Growth Fund

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		6		127
Revenue	3	(1)		163	
Expenses	4	(22)		(52)	
Net (expense)/revenue before taxation		(23)		111	
Taxation	5	3		(8)	
Net (expense)/revenue after taxation			(20)		103
Total return before distributions			(14)		230
Distributions	6		–		(112)
Change in net assets attributable to unitholders from investment activities			(14)		118

Statement of Change in Net Assets Attributable to Unitholders

		31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			–		25,315
Amounts receivable on issue of units		–		128	
Amounts payable on cancellation of units		–		(25,577)	
			–		(25,449)
Amount receivable from termination			14		–
Changes in net assets attributable to unitholders from investment activities			(14)		118
Retained distribution on accumulation units	6		–		12
Unclaimed distributions			–		4
Closing net assets attributable to unitholders			–		–

The fund ceased investment activity on 3 December 2019.

Barings Dynamic Capital Growth Fund**Balance Sheet**as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Current assets:			
Debtors	8	18	6
Cash and bank balances	9	2	18
Total assets		<u>20</u>	<u>24</u>
Liabilities			
Creditors:			
Other creditors	10	(20)	(24)
Total liabilities		<u>(20)</u>	<u>(24)</u>
Net assets attributable to unitholders		<u><u>–</u></u>	<u><u>–</u></u>

The fund ceased investment activity on 3 December 2019.

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a basis other than going concern following the Manager's resolution on 22 May 2019 to terminate the Barings Dynamic Capital Growth Fund (the "Fund"). Any additional costs in relation to the termination will be borne by the Manager.

In applying this basis of preparation, the assets and liabilities of the Fund were stated at their fair values, which materially equated to their realisable values and fixed assets and long-term liabilities were reclassified as current assets and liabilities.

Basis of Valuation of Investments

There were no investments held at 31 August 2021. Previously, all investments were valued at their fair value as at 12 noon on the last business day of the financial year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities were valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies were translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies were translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares was recognised net of attributable tax credits when the security was quoted ex-dividend.

Bank interest was recognised on an accrual basis.

Distribution receivable from Investment Funds were recognised when the shares were priced ex-distribution. Distribution receivable from Investment Funds, excluding any equalisation element, were recognised as revenue. Equalisation was deducted from the bookcost of the investments.

Special Dividends

These were recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue formed part of the Fund's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Fund will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Fund will retain any surplus revenue for investment in the Fund.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) were charged against revenue for the year on an accruals basis.

Taxation

Corporation tax was provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses were only recognised as they are expected to crystallise. Deferred tax assets and liabilities were not discounted to reflect the time value of money.

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Dilution Adjustment

The Fund was single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Trailer Commission

Trailer commission was received from investments in Investment Funds managed by other Managers. If the underlying Investment Fund pays its annual management charge from capital, the trailer commission was treated as capital in nature. All other trailer commission was treated as revenue and forms part of the distribution.

Derivative Financial Instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts were accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance was to protect or enhance capital return, gains or losses were recognised in net capital gains in the statement of total return; Where the motive and circumstance was to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the year-end were reflected in the balance sheet at their marked to market value.

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years were credited to the capital property of the Fund.

Management Fee Rebate

The Manager rebated an amount equivalent to the ongoing charge suffered on the Fund's unit in the underlying Investment funds. Each rebate was paid to either the capital or revenue element of the Fund depending on whether the fee of the underlying fund was charged to capital or revenue.

2. Net Capital Gains

The net capital gains during the year comprised:

	31/08/2021 £'000	31/08/2020 £'000
Non-derivative securities	–	(643)
Derivative securities	–	172
Currency gains	6	75
Forward currency contracts	–	523
Net capital gains on investments	6	127

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
Bank interest	–	1
Franked CIS revenue	–	5
UK dividends	–	19
Interest on debt securities	–	27
Offshore CIS dividend revenue	–	22
Offshore CIS interest revenue	–	86
Overseas dividends	(1)	3
	(1)	163

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	–	39
	–	39
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	–	1
	–	1
Other expenses:		
Administration fees	–	1
Audit fees	9	12
Printing fees	–	3
Registrar and transfer agency fees	–	3
Standing charges	–	1
Taxation fees*	13	(8)
	22	12
Total expenses	22	52

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Taxation

	31/08/2021 £'000	31/08/2020 £'000
a) Analysis of tax (credits)/charges for the year:		
Overseas withholding tax	(3)	8
Current tax (credits)/charge (note 5b)	(3)	8

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

5. Taxation (continued)

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2020: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020 £'000
Net (expense)/revenue before taxation	(23)	111
Corporation tax at 20% (2020: 20%)	(5)	22
Effects of:		
Overseas withholding tax	(3)	8
Non-taxable UK dividends	–	(10)
Excess management expenses not utilised	5	(12)
Current tax (credits)/charge for the year (note 5a)	(3)	8

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £494,433 (31 August 2020: £489,855*) in relation to unutilised management expenses.

* The prior year amount has been restated as a result of the change in prior year excess management.

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprised:

	31/08/2021 £'000	31/08/2020 £'000
Interim Distribution	–	89
Interim Accumulation	–	12
	–	101
Add: Revenue deducted on cancellation of units	–	11
Deduct: Revenue received on issue of units	–	–
	–	11
Total distributions	–	112

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

7. Movement between net revenue and distributions

	31/08/2021 £'000	31/08/2020 £'000
Net (expense)/revenue after taxation	(20)	103
Add: Capitalised expenses	9	–
Income deficit	11	9
	<u>–</u>	<u>112</u>

8. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Amount receivable from termination	17	3
CIS income tax recoverable	–	2
Management fee rebates receivable	1	1
	<u>18</u>	<u>6</u>

9. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Cash and bank balances	2	18
	<u>2</u>	<u>18</u>

10. Other creditors

	31/08/2021 £'000	31/08/2020 £'000
Accrued expenses	20	21
Currency deals awaiting settlement	–	3
	<u>20</u>	<u>24</u>

11. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: £nil).

12. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

13. Financial instruments

The Fund did not hold any securities as at year end 31 August 2021. Financial instruments held by the Fund were Cash, liquid resources and short-term debtors and creditors that arose directly from its operations.

14. Risks of financial instruments

The only risk arising from the Fund's financial instruments was interest rate risk. The Investment Manager reviewed (and agreed with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

The interest rate risk profile of financial assets and liabilities consisted of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Cash at bank	2	–	–	2
Other assets	–	–	18	18
Liabilities	–	–	(20)	(20)
	2	–	(2)	–

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Cash at bank	18	–	–	18
Other assets	–	–	6	6
Liabilities	–	–	(24)	(24)
	18	–	(18)	–

The floating rate assets and liabilities comprise bank balances, and forward contracts whose rates were determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Fund had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: £nil).

15. Fair value

The fair value of a financial instrument was the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There was no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Fund to classify financial instruments measured at fair value into the following hierarchy: The disclosures were based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument was regarded as quoted in an active market if the quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Fair value (continued)

The fair value of financial assets and financial liabilities that were not traded in an active market was determined by using valuation techniques. The Fund used a variety of methods and made assumptions that were based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

There were no investments held at the year end date (31 August 2020: same).

16. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	–	2,408
Commissions:		
Equities total value paid	–	1
Total transaction costs	–	1
Gross purchases total	–	2,409
	31/08/2021 £'000	31/08/2020 £'000
Analysis of total sale costs:		
Sales before transaction costs*	–	26,782
Commissions:		
Equities total value paid	–	(7)
Total transaction costs	–	(7)
Total sales net of transaction costs	–	26,775

* There were no purchases and sales in cash funds during the year ended 31 August 2021 (31 August 2020: same).

The above analysis covered any direct transaction costs suffered by the Fund during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) were attributable to the Fund's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which would be suffered on purchase and sale transactions which were not separately identifiable and do not form part of the analysis above.

Barings Dynamic Capital Growth Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Portfolio transaction costs (continued)

In the case of Investment Funds, there might be potential dealing spread costs applicable to purchases and sales. Additionally, there were indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which were not separately identifiable and do not form part of the analysis above.

	31/08/2021	31/08/2020
Analysis of total purchase costs:	%	%
Commissions:		
Equities percentage of total equities purchases costs	–	0.04
Equities percentage of average NAV	–	0.02
	31/08/2021	31/08/2020
Analysis of total sale costs:	%	%
Commissions:		
Equities percentage of total equities sales costs	–	(0.05)
Equities percentage of average NAV	–	(0.11)

17. Unit classes

The Fund ceased investment activity on 3 December 2019, and therefore, there was no issue or redemption of units during the year end 31 August 2021.

18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") was the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses were paid by the Manager out of its remuneration from the Fund. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercised control over the Fund and was therefore a related party by virtue of its controlling influence.

The Fund ceased investment activity on 3 December 2019, and therefore, the Manager has not charged management fee since this date as there were no transactions between the Fund and the Manager.

Barings Dynamic Capital Growth Fund

Distribution Tables

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 28 February 2021

Interim accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021* Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	3.4567
2	Nil	Nil	Nil	3.4567

Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021* Distribution Paid	2020 Distribution Paid
1	Nil	Nil	Nil	1.1988
2	Nil	Nil	Nil	1.1988

Interim accumulation - Class D GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021* Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	1.7416
2	Nil	Nil	Nil	1.7416

Interim accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021* Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	3.9389
2	Nil	Nil	Nil	3.9389

Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021* Distribution Paid	2020 Distribution Paid
1	Nil	Nil	Nil	1.3826
2	Nil	Nil	Nil	1.3826

* No Interim and Final distribution as the Fund ceased trading on 3 December 2019.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings Eastern Trust (the “Trust”) is to achieve 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.

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 30% of its total assets directly and indirectly in equities and equity related securities of companies outside of the Asia Pacific region excluding Japan, as well as in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy, the Trust may gain indirect 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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) 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.

Performance Comparator

The Trust is not managed to a benchmark, however, the Manager uses the MSCI AC Asia ex Japan (Total Net Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging Asian countries. The performance comparator’s constituents are not required to exhibit positive/improving ESG characteristics.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

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.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile (continued)

- 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.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021

Total Trust size: 31 August 2021	£175.52 million	
Total Trust size: 31 August 2020	£133.53 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Acc	1.68%	1.69%
Class A GBP Inc	1.68%	1.69%
Class A USD Acc	1.68%	1.69%
Class D GBP Inc	0.78%	0.79%
Class I GBP Acc	0.93%	0.94%
Class I GBP Inc	0.93%	0.94%
Class I USD Acc**	0.93%	N/A
	Initial charge	Annual charge
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class D GBP Inc	Nil	0.60%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I USD Acc**	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A USD Acc	US\$5,000	US\$2,500
Class D GBP Inc	£30,000,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500
Class I USD Acc**	US\$10,000,000	US\$2,500

* 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.

** Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021 (continued)

Price per unit	(pence/cents per unit)
Class A GBP Acc	1,707.00p
Class A GBP Inc	1,661.00p
Class A USD Acc	2,346.00c
Class D GBP Inc	1,723.00p
Class I GBP Acc	1,800.00p
Class I GBP Inc	1,719.00p
Class I USD Acc	2,351.00c

Barings Eastern Trust

Trust Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	1,367.55	1,058.69	1,126.01	1,330.69	1,030.11	1,105.08
Return before operating charges	364.56	327.84	(40.89)	355.34	318.95	(40.03)
Operating charges	(26.87)	(18.98)	(26.43)	(26.42)	(18.37)	(26.01)
Return after operating charges	337.69	308.86	(67.32)	328.92	300.58	(66.04)
Distributions	–	–	(8.78)	–	–	(8.93)
Retained distributions on accumulation units	–	–	8.78	–	–	–
Closing net asset value per unit after direct transaction costs of*	1,705.24	1,367.55	1,058.69	1,659.61	1,330.69	1,030.11
	3.55	2.16	4.02	3.49	2.09	3.95
Performance						
Return after charges	24.69%	29.17%	(5.98)%	24.72%	29.18%	(5.98)%
Other information						
Closing net asset value ('000)	£32,858	£34,125	£31,718	£122	£78	£84
Closing number of units	1,926,902	2,495,332	2,995,955	7,364	5,879	8,158
Operating charges	1.68%	1.69%	1.71%	1.68%	1.69%	1.71%
Direct transaction costs	0.22%	0.19%	0.39%	0.22%	0.19%	0.39%
Prices**						
Highest unit price	1,887.00	1,411.00	1,145.00	1,837.00	1,373.00	1,150.00
Lowest unit price	1,358.00	935.90	889.70	1,322.00	910.70	899.00

	Class A USD Acc - Accumulation units			Class D GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(c)	(c)	(c)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	1,817.11	1,285.89	1,557.90	1,368.13	1,055.20	1,131.18
Return before operating charges	563.60	557.73	(246.24)	365.88	329.39	(40.07)
Operating charges	(37.35)	(26.51)	(25.77)	(12.58)	(8.91)	(12.61)
Return after operating charges	526.25	531.22	(272.01)	353.30	320.48	(52.68)
Distributions	–	–	(8.09)	(9.58)	(7.55)	(23.30)
Retained distributions on accumulation units	–	–	8.09	–	–	–
Closing net asset value per unit after direct transaction costs of*	2,343.36	1,817.11	1,285.89	1,711.85	1,368.13	1,055.20
	4.93	3.02	3.92	3.58	2.17	4.04
Performance						
Return after charges	28.96%	41.31%	(17.46)%	25.82%	30.37%	(4.66)%
Other information						
Closing net asset value ('000)	\$2,376	\$1,445	\$313	£33,410	£32,522	£23,531
Closing number of units	101,386	79,523	24,351	1,951,671	2,377,126	2,229,980
Operating charges	1.68%	1.69%	1.71%	0.78%	0.79%	0.81%
Direct transaction costs	0.22%	0.19%	0.39%	0.22%	0.19%	0.39%
Prices**						
Highest unit price	2,611.00	1,857.00	1,139.57	1,896.00	1,419.00	1,149.99
Lowest unit price	1,743.00	1,077.00	888.47	1,359.00	937.80	898.95

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 March 2018 to 31 August 2019, respectively.

Barings Eastern Trust

Trust Information (continued)

	Class I GBP Acc - Accumulation units			Class I GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	1,430.87	1,099.27	1,155.83	1,366.48	1,054.23	1,130.59
Return before operating charges	382.71	342.63	(41.29)	365.51	328.67	(40.51)
Operating charges	(15.77)	(11.03)	(15.27)	(15.07)	(10.57)	(14.94)
Return after operating charges	366.94	331.60	(56.56)	350.44	318.10	(55.45)
Distributions	(7.52)	(6.10)	(21.53)	(7.21)	(5.85)	(20.91)
Retained distributions on accumulation units	7.52	6.10	21.53	—	—	—
Closing net asset value per unit	1,797.81	1,430.87	1,099.27	1,709.71	1,366.48	1,054.23
after direct transaction costs of*	3.76	2.26	4.13	3.59	2.16	4.04
Performance						
Return after charges	25.64%	30.17%	(4.89)%	25.65%	30.17%	(4.90)%
Other information						
Closing net asset value ('000)	£69,897	£41,586	£34,037	£37,503	£24,133	£19,853
Closing number of units	3,887,886	2,906,310	3,096,298	2,193,553	1,766,102	1,883,219
Operating charges	0.93%	0.94%	0.96%	0.93%	0.94%	0.96%
Direct transaction costs	0.22%	0.19%	0.39%	0.22%	0.19%	0.39%
Prices**						
Highest unit price	1,982.00	1,476.00	1,175.00	1,893.00	1,416.00	1,150.00
Lowest unit price	1,421.00	976.10	917.80	1,357.00	936.10	897.60

Class I USD Acc - Accumulation units*** 31/08/2021 (c)

Change in net assets per unit	
Opening net asset value per unit	1,869.00
Return before operating charges	484.82
Operating charges	(5.17)
Return after operating charges	479.25
Distributions	(8.68)
Retained distributions on accumulation units	8.68
Closing net asset value per unit	2,348.25
after direct transaction costs of*	5.11
Performance	
Return after charges	25.64%
Other information	
Closing net asset value ('000)	\$1
Closing number of units	43
Operating charges	0.93%
Direct transaction costs	0.22%
Prices**	
Highest unit price	2,611.00
Lowest unit price	1,869.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 March 2018 to 31 August 2019, respectively.

***Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021.

Barings Eastern Trust

Report of the Investment Manager

*Performance

During the year ended 31 August 2021, the Barings Eastern Trust ("the Trust") produced an absolute net return for Class A GBP Acc of 22.89% compared with a return of 14.42% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Acc units against the performance comparator.

	1 year	3 years	5 years
Barings Eastern Trust	22.89%	18.26%	15.96%
MSCI AC Asia ex Japan (Total Net Return) Index*	14.42%	8.36%	10.59%

* The performance comparator was changed from 31 August 2020 to MSCI AC Asia ex Japan (Total Net Return) Index, previously MSCI AC Asia ex Japan (Total Gross Return) Index.

The Trust extended the uptrend and delivered strong returns on both absolute and relative basis for the period under review as well as over the longer periods of three and five years. The performance was a result of strong stock selection, guided by our bottom-up investment process focusing on long-term fundamentals. Owing to the rollout of COVID-19 vaccines and subsequent reopening of more economies globally, the world has generally moved onto a recovery phase from COVID-19 outbreak, although regional economies were seeing desynchronized growth and headwinds. More frequent style rotations between Value and Growth were also seen particularly during 2021, as performance of selective value cyclical sectors was supported by the economic recovery backdrop alongside pent-up demands from the pandemic.

The Trust's strong relative outperformance was driven by high conviction holdings in names exposed to long-term thematic such as digital economy and domestic consumption champions. These included Chinese local sportswear manufacturer Li Ning, driven by the company's resilient retail sales that even registered higher growth than pre-pandemic, along with improving fundamentals particularly on retail channel efficiency and inventory management that led to share price appreciation. ASEAN gaming developer and e-commerce marketplace SEA was another standout and contributed notably to the Trust. In addition to the positive growth catalyst of broadening the addressable markets to Latin America, the company's strong momentum in its existing gaming portfolio alongside continuing expansion of e-commerce business to food delivery segment supports resilient upside growth potential. On the other hand, stock performance of China-based internet search engine Baidu did well as the company broadens its business scope to EV manufacturing, helped by the positive outlook on autonomous driving technology development. Thus, the Trust's relatively negative exposure versus the performance comparator in the company became a key drag to the Trust's relative performance. The holding in Malaysian glove manufacturer Hartalega also detracted from relative performance. Investors turned cautious on near-term company earnings outlook due to glove price drops and impact on production capacity on country lockdown amid COVID-19 resurgence. We have exited from the company by the end of the review period.

In terms of key trade activities, we increased the stake in China Construction Bank on the back of attractive yield as well as improving outlook amid economic recovery, but later exited from the name as a funding source due to the lack of near-term catalyst and slower-than-expected recovery pace amid COVID-19 resurgence. We also added position to the Hong Kong-based insurance company AIA to neutralize our relative exposure compared with the performance comparator, as our view on the company turned less negative as the economic backdrop improved. On the other hand, we sold down holding in Alibaba Group in light of heightened regulatory headwinds the company may face, especially in anti-monopoly and cybersecurity areas. We also took profit in Chinese datacenter Kingsoft Cloud, thereby exiting position from the company.

Barings Eastern Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
China Construction Bank	4,136	Alibaba Group	9,226
AIA	4,036	China Construction Bank	3,640
Baidu	3,263	Kingsoft Cloud	2,727
Shenzhen Inovance Technology	3,132	Taiwan Semiconductor Manufacturing	2,622
NAVER	3,009	Ping An Insurance Group of China	2,480
Hon Hai Precision Industry	2,854	Sands China	2,257
Zijin Mining Group	2,673	RemeGen	2,253
Sands China	2,436	Pegavision	2,216
Kia Motors	2,422	Li Ning	2,055
PTT Global Chemical	2,399	Li Auto	2,053

Market Outlook

The year that has gone by was a year of big developments, starting from successful launch of COVID-19 vaccines, US Presidential elections, subsequent new COVID-19 waves, to major policy moves by China and the globe. Clearly, the year was as eventful as the one before and the speed of change was reflective of post-pandemic era. We are still in the middle of a recovery, which is expected to be a prolonged one as different economies recover at different paces. Market volatility is also expected to linger in the near-term on the back of ongoing COVID-19 waves and relatively low vaccination penetration across the region, along with cost inflation concerns and heightened regulatory risks in China. That said, we remain positive on our portfolio positioning and view any weakness as a buying opportunity. We are optimistic on Asian equity markets over the medium to longer run, as fundamentally the region has better growth characteristics compared with other regions, and post-pandemic recovery is not yet fully reflected in corporate earnings. We see a staged recovery playing out across Asia, with export-oriented economies such as South Korea and Taiwan carrying on resilient economic growth supported by global demand recovery and new capital expenditure cycle accelerating into next year given the pull forward of digitalization adoption, while markets that are more COVID-19 challenged but possess large domestic demand potentials and secular growth tailwinds, such as India and Indonesia, to see recovery in late 2021 or early next year as vaccinations pick up pace and enable smoother unlocking. Therefore, with supportive economic backdrop, corporate earnings growth in Asia should see strong recovery not just in 2021 but also into 2022, providing sustained performance outlook for Asian equity markets.

Barings Eastern Trust

Report of the Investment Manager (continued)

We think there is strong merit in backing companies exposed to secular growth themes such as technological ubiquity (the digitalization and connectivity of everything), evolving lifestyle and societal values (sustainability, millennial/Gen Z consumption trends, wellness economy) and de-globalization (supply chain diversification/bifurcation and reshoring). Near-term share price corrections in some of the companies that are well-positioned in these themes have resulted in more favorable valuations, at times creating opportunities to build up positions at attractive prices. Nevertheless, the current global economic recovery has improved growth prospects beyond the abovementioned structural growth sectors, to sectors such as materials/commodities thereby broadening the opportunity set for us in our portfolio construction.

Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager by

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.

Barings Eastern Trust

Environmental, Social and Governance (“ESG”) Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance (“ESG”) considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors while seeking better outcomes for society and the planet, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2021

	Positive or Improving	All Others
Barings Eastern Trust	79.89%	20.11%

ENGAGEMENT CASE STUDY: INDIAMART

Engagement Category: Governance

Format: Call/Video call (one to one)

Contact: Chief Financial Officer (“CFO”)

Engagement Overview

We engaged with IndiaMart, an Indian business to business e-commerce company, to discuss the company’s cyber security policy, and also the separation of Chairman and Chief Executive Officer (“CEO”).

Engagement Objective: Change Behaviour & Improve Disclosure

Our aim was to gain an understanding of the company’s cyber security policy, their protections around the use of personally identifiable information (“PII”) and other customer or user data. Furthermore, in accordance with best practices, what the company was doing to separate the roles of Chairman and CEO.

Outcome: Ongoing

In our dialogue with the Chief Financial Officer (“CFO”), we stressed that the company’s upcoming Annual report should have clear and articulable guidelines, to demonstrate initiative and ownership of cyber security issues. The CFO acknowledged the point and guided that this disclosure would be incorporated in the next Annual report.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company’s ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings Eastern Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

Additionally, we raised the appointment of designated Chair for the board as currently the board does not have a designated chairperson, opting to decide a chair at each meeting. In line with best practice we requested that the company nominate a designated chairperson which was noted by the CFO, and we received assurance that the topic would be discussed at the next board meeting.

The company is expected to release its Annual report for the year ending March 2021 by September of this year, at this juncture we will reevaluate the progress made by the company.

Barings Eastern Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Eastern Trust (the "Trust") and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings Eastern Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings Eastern Trust

Directors' Statement

The financial statements on pages 46 to 61 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings Eastern Trust

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	Investment Funds: 1.28% (1.61%)		
91,074	Barings China A-Share Fund	2,249,525	1.28
	Equities: 98.43% (98.83%)		
	Australia: 0.00% (0.70%)		
	China: 29.94% (48.35%)		
86,056	Alibaba Group	1,328,467	0.76
372,500	Anhui Conch Cement	1,461,930	0.83
503,500	Centre Testing International	1,493,470	0.85
114,758	China Tourism Duty Free	2,945,724	1.68
394,000	Fuyao Glass Industry	1,755,916	1.00
183,100	Hangzhou Tigermed Consulting	2,344,643	1.34
1,660,000	Kindstar Globalgene Technology	1,038,047	0.59
17,705	Kweichow Moutai	3,101,598	1.77
741,500	Li Ning	7,225,134	4.12
105,700	Meituan Dianping	2,454,481	1.40
678,405	NARI Technology	2,670,566	1.52
753,798	Sany Heavy Industry	2,222,337	1.27
449,142	Shenzhen Inovance Technology	3,586,630	2.04
942,000	SITC International Holdings	2,976,075	1.69
183,900	Tencent	8,252,403	4.70
42,064	Will Semiconductor Shanghai	1,145,011	0.65
144,000	Wuxi Biologics Cayman	1,616,823	0.92
1,514,000	Xinyi Solar Holdings	2,653,724	1.51
2,212,000	Zijin Mining Group	2,283,360	1.30
		52,556,339	29.94
	Hong Kong: 7.39% (4.32%)		
513,800	AIA	4,457,360	2.54
623,000	BOC Hong Kong Holdings	1,369,346	0.78
90,600	Hong Kong Exchange	4,150,181	2.36
160,500	Orient Overseas International	2,995,982	1.71
		12,972,869	7.39
	India: 14.22% (8.79%)		
47,575	Dixon Technologies India	1,968,803	1.12
53,831	Gland Pharma	2,083,110	1.19
122,892	HDFC Bank	1,932,611	1.10
125,309	Infosys	2,135,353	1.22
122,607	PI Industries	4,165,263	2.37
63,713	Reliance Industries	1,024,235	0.58
245,542	Reliance Industries Partly Paid	5,510,917	3.14
98,304	SBI Life Insurance	1,164,697	0.67
175,844	Tata Steel	2,531,548	1.44
30,477	Titan	581,653	0.33
1,403,967	Zomato	1,865,223	1.06
		24,963,413	14.22
	Indonesia: 0.00% (0.49%)		

Barings Eastern Trust
Portfolio Statement (continued)
as at 31 August 2021

		Percentage Bid-Market of total net value assets (£) (%)	
Holdings	Investments		
	Equities: 98.43% (98.83%) (continued)		
	Malaysia: 0.04% (1.55%)		
207,500	CTOS Digital	63,079	0.04
	Singapore: 1.05% (0.00%)		
790,700	Nanofilm Technologies International	1,846,182	1.05
	South Korea: 23.69% (14.74%)		
37,747	Kakao	3,653,057	2.08
23,893	KakaoBank	1,254,181	0.71
50,018	Kia Motors	2,663,120	1.52
6,642	Krafton	2,044,881	1.17
5,653	LG Chem	2,680,528	1.53
20,333	LG Electronics	1,802,202	1.03
18,981	NAVER	5,213,558	2.97
7,775	POSCO	1,638,819	0.93
236,672	Samsung Electronics	11,355,891	6.47
11,787	SK Bioscience	2,310,964	1.32
53,419	SK Hynix	3,546,886	2.02
17,827	SK IE Technology	2,311,501	1.32
20,091	Studio Dragon Corporation	1,093,621	0.62
		41,569,209	23.69
	Taiwan: 16.36% (15.46%)		
509,866	Chailease	3,554,217	2.02
57,000	eMemory Technology	2,412,424	1.37
196,000	Giant Manufacturing	1,713,003	0.98
1,060,000	Hon Hai Precision Industry	3,069,547	1.75
117,000	MediaTek	2,759,526	1.57
38,000	Pegavision	591,529	0.34
910,000	Taiwan Semiconductor Manufacturing	14,618,677	8.33
		28,718,923	16.36
	Thailand: 5.74% (4.43%)		
4,245,400	Asian Sea Corporation	1,654,887	0.94
34,968	SEA	8,419,849	4.80
		10,074,736	5.74
	Portfolio of investments: 99.71% (100.44%)		
	(Cost: £110,212,097)	175,014,275	99.71
	Net other assets	502,587	0.29
	Net assets	175,516,862	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.

Comparative figures shown in brackets relate to 31 August 2020.

Barings Eastern Trust

Independent auditors' Report to the Unitholders of Barings Eastern Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Eastern Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2021 and of the net expense and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 47); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 46); the distribution tables (pages 62 to 63); and the notes to the financial statements (pages 48 to 61), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings Eastern Trust

Independent auditors' Report to the Unitholders of Barings Eastern Trust (continued)

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings Eastern Trust

Independent auditors' Report to the Unitholders of Barings Eastern Trust (continued)

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

21 December 2021

Barings Eastern Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		34,960		30,492
Revenue	3	2,524		1,760	
Expenses	4	(1,684)		(1,171)	
Interest payable and other similar charges	5	(2)		(1)	
Net revenue before taxation		838		588	
Taxation	6	(1,168)		(621)	
Net expense after taxation			(330)		(33)
Total return before distributions			34,630		30,459
Distributions	7		(632)		(456)
Change in net assets attributable to unitholders from investment activities			33,998		30,003

Statement of Change in Net Assets Attributable to Unitholders

		31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			133,529		109,480
Amounts receivable on issue of units		60,699		26,222	
Amounts payable on cancellation of units		(53,001)		(32,353)	
			7,698		(6,131)
Changes in net assets attributable to unitholders from investment activities			33,998		30,003
Retained distribution on accumulation units	7		292		177
Closing net assets attributable to unitholders			175,517		133,529

* Prior year Expenses and Taxation amounts have been restated to reclassify Capital gains tax on Indian securities from Taxation fees in Expenses to Capital gains tax on Indian securities in Taxation note.

Barings Eastern Trust**Balance Sheet**as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Investment assets		175,014	134,120
Current assets:			
Debtors	9	1,505	2,469
Cash and bank balances	10	1,486	2,037
Total assets		178,005	138,626
Liabilities			
Creditors:			
Bank overdrafts	10	–	(1,737)
Distribution payable on income units	7	(345)	(283)
Other creditors	11	(979)	(2,625)
Capital gains tax payable on Indian securities	12	(1,164)	(452)
Total liabilities		(2,488)	(5,097)
Net assets attributable to unitholders		175,517	133,529

Barings Eastern Trust
Notes to the Financial Statements
for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Gains

The net capital gains during the year comprise:

	31/08/2021 £'000	31/08/2020 £'000
Non-derivative securities	35,143	30,642
Currency losses	(144)	(137)
Forward currency contracts	(20)	(1)
Transaction charges	(19)	(12)
Net capital gains on investments	<u>34,960</u>	<u>30,492</u>

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
Offshore CIS dividend revenue	16	12
Overseas dividends	2,508	1,748
	<u>2,524</u>	<u>1,760</u>

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	1,431	1,011
	1,431	1,011
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	34	24
Safe custody charges	102	74
	136	98
Other expenses:		
Administration fees	2	2
Audit fees	12	12
Professional fees	(10)	(3)
Registrar and transfer agency fees	65	62
Standing charges	3	3
Taxation fees*	45	(14)
	117	62
Total expenses	1,684	1,171

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC. Prior year amount has been restated to exclude Capital gains tax on Indian securities and reclassify under taxation note.

5. Interest payable and other similar charges

	31/08/2021 £'000	31/08/2020 £'000
Interest expenses	2	1
	2	1

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Taxation

	31/08/2021 £'000	31/08/2020* £'000
a) Analysis of tax charges for the year:		
Capital gains tax on Indian securities	846	417
Overseas withholding tax	322	204
Current tax charge (note 6b)	<u>1,168</u>	<u>621</u>

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2020: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020* £'000
Net revenue before taxation	<u>838</u>	<u>588</u>
Corporation tax at 20%	168	118
Effects of:		
Overseas withholding tax	322	204
Non-taxable UK dividends	(3)	(2)
Excess management expenses not utilized	337	228
Capital gains tax on Indian securities	846	417
Non taxable overseas dividends	(502)	(344)
Current tax charge for the year (note 6a)	<u>1,168</u>	<u>621</u>

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £2,205,639 (31 August 2020: £1,868,794*) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

There is a capital gains tax payable on Indian securities as at the year end of £1,164,427 (31 August 2020: £452,458). For 31 August 2021, the capital gains tax payable on Indian securities has been shown under note 12 on page 53.

* Prior year amount has been restated as a result of reclassifying Capital gains tax on Indian securities from Expenses to Taxation note.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	31/08/2021 £'000	31/08/2020 £'000
Final Distribution	345	283
Final Accumulation	292	177
	637	460
Add: Revenue deducted on cancellation of units	34	60
Deduct: Revenue received on issue of units	(39)	(64)
Total distributions	632	456

Details of the distributions per unit are set out in the Distribution Tables on pages 62 and 63.

Distributions payable at the year end of £345,214 (31 August 2020: £282,642) are disclosed in the Balance Sheet on page 47.

8. Movement between net expenses and distributions

	31/08/2021 £'000	31/08/2020 £'000
Net expenses after taxation	(330)	(33)
Add: Capitalised expenses	846	417
Equalisation on conversions	2	–
Income deficit	114	72
	632	456

9. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Accrued revenue	290	46
Amount receivable for creation of units	675	640
Currency deals awaiting settlement	–	17
Sales awaiting settlement	540	1,766
	1,505	2,469

10. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Bank overdraft	–	(1,737)
Cash and bank balances	1,486	2,037
	1,486	300

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

11. Other creditors

	31/08/2021	31/08/2020*
	£'000	£'000
Accrued expenses	248	175
Amounts payable for cancellation of units	300	516
Currency deals awaiting settlement	1	—
Purchases awaiting settlement	430	1,934
	979	2,625

12. Capital gains tax payable on Indian securities

	31/08/2021	31/08/2020*
	£'000	£'000
Capital gains tax payable on Indian securities	1,164	452
	1,164	452

* Prior year Accrued expenses amount has been restated to disclose Capital gains tax payable on Indian securities in a separate line.

13. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: £nil).

14. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

15. Financial instruments

In pursuing its investment objective set out on page 27, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £8.751 million (31 August 2020: £6.706 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Risks of financial instruments (continued)

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Chinese yuan	17,165	7	17,172
Hong Kong dollar	48,364	—	48,364
Indian rupee	24,963	430	25,393
Malaysian ringgit	63	—	63
Singapore dollar	1,846	—	1,846
South Korean won	41,569	—	41,569
Taiwan dollar	28,719	—	28,719
Thai bhat	1,655	—	1,655
US dollar	14,383	—	14,383
	178,727	437	179,164

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	939	—	939
Chinese yuan	15,022	—	15,022
Hong Kong dollar	48,490	—	48,490
Indian rupee	11,743	—	11,743
Indonesian rupiah	649	—	649
Malaysian ringgit	2,070	—	2,070
South Korean won	19,687	1,526	21,213
Taiwan dollar	20,643	—	20,643
Thai bhat	1,207	—	1,207
US dollar	11,524	(244)	11,280
	131,974	1,282	133,256

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.792 million (31 August 2020: £1.333 million).

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Risks of financial instruments (continued)

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Portfolio of investments	–	–	175,014	175,014
Cash at bank	1,486	–	–	1,486
Other assets	–	–	1,505	1,505
Liabilities	–	–	(2,488)	(2,488)
	1,486	–	174,031	175,517

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	134,120	134,120
Cash at bank	300	–	–	300
Other assets	–	–	2,469	2,469
Liabilities	–	–	(3,360)	(3,360)
	300	–	133,229	133,529

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2021, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2020: same).

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Risks of financial instruments (continued)

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

17. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2021:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	172,764	–	–	172,764
Investment Funds	–	2,250	–	2,250
	172,764	2,250	–	175,014

Valuation technique for the year ended 31 August 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	131,974	–	–	131,974
Investment Funds	–	2,146	–	2,146
	131,974	2,146	–	134,120

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	104,692	54,719
Corporate Actions	974	—
Commissions:		
Equities total value paid	129	66
Taxes:		
Equities total value paid	58	21
Total transaction costs	187	87
Gross purchases total	105,853	54,806
	31/08/2021 £'000	31/08/2020 £'000
Analysis of total sale costs:		
Sales before transaction costs*	99,509	60,390
Corporate Actions	974	—
Commissions:		
Equities total value paid	(51)	(38)
Taxes:		
Equities total value paid	(118)	(83)
Total transaction costs	(169)	(121)
Total sales net of transaction costs	100,314	60,269

* Not included in 2021 figures are purchases and sales in cash funds totalling £0.410 million and £0.410million, respectively, where there are no transaction costs applicable. In 2020, there were no purchases and sales in cash funds.

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Portfolio transaction costs (continued)

	31/08/2021	31/08/2020
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.12	0.12
Equities percentage of average NAV	0.08	0.06
Taxes:		
Equities percentage of total equities purchases costs	0.05	0.04
Equities percentage of average NAV	0.04	0.02
	31/08/2021	31/08/2020
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.05)	(0.06)
Equities percentage of average NAV	(0.03)	(0.03)
Taxes:		
Equities percentage of total equities sales costs	(0.12)	(0.14)
Equities percentage of average NAV	(0.07)	(0.08)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.15% (31 August 2020: 0.15%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

19. Unit classes

The Trust currently has seven unit classes: A GBP Acc, A GBP Inc, A USD Acc, D GBP Inc, I GBP Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 29. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 31 and 32. The distribution per unit class is given in the distribution tables on pages 62 and 63. All classes have the same rights on winding up.

	Class A GBP Acc	Class A GBP Inc	Class A USD Acc
Opening units	2,495,332	5,879	79,523
Units created	509,533	2,026	66,803
Units liquidated	(671,375)	(541)	(44,940)
Units converted	(406,588)	–	–
Closing units	1,926,902	7,364	101,386

	Class D GBP Inc	Class I GBP Acc	Class I GBP Inc
Opening units	2,377,126	2,906,310	1,766,102
Units created	234,218	1,954,739	941,256
Units liquidated	(658,125)	(1,360,690)	(516,169)
Units converted	(1,548)	387,527	2,364
Closing units	1,951,671	3,887,886	2,193,553

	Class I USD Acc*
Opening units	–
Units created	43
Units liquidated	–
Units converted	–
Closing units	43

* Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021.

20. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

21. Commitments

As at 31 August 2021, the Trust had entered into a subscription agreement to subscribe for 821,000 shares of Grab Holdings at a fixed price of US\$10. This was a private investment in public equity deal ("PIPE") related to a special purpose acquisition company (SPAC) merger. There was a commitment that the Trust would buy the shares of the new company, or if the merger was not approved, there would be no obligation.

The Trust received confirmation that the shares had been issued on 1 December 2021. Payment was settled on 2 December 2021 to the value of £6,164,820. Grab Holdings price closed at US\$8.75 on 2 December. At 31 August 2021, the commitment to Grab Holdings would have been valued at £5,962,669.

22. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Accumulation class decreased from 1,707.00p to 1,599.00p, A GBP Income class from 1,661.00p to 1,557.00p, A USD Accumulation class from 2,346.00c to 2,120.00c, D GBP Income class from 1,723.00p to 1,610.00p, I GBP Accumulation class from 1,800.00p to 1,690.00p, I GBP Income class from 1,719.00p to 1,607.00p and I USD Accumulation class from 2,351.00c to 2,132.00c as at 17 December 2021. This movement takes into account routine transaction. The Manager continues to monitor investment performance in line with investment objectives.

Barings Eastern Trust

Distribution Tables

Final Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 31 August 2021

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Distribution Paid	2020 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Final distribution - Class D GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Distribution Paid	2020 Distribution Paid
1	9.5796	0.0000	9.5796	7.5458
2	8.2000	1.3796	9.5796	7.5458

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Accumulation Paid	2020 Accumulation Paid
1	7.5223	0.0000	7.5223	6.0968
2	6.2518	1.2705	7.5223	6.0968

Barings Eastern Trust

Distribution Tables (continued)

Final Distribution (continued)

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 14)	2021 Distribution Paid	2020 Distribution Paid
1	7.2144	0.0000	7.2144	5.8473
2	6.0310	1.1834	7.2144	5.8473

Final accumulation - Class I USD Acc (in cents per unit)*

Group	Net Revenue	Equalisation (Note 14)	2021 Accumulation Paid	2020 Accumulation Paid
1	8.6801	0.0000	8.6801	Nil
2	8.6801	0.0000	8.6801	Nil

* Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021 hence no prior year data available.

Barings European Growth Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings European Growth Trust (the “Trust”) is to achieve capital growth by investing in Europe excluding the United Kingdom.

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 Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 30% of its total assets directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom) as well as in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy the Trust may gain indirect 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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) 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.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the MSCI Europe ex UK (Total Net Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of large and medium sized companies from developed and emerging European countries excluding the UK. The performance comparator’s constituents are not required to exhibit positive/improving ESG characteristics.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

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.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- 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.

Barings European Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

The Trust at a Glance on 31 August 2021

Total Trust size: 31 August 2021	£85.08 million	
Total Trust size: 31 August 2020	£58.32 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Inc	1.63%	1.60%
Class I GBP Inc	0.88%	0.85%
	Initial charge	Annual charge
Class A GBP Inc	up to 5.00%	1.50%
Class I GBP Inc	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Inc	£1,000	£500
Class I GBP Inc	£10,000,000	£500

* 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. The OCF figures for the current year have increased due to a change in the methodology of calculating the OCF, in order to be consistent with the Key Investor Information Document ("KIID"). Adjustments of negative expenses in the prior year expenses were excluded from the calculation, thereby causing an increase.

Price per unit	(pence per unit)
Class A GBP Inc	1,699.00p
Class I GBP Inc	1,717.00p

Barings European Growth Trust

Trust Information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	1,331.67	1,392.05	1,448.96	1,335.50	1,396.56	1,453.22
Return before operating charges	389.57	(35.75)	(3.50)	394.29	(35.74)	(2.85)
Operating charges	(23.58)	(21.40)	(29.22)	(13.25)	(11.42)	(15.55)
Return after operating charges	365.99	(57.15)	(32.72)	381.04	(47.16)	(18.40)
Distributions	(4.45)	(3.23)	(24.19)	(18.67)	(13.90)	(38.26)
Closing net asset value per unit after direct transaction costs of*	1,693.21	1,331.67	1,392.05	1,697.87	1,335.50	1,396.56
	0.59	0.85	0.69	0.61	0.85	0.69
Performance						
Return after charges	27.48%	(4.11)%	(2.25)%	28.53%	(3.38)%	(1.27)%
Other information						
Closing net asset value ('000)	£22,126	£36,342	£47,506	£62,951	£21,973	£25,664
Closing number of units	1,306,735	2,729,063	3,412,702	3,707,637	1,645,267	1,837,653
Operating charges	1.63%	1.60%	1.59%	0.88%	0.85%	0.84%
Direct transaction costs	0.04%	0.06%	0.05%	0.04%	0.06%	0.05%
Prices**						
Highest unit price	1,699.00	1,451.00	1,512.00	1,717.00	1,461.00	1,517.00
Lowest unit price	1,207.00	961.40	1,152.00	1,212.00	968.60	1,161.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 May 2018 to 31 August 2019, respectively.

Barings European Growth Trust

Report of the Investment Manager

Performance

During the year ended 31 August 2021, the Barings European Growth Trust (the "Trust") produced an absolute net return for Class A GBP Inc of 27.20% compared with a return of 26.20% for the performance comparator. The table below shows 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	1 year	3 years	5 years
Barings European Growth Trust	27.20%	5.61%	9.50%
MSCI Europe ex UK (Total Net Return) Index	26.20%	9.55%	10.57%

The performance of the Barings European Growth Trust over the twelve months was ahead of the performance comparator. Over the period, the market as a whole continued to recover from the lows that were reached as fears over the impact the COVID-19 pandemic would have on the longer-term strength of the global economy and the health of its population reached their peak. In response, governments and central banks provided fiscal and monetary policy support through the likes of furlough schemes and quantitative easing programmes, whilst pharmaceutical companies made welcome and outstanding progress with their vaccine developments.

As for the Trust, there were a number of notable performances at the individual stock level, including from Getinge, a Swedish healthcare company that provides ventilator equipment, and two Dutch groups in the shape of Adyen, a global payments processor, and ASML, a leading global manufacturer of semiconductor manufacturing equipment. Perhaps rather surprisingly, one of the Trust's worst performers was Siemens Gamesa Renewable Energy, despite this group holding a strong position in the wind turbines market in a world where renewable energy became increasingly prevalent, including in government spending programmes, as the company's profits came under pressure from the impact of rising raw material prices, mainly steel. Against this backdrop, we did reduce our exposure due to the potential negative impacts arising from rising raw material costs, however we do continue to still like and hold Siemens Gamesa Renewable Energy and remain confident in this conviction. Another disappointing performance came from Koninklijke Philips, as sentiment towards the healthcare equipment manufacturer waned following news of a product recall.

Over the period, we purchased shares in Belgium bank KBC, a company we have admired for some time with strong growth characteristics. Meanwhile, we adjusted our exposure to the Industrials sector in Norway, initiating a position in aluminium producer Norsk Hydro. We are positive on the aluminium outlook and believe this company is a leader in the space, demonstrating compelling ESG credentials relative to their industry peers. Reflecting this optimistic view, we decided to exit our holding in Swedish miner and competitor Boliden, whilst there are lots to commend our preference turned to Norsk Hydro, owing partly to the potential shortage of cerement in Sweden following the largest manufacturer having an essential permit withdrawn. Elsewhere, we exited our investment in Koninklijke Philips, reflecting risks from potential patient lawsuits following newsflow of the product recall.

Overall however, there were more pleasing stock performances than disappointments, and from across multiple sectors of the market, as reflected in the Trust's overall performance over the year.

When evaluating the performance of the Trust over the longer term, and in line with our investment approach, stock selection has been beneficial to performance relative to the benchmark, however this has been overshadowed by periods where asset allocation, and broader macro effects have detracted significantly. This period of underperformance occurred largely in 2018, when European equity markets experienced a broad sell-off due to concerns surrounding ongoing trade tensions, rising labour and raw material costs, fears of a slowdown in global economic growth, and central banks' withdrawal of accommodative monetary policy. As a result of this sell-off, some individual stocks held by the Trust at that time suffered significant profit taking despite our belief that they remain high quality companies with good long term growth prospects. Despite this longer term performance, we believe the recent outperformance remains reflective of our repeatable long term process, where we believe our stock selection decisions can add value.

Barings European Growth Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
KBC	2,521	Boliden	2,517
Norsk Hydro	2,393	Koninklijke Philips	2,379
HelloFresh	1,909	Airbus	2,187
Siemens Gamesa Renewable Energy	1,903	Wendel	2,027
Assa Abloy	1,830	KBC Ancora	1,837
Koninklijke DSM	1,679	Prysmian	1,748
Smurfit Kappa Group	1,664	Cie Generale des Etablissements Michelin	1,593
Prysmian	1,647	Rheinmetall	1,325
Koninklijke Ahold Delhaize	1,564	ASML	1,145
ASML	1,481	Cembra Money Back	1,111

Market Outlook

The European equity market has performed strongly since the lows of March 2020, although with corporate earnings performance also being strong, valuations still remain attractive in many areas.

As we opined in the annual report last year, despite the various headwinds we saw at the time, we also felt there would be a cohort of stocks that would be able to prosper in the environment we envisaged, and hopefully the Trust's performance in the intervening twelve months demonstrates our ability to recognise quite a few of them.

Whilst some of the concerns that were uppermost in our minds this time last year, such as the impact of Brexit and US/China trade positions have receded, some remain – obviously the ongoing threat of further COVID-19 variants being the principle – and some are new, such as the removal of the aforementioned government and central bank stimuli.

Nevertheless, the actions of governments and central banks across the world to provide the necessary support – and provide it quickly – give us confidence that there is a blueprint to manage any further reoccurrence of the virus and by extension gives us confidence that the European stock market can make further progress.

With this different backdrop in mind, the construction of the Trust will be adjusted to reflect our view that some of the stocks that served the Trust well last year may not be the same cohort that will prosper in the coming twelve months. However, we will continue to maintain the over-arching focus on investing in quality growth stocks for the longer term.

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.

Barings European Growth Trust

Environmental, Social and Governance ("ESG") Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance ("ESG") considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors while seeking better outcomes for society and the planet, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2021

	Positive or Improving	All Others
Barings European Growth Trust	80.94%	19.06%

ENGAGEMENT CASE STUDY: TGS NOPEC

Engagement Category: Environmental & Governance

Format: Call/Video call (one to one)

Contact: Investor Relations

Engagement Overview

We engaged with TGS Nopec ("TGS"), a Norwegian listed oil & gas services company, to discuss their executive remuneration policy and their emissions reduction plans.

Engagement Objective: Improve Disclosure

While TGS's management incentive structure is strong broadly, we believe there were a few elements that could be improved. TGS also have an emissions 'net zero' target for 2030 (scope 1 and 2), although we explained that we were supportive of a more aggressive time line for cutting emissions and explicit medium term targets.

Outcome: Ongoing

Overall, TGS's total compensation looks very sensible, however, we believed the return on capital employed ("ROCE") threshold for managements' Long Term Incentive Plan was low, even in spite of what has been a very difficult year. The company was receptive of our comments and we will continue to press this topic in future forums.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company's ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings European Growth Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

On emissions targets, TGS pointed out that a commitment to lower emissions in their 2021 corporate goals marks a concrete first step towards meeting their 2030 ‘net zero’ goal and that they ‘expect to set more concrete medium term targets going forward’. Based on our independent assessment of these targets, we view this as a positive, but we would like to see a clearer roadmap, including key metrics which can be used to review management’s progress to meeting these goals.

Barings European Growth Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings European Growth Trust (the "Trust") and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the "Trust") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings European Growth Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the "Trust") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings European Growth Trust

Directors' Statement

The financial statements on pages 79 to 92 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings European Growth Trust

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Investment Funds: 0.00% (0.55%)		
	Ireland: 0.00% (0.55%)		
	Equities: 99.62% (100.61%)		
	Belgium: 6.13% (5.76%)		
49,445	KBC	3,030,117	3.56
78,511	Telenet	2,186,367	2.57
		5,216,484	6.13
	France: 15.23% (23.25%)		
158,547	AXA	3,250,079	3.82
28,524	Cap Gemini	4,678,968	5.50
24,854	Schneider Electric	3,255,155	3.83
55,428	Total	1,773,896	2.08
		12,958,098	15.23
	Germany: 7.78% (10.24%)		
10,401	Allianz	1,768,450	2.08
26,322	HelloFresh	2,099,945	2.47
62,931	Infineon Technologies	1,972,370	2.32
27,300	RWE	779,019	0.91
		6,619,784	7.78
	Ireland: 6.34% (4.45%)		
90,854	CRH	3,500,743	4.12
45,174	Smurfit Kappa Group	1,890,885	2.22
		5,391,628	6.34
	Italy: 0.99% (0.00%)		
196,804	Snam	845,092	0.99
	Netherlands: 22.64% (17.29%)		
1,839	Adyen	4,294,562	5.05
13,287	ASML	8,078,663	9.50
77,299	Koninklijke Ahold Delhaize	1,900,812	2.24
13,073	Koninklijke DSM	2,043,880	2.40
20,351	Prosus NV	1,294,739	1.52
113,474	Royal Dutch Shell Class 'A'	1,643,987	1.93
		19,256,643	22.64
	Norway: 3.06% (1.50%)		
510,715	Norsk Hydro	2,601,704	3.06
	Portugal: 1.50% (1.89%)		
172,739	Galp Energia	1,277,730	1.50
	Spain: 1.12% (1.73%)		
43,329	Siemens Gamesa Renewable Energy	954,870	1.12
	Sweden: 4.53% (5.03%)		
90,318	Assa Abloy	2,134,840	2.51

Barings European Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	Equities: 99.62% (100.61%) (continued)		
	Sweden: 4.53% (5.03%) (continued)		
57,041	Getinge	1,714,758	2.02
		3,849,598	4.53
	Switzerland: 22.79% (24.04%)		
33,502	Julius Baer	1,675,443	1.97
62,225	Nestle	5,733,152	6.74
31,351	Novartis	2,099,382	2.47
24,285	Roche	7,040,501	8.27
24,812	Temenos	2,843,788	3.34
		19,392,266	22.79
	United Kingdom: 7.51% (5.43%)		
103,909	CNH Industrial	1,264,184	1.49
11,567	Linde	2,648,018	3.11
61,600	Unilever	2,480,492	2.91
		6,392,694	7.51
	Portfolio of investments: 99.62% (101.16%)		
	(Cost: £58,982,925)	84,756,591	99.62
	Net other assets	320,104	0.38
	Net assets	85,076,695	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.

Comparative figures shown in brackets relate to 31 August 2020.

Barings European Growth Trust

Independent auditors' Report to the Unitholders of Barings European Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings European Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 80); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 79); the distribution tables (page 93); and the notes to the financial statements (pages 81 to 92), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings European Growth Trust

Independent auditors' Report to the Unitholders of Barings European Growth Trust (continued)

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings European Growth Trust

Independent auditors' Report to the Unitholders of Barings European Growth Trust (continued)

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

21 December 2021

Barings European Growth Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		16,355		(2,988)
Revenue	3	1,528		1,422	
Expenses	4	(723)		(832)	
Net revenue before taxation		805		590	
Taxation	5	(249)		(243)	
Net revenue after taxation			556		347
Total return before distributions			16,911		(2,641)
Distributions	6		(556)		(349)
Change in net assets attributable to unitholders from investment activities			16,355		(2,990)

Statement of Change in Net Assets Attributable to Unitholders

	31/08/2021		31/08/2020	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		58,315		73,170
Amounts receivable on issue of units	19,095		3,428	
Amounts payable on cancellation of units	(8,733)		(15,310)	
		10,362		(11,882)
Dilution adjustment		34		–
Changes in net assets attributable to unitholders from investment activities		16,355		(2,990)
Unclaimed distributions		11		17
Closing net assets attributable to unitholders		85,077		58,315

Barings European Growth Trust

Balance Sheet

as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Investment assets		84,757	58,988
Current assets:			
Debtors	8	332	240
Cash and bank balances	9	1,193	560
Total assets		86,282	59,788
Liabilities			
Creditors:			
Bank overdrafts	9	–	(549)
Distribution payable on income units	6	(750)	(317)
Other creditors	10	(455)	(607)
Total liabilities		(1,205)	(1,473)
Net assets attributable to unitholders		85,077	58,315

Barings European Growth Trust

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31/08/2021 £'000	31/08/2020 £'000
Non-derivative securities	16,409	(2,938)
Currency losses	(53)	(41)
Forward currency contracts	–	(2)
Transaction charges	(1)	(7)
Net capital gains/(losses) on investments	<u>16,355</u>	<u>(2,988)</u>

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
UK dividends	55	4
Offshore CIS interest revenue	–	3
Overseas dividends	1,473	1,415
	<u>1,528</u>	<u>1,422</u>

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	668	772
	668	772
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	14	14
Safe custody charges	11	11
	25	25
Other expenses:		
Administration fees	2	2
Audit fees	12	12
Professional fees	(13)	(26)
Registrar and transfer agency fees	21	23
Regulatory fees	(13)	13
Standing charges	3	3
Taxation fees*	18	8
	30	35
Total expenses	723	832

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

5. Taxation

	31/08/2021 £'000	31/08/2020 £'000
a) Analysis of tax charges for the year:		
Overseas withholding tax	249	243
Current tax charge (note 5b)	249	243

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2020: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020 £'000
Net revenue before taxation	805	590
Corporation tax at 20%	161	118
Effects of:		
Double taxation relief expenses	(1)	(2)
Overseas withholding tax	249	243
Non-taxable UK dividends	(11)	(1)
Excess management expenses not utilised	138	150
Non taxable overseas dividends	(287)	(265)
Current tax charge for the year (note 5a)	249	243

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £5,227,733 (31 August 2020: £5,089,808*) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

* The prior year amount has been restated as a result of the change in prior year excess management expense.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	31/08/2021 £'000	31/08/2020 £'000
Final Distribution	750	317
	750	317
Add: Revenue deducted on cancellation of units	26	35
Deduct: Revenue received on issue of units	(220)	(3)
	(194)	32
Total distributions	556	349

Details of the distributions per unit are set out in the Distribution Tables on page 93.

Distributions payable at the year end of £750,252 (31 August 2020: £317,148) are disclosed in the Balance Sheet on page 80.

7. Movement between net revenue and distributions

	31/08/2021 £'000	31/08/2020 £'000
Net revenue after taxation	556	347
Equalisation on conversions	–	2
	556	349

8. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Accrued revenue	67	23
Amount receivable for creation of units	16	35
Overseas tax recoverable	249	182
	332	240

9. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Bank overdraft	–	(549)
Cash and bank balances	1,193	560
	1,193	11

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

10. Other creditors

	31/08/2021 £'000	31/08/2020 £'000
Accrued expenses	429	448
Amounts payable for cancellation of units	26	159
	455	607

11. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: £nil).

12. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

13. Financial instruments

In pursuing its investment objective set out on page 64, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

14. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments (continued)

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £4.238 million (31 August 2020: £2.949 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	–	19	19
Euro	58,913	230	59,143
Norwegian krone	2,602	–	2,602
Swedish krona	3,850	–	3,850
Swiss franc	19,392	–	19,392
	84,757	249	85,006

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	–	20	20
Euro	40,842	162	41,004
Norwegian krone	873	–	873
Swedish krona	2,931	–	2,931
Swiss franc	14,022	–	14,022
	58,668	182	58,850

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments (continued)

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.851 million (31 August 2020: £0.589 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Portfolio of investments	–	–	84,757	84,757
Cash at bank	1,193	–	–	1,193
Other assets	–	–	332	332
Liabilities	–	–	(1,205)	(1,205)
	1,193	–	83,884	85,077

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	58,988	58,988
Cash at bank	11	–	–	11
Other assets	–	–	240	240
Liabilities	–	–	(924)	(924)
	11	–	58,304	58,315

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments (continued)

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2021, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2020: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2021:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	84,757	–	–	84,757
	84,757	–	–	84,757

Valuation technique for the year ended 31 August 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	58,667	–	–	58,667
Investment Funds	–	321	–	321
	58,667	321	–	58,988

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	37,097	20,111
Corporate Actions	1,532	—
Commissions:		
Equities total value paid	11	15
Taxes:		
Equities total value paid	39	14
Total transaction costs	50	29
Gross purchases total	38,629	20,140
Analysis of total sale costs:		
Sales before transaction costs*	27,477	33,094
Corporate Actions	1,532	—
Commissions:		
Equities total value paid	(10)	(11)
Total transaction costs	(10)	(11)
Total sales net of transaction costs	28,999	33,083

* Not included in 2021 figures are purchases and sales in cash funds totalling £3.296 million and £3.617 million, respectively, where there are no transaction costs applicable. In 2020, purchases and sales in cash funds totalled £14.755 million and £14.843 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Portfolio transaction costs (continued)

	31/08/2021	31/08/2020
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.03	0.08
Equities percentage of average NAV	0.02	0.02
Taxes:		
Equities percentage of total equities purchases costs	0.11	0.07
Equities percentage of average NAV	0.06	0.02
	31/08/2021	31/08/2020
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.04)	(0.03)
Equities percentage of average NAV	(0.02)	(0.02)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.04% (31 August 2020: 0.05%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17. Unit classes

The Trust currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 65. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 66. The distribution per unit class is given in the distribution tables on page 93. All classes have the same rights on winding up.

	Class A GBP Inc	Class I GBP Inc
Opening units	2,729,063	1,645,267
Units created	40,760	1,199,779
Units liquidated	(221,543)	(373,839)
Units converted	(1,241,545)	1,236,430
Closing units	1,306,735	3,707,637

18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Related party transactions (continued)

Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

19. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class increased from 1,699.00p to 1,715.00p and I GBP Income class from 1,717.00p to 1,723.00p as at 17 December 2021. This movement takes into account routine transactions. The Manager continues to monitor investment performance in line with investment objectives.

Barings European Growth Trust

Distribution Tables

Final Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 31 August 2021

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021 Distribution Paid	2020 Distribution Paid
1	4.4512	0.0000	4.4512	3.2255
2	3.1340	1.3172	4.4512	3.2255

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021 Distribution Paid	2020 Distribution Paid
1	18.6665	0.0000	18.6665	13.9018
2	10.7515	7.9150	18.6665	13.9018

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings Europe Select Trust (the “Trust”) is to achieve capital growth by investing in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe’s listed companies (this excludes companies in the United Kingdom).

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 25% of its total assets directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom), as well as in larger companies, and in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy the Trust may gain indirect 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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes managed by the Manager or an associate of the Manager) 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.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the EMIX Smaller European Companies Ex UK (Total Net Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of small and medium sized companies from developed European countries excluding the UK. The performance comparator’s constituents are not required to exhibit positive/improving ESG characteristics.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” or GARP. We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth and upside disciplines can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises quality criteria when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

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.
- The Trust can hold smaller company shares, which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile (continued)

- 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. Some derivative transactions may be entered into directly with an eligible person or institution (a "counterparty"). There is a risk that the counterparty may not meet its obligations or becomes insolvent, which could cause the Trust to incur a loss.
- 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.
- Losses may occur if an organization through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021

Total Trust size: 31 August 2021	£1,439.15 million	
Total Trust size: 31 August 2020	£1,390.78 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Inc**	1.55%	1.57%
Class A EUR Acc**	1.55%	1.57%
Class A EUR Inc**	1.55%	1.57%
Class A USD Acc	1.55%	1.57%
Class I GBP Acc***	0.80%	N/A
Class I GBP Inc	0.80%	0.82%
Class I EUR Acc	0.80%	0.82%
Class I EUR Inc	0.80%	0.82%
	Initial charge	Annual charge
Class A GBP Inc**	up to 5.00%	1.50%
Class A EUR Acc**	up to 5.00%	1.50%
Class A EUR Inc**	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class I GBP Acc***	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Inc**	£1,000	£500
Class A EUR Acc**	€5,000	€1,000
Class A EUR Inc**	€5,000	€1,000
Class A USD Acc	US\$5,000	US\$2,500
Class I GBP Acc***	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500
Class I EUR Acc	€10,000,000	€1,000
Class I EUR Inc	€10,000,000	€1,000

* 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.

** Calculation based on mid-price.

*** Unit class was launched on 30 October 2020.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021 (continued)

Price per unit	(pence/cents per unit)
Class A GBP Inc	5,581.00p
Class A EUR Acc	6,922.00c
Class A EUR Inc	6,489.00c
Class A USD Acc	8,176.00c
Class I GBP Acc	136.70p
Class I GBP Inc	5,621.00p
Class I EUR Acc	7,051.00c
Class I EUR Inc	6,542.00c

Barings Europe Select Trust

Trust Information

	Class A GBP Inc - Distribution units			Class A EUR Acc - Accumulation units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(c)	(c)	(c)
Change in net assets per unit						
Opening net asset value per unit	4,321.13	4,217.91	4,063.90	5,144.69	4,959.27	4,911.96
Return before operating charges	1,332.32	167.49	250.24	1,867.50	261.99	129.60
Operating charges	(75.88)	(64.27)	(78.47)	(94.37)	(76.57)	(82.29)
Return after operating charges	1,256.44	103.22	171.77	1,773.13	185.42	47.31
Distributions	(27.44)	–	(17.76)	(35.29)	–	–
Retained distributions on accumulation units	–	–	–	35.29	–	–
Closing net asset value per unit	5,550.13	4,321.13	4,217.91	6,917.82	5,144.69	4,959.27
after direct transaction costs of*	3.15	4.14	2.38	3.92	4.93	2.50
Performance						
Return after charges	29.08%	2.45%	4.23%	34.47%	3.74%	0.96%
Other information						
Closing net asset value ('000)	£185,204	£217,196	£232,387	€31,433	€25,373	€38,581
Closing number of units	3,336,929	5,026,359	5,509,533	454,372	493,187	777,949
Operating charges	1.55%	1.57%	1.56%	1.55%	1.57%	1.56%
Direct transaction costs	0.06%	0.10%	0.06%	0.06%	0.10%	0.06%
Prices**						
Highest unit price	5,581.00	4,419.00	4,383.00	5,942.99	5,616.00	5,141.00
Lowest unit price	4,121.00	3,072.00	3,534.00	4,395.82	3,607.00	4,150.00

	Class A EUR Inc - Distribution units			Class A USD Acc - Accumulation units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(c)	(c)	(c)	(c)	(c)	(c)
Change in net assets per unit						
Opening net asset value per unit	4,823.50	4,649.41	4,623.86	6,121.29	5,464.50	5,736.98
Return before operating charges	1,749.88	246.06	111.59	2,162.89	747.84	(189.45)
Operating charges	(87.68)	(71.97)	(77.81)	(112.37)	(91.05)	(83.03)
Return after operating charges	1,662.20	174.09	33.78	2,050.52	656.79	(272.48)
Distributions	(30.00)	–	(8.23)	(41.86)	–	(27.50)
Retained distributions on accumulation units	–	–	–	41.86	–	27.50
Closing net asset value per unit	6,455.70	4,823.50	4,649.41	8,171.81	6,121.29	5,464.50
after direct transaction costs of*	3.64	4.64	2.36	4.66	5.87	2.52
Performance						
Return after charges	34.46%	3.74%	0.73%	33.50%	12.02%	(4.75)%
Other information						
Closing net asset value ('000)	€164,531	€179,049	€292,038	\$28,995	\$16,057	\$16,926
Closing number of units	2,548,618	3,712,004	6,281,177	354,813	262,319	309,752
Operating charges	1.55%	1.57%	1.56%	1.55%	1.57%	1.56%
Direct transaction costs	0.06%	0.10%	0.06%	0.06%	0.10%	0.06%
Prices**						
Highest unit price	5,571.23	5,265.00	4,828.00	5,945.32	6,125.00	5,971.00
Lowest unit price	4,121.36	3,382.00	3,907.00	4,398.08	3,928.00	4,728.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 June 2018 to 31 August 2019, respectively.

Barings Europe Select Trust

Trust Information (continued)

	Class I GBP Acc - Accumulation units	Class I GBP Inc - Distribution units		
	31/08/2021^	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)
Change in net assets per unit				
Opening net asset value per unit	101.84	4,323.55	4,217.28	4,069.60
Return before operating charges	35.61	1,338.32	169.65	253.10
Operating charges	(0.87)	(39.41)	(33.65)	(40.89)
Return after operating charges	34.74	1,298.91	136.00	212.21
Distributions	(1.65)	(65.84)	(29.73)	(64.53)
Retained distributions on accumulation units	1.65	–	–	–
Closing net asset value per unit	136.58	5,556.62	4,323.55	4,217.28
after direct transaction costs of*	0.08	3.17	4.15	2.39
Performance				
Return after charges	34.11%	30.04%	3.22%	5.21%
Other information				
Closing net asset value ('000)	£5,091	£949,468	£870,211	£933,913
Closing number of units	3,727,683	17,087,144	20,127,246	22,144,891
Operating charges	0.80%	0.80%	0.82%	0.81%
Direct transaction costs	0.06%	0.06%	0.10%	0.06%
Prices**				
Highest unit price	136.70	5,621.00	4,434.00	4,424.00
Lowest unit price	100.00	4,128.00	3,084.00	3,552.00

	Class I EUR Acc - Accumulation units			Class I EUR Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(c)	(c)	(c)	(c)	(c)	(c)
Change in net assets per unit						
Opening net asset value per unit	5,201.78	4,975.84	4,892.47	4,830.91	4,652.29	4,645.25
Return before operating charges	1,894.66	266.29	126.21	1,758.78	249.16	119.06
Operating charges	(49.19)	(40.35)	(42.84)	(46.01)	(37.72)	(40.83)
Return after operating charges	1,845.47	225.94	83.37	1,712.77	211.44	78.23
Distributions	(81.19)	(35.34)	(74.02)	(76.58)	(32.82)	(71.19)
Retained distributions on accumulation units	81.19	35.34	74.02	—	—	—
Closing net asset value per unit after direct transaction costs of*	7,047.25	5,201.78	4,975.84	6,467.10	4,830.91	4,652.29
	3.96	4.98	2.51	3.70	4.65	2.39
Performance						
Return after charges	35.48%	4.54%	1.70%	35.45%	4.54%	1.68%
Other information						
Closing net asset value ('000)	€68,474	€78,588	€58,399	€59,389	€42,409	€36,082
Closing number of units	971,638	1,510,216	1,173,650	918,322	877,868	775,583
Operating charges	0.80%	0.82%	0.81%	0.80%	0.82%	0.81%
Direct transaction costs	0.06%	0.10%	0.06%	0.06%	0.10%	0.06%
Prices**						
Highest unit price	6,053.75	5,655.00	5,152.00	5,616.74	5,287.00	4,886.00
Lowest unit price	4,450.71	3,635.00	4,152.00	4,133.06	3,398.00	3,939.00

[^]Unit class was launched on 30 October 2020.

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 June 2018 to 31 August 2019, respectively.

Barings Europe Select Trust

Report of the Investment Manager

Performance

During the year ended 31 August 2021, the Barings Europe Select Trust ("the Trust") produced an absolute net return for Class A GBP Inc of 29.19% compared with a return of 36.43% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	1 year	3 years	5 years
Barings Europe Select Trust	29.19%	9.55%	11.92%
EMIX Smaller European Companies Ex UK (Total Net Return) Index*	36.43%	12.15%	13.91%

** The performance comparator was changed from 31 August 2020 to EMIX Smaller European Companies Ex UK (Total Net Return) Index, previously EMIX Smaller European Companies Ex UK (Total Gross Return) Index.*

Small cap equity markets rebounded significantly from the pandemic-affected lows of 2020 as large-scale monetary and fiscal easing measures combined with the successful development of COVID-19 vaccines increased optimism for the prospect of a global economic recovery in 2021 and beyond. Strong corporate earnings momentum year to date helped confirm the strength of the economic recovery and corporate profits, which in turn pushed markets higher.

The Trust's recent relative underperformance, which has impacted longer-term numbers, was confined to the first six months of the period (Q4 2020, Q1 2021). This was due in part to a recovery in the share prices of higher risk companies, particularly those with significant debts and ongoing weak profitability, on hopes that easing of lockdowns across Europe would prompt some improvement in their profitability. In this context, Airlines, Travel & Leisure and other higher risk sectors such as Biotechnology, performed strongly towards the end of 2020 and the beginning of 2021. Owing to the continued very weak profitability and uncertain business outlooks of many such companies, however, the Trust's exposure to these stronger performers was relatively limited.

Underperformance over the period was not accompanied by any particular weakness in any holdings, but more a slower gain in the share prices of companies that had done well earlier in 2020. In contrast, our investments in companies such as Logitech International and DiaSorin made very strong gains over the period and we took profits in both. The Trust also benefitted from investments in companies exposed to Europe's EU recovery plan and green deal, such as Rockwool International and Wienerberger.

Over the period, we purchased shares in postal logistics operator PostNL, which despite long-term declining trends of mail deliveries, commands a strong competitive position in the fast-growing Dutch parcel market, with the business now accounting for the majority of earnings. Meanwhile, in Finland, we adjusted our exposure to the Industrials sector, initiating a position in Metso Outotec, a company we believe is a leader in providing technology and services for mining, aggregates, recycling and metal refining industries. Elsewhere we took profits and exited our position in GN Store Nord, the manufacturer of hearing aids and audio devices, as the stock was approaching our target price, whilst also selling shares in Logitech, following a period of strong performance.

Barings Europe Select Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
PostNL	18,676	GN Store Nord	26,904
Cie Plastic Omnium	18,260	Logitech International	24,709
Metso Outotec	18,023	Infrastrutture Wireless Italiane	23,248
Cargotec	17,950	Securitas	22,562
Temenos	17,938	Vopak	22,357
Elis	17,896	HelloFresh	21,793
Aalberts Industries	17,855	Elisa	21,020
Nordnet	15,681	SEB	20,621
ProSiebenSat.1 Media	14,078	Tryg	20,069
DiaSorin	13,924	Korian	19,244

Market Outlook

As we move through 2021, equity markets have continued to extend their recovery from the lows of last year, reflecting optimism that the strong recovery in economic activity worldwide will continue. Manufacturing and Services sector surveys in the Eurozone have strengthened and global industrial production has been supported by re-stocking and business investment, with capital expenditure showing signs of acceleration. Meanwhile increased vaccination rates in major economies have boosted the recovery and normalization of in-person discretionary services spending by consumers.

This positive backdrop has increased concerns that the stimulatory monetary policies followed by central banks around the world might be subject to tapering. However, at least in the short term, most central banks have shown little inclination to do so.

Equity market valuations remain above historical averages, particularly on measures of valuation relative to current year profits. However, earnings growth this year remains on track for a significant rebound from 2020 levels, and consensus forecasts have received less downgrades since the year began than normally. Furthermore, relative to other asset classes, equities remain attractively valued.

In this context, we remain driven primarily by our bottom-up stock selection decisions. We continue to follow our quality Growth at a Reasonable Price investment approach. Our aim remains to identify attractively valued investment opportunities in companies whose strategic positioning and competitive strengths can drive sustained improvements in their profitability and returns. Given the trends outlined above, we anticipate that company-specific earnings revisions will become increasingly important determinant of share price developments, with opportunities for stock selection more widespread among companies, sectors and styles given the valuation backdrop.

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.

Barings Europe Select Trust

Environmental, Social and Governance ("ESG") Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance ("ESG") considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors while seeking better outcomes for society and the planet, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2021

	Positive or Improving	All Others
Barings Europe Select Trust	77.74%	22.26%

ENGAGEMENT CASE STUDY: JERONIMO MARTINS

Engagement Category: Social

Format: Video call (one to one)

Contact: Investor Relations

Engagement Overview

We engaged with Jeronimo Martins, the Portuguese listed food retailer, regarding fines received from the regulator in Poland and Portugal for the mis-pricing of goods in store, anti-competitive practices and unfair treatment of suppliers.

Engagement Objective: Change Behaviour

Our aim was to understand how the company had resolved the issues that led to the fines, what new policies to change behaviour had been put in place, and had anyone been held accountable internally and what new monitoring is in place to prevent a reoccurrence.

Outcome: Ongoing

The immediate reply from Jeronimo Martins was to deny any wrong doing, they therefore provided very limited details on any actions that had been taken to remedy the problems.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company's ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings Europe Select Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

The company is appealing the against the fines, totalling c275m Euros, stating that they do not agree with the findings of the regulators. Until the appeal process is concluded, we believe, the company is unlikely to communicate anything that could imply guilt.

With Jeronimo Martins having received three fines, inside six months, from two separate regulators in their two largest markets, we are clearly concerned with the commercial and competitive practices of the company.

Reassurance that positive steps have been taken to prevent further similar behaviour would, in part, provide assurance that the issues have been addressed and reduce the risk of receiving further fines.

Barings Europe Select Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Europe Select Trust (the "Trust") and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings Europe Select Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings Europe Select Trust

Directors' Statement

The financial statements on pages 114 to 127 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings Europe Select Trust

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Investment Funds: 0.00% (3.73%)		
	Ireland: 0.00% (3.73%)		
	Equities: 98.11% (95.67%)		
	Austria: 3.17% (1.60%)		
261,346	Andritz	10,961,833	0.76
284,647	BAWAG	12,489,638	0.87
762,266	Wienerberger	22,223,368	1.54
		45,674,839	3.17
	Belgium: 2.82% (3.31%)		
39,009	Ackermans & van Haaren	5,230,424	0.36
191,756	D'ieren	21,640,195	1.50
494,331	Telenet	13,766,082	0.96
		40,636,701	2.82
	Denmark: 5.07% (6.86%)		
18,625	ALK-Abello	6,626,355	0.46
71,636	Chemometec	8,412,688	0.58
59,819	Rockwool International	23,460,258	1.63
173,780	Royal Unibrew	16,350,610	1.14
470,918	Topdanmark	18,082,342	1.26
		72,932,253	5.07
	Finland: 7.81% (5.07%)		
483,723	Cargotec	19,316,278	1.34
622,762	Huhtamaki	24,086,967	1.67
1,385,580	Metsa Board	10,605,057	0.74
2,506,872	Metso Outotec	19,628,993	1.36
271,412	Neles	3,040,798	0.21
716,130	Nokian Renkaat	19,918,098	1.39
162,058	Sanoma	2,184,057	0.15
461,482	Valmet	13,596,999	0.95
		112,377,247	7.81
	France: 10.12% (11.44%)		
653,263	Cie Plastic Omnium	14,351,470	1.00
1,520,325	Elis	19,640,064	1.36
282,647	Eurazeo	21,135,432	1.47
82,691	Gaztransport Et Technigaz	5,007,105	0.35
147,863	Maisons du Monde	2,471,876	0.17
136,990	Orpea	12,722,168	0.88
293,221	Publicis Groupe	13,906,705	0.96
1,560,440	Rexel	23,866,710	1.66
329,643	SCOR	7,287,227	0.51
802,519	SPIE	13,836,739	0.96
60,176	Trigano	9,180,560	0.64
86,903	Verallia	2,276,655	0.16
		145,682,711	10.12
	Germany: 12.82% (13.72%)		
216,308	Brenntag	16,059,546	1.12

BARINGS

Barings Europe Select Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Equities: 98.11% (95.67%) (continued)		
	Germany: 12.82% (13.72%) (continued)		
100,040	Dermapharm	6,749,799	0.47
201,569	Duerr	7,231,422	0.50
205,593	Evotec	7,524,220	0.52
328,519	GEA Group	11,116,636	0.77
181,898	Gerresheimer	14,148,943	0.98
221,301	HelloFresh	17,655,191	1.23
323,540	KION	25,205,503	1.75
173,576	Norma	6,406,181	0.45
1,328,145	ProSiebenSat.1 Media	18,401,703	1.28
289,554	Scout24	17,908,871	1.25
56,733	Siltronic	6,777,945	0.47
94,726	Sixt	9,273,430	0.64
336,313	Stroer	20,060,909	1.39
		184,520,299	12.82
	Iceland: 0.27% (0.22%)		
713,574	Marel	3,888,443	0.27
	Ireland: 1.90% (2.51%)		
653,844	Smurfit Kappa Group	27,368,475	1.90
	Italy: 12.77% (11.70%)		
395,918	ACEA	6,839,885	0.47
719,754	Amplifon	27,436,278	1.91
2,176,090	Autogrill	11,768,282	0.82
825,374	Banca Generali	26,439,770	1.84
448,056	BFF Bank	2,998,047	0.21
424,972	De' Longhi	14,011,557	0.97
110,785	DiaSorin	18,287,013	1.27
1,875,864	FinecoBank	25,450,330	1.77
383,065	GVS	5,300,854	0.37
6,844,387	Hera	21,572,126	1.50
454,789	Interpump Group	23,688,091	1.64
		183,792,233	12.77
	Luxembourg: 0.38% (0.00%)		
606,143	Global Fashion Group	5,527,617	0.38
	Netherlands: 17.15% (14.45%)		
527,908	Aalberts Industries	24,111,669	1.68
663,230	Arcadis	23,759,613	1.65
106,730	ASM International	30,382,557	2.11
800,879	ASR Nederland	26,598,155	1.85
229,734	BE Semiconductor Industries	15,322,671	1.06
148,682	Corbion	5,863,127	0.41
327,665	Euronext	27,782,712	1.93
268,969	Flow Traders	7,989,571	0.56
1,048,663	Fugro	7,519,789	0.52
217,156	IMCD	31,197,925	2.17
5,635,233	PostNL	21,640,761	1.50

Barings Europe Select Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	Equities: 98.11% (95.67%) (continued)		
	Netherlands: 17.15% (14.45%) (continued)		
595,216	Signify	24,633,061	1.71
		246,801,611	17.15
	Norway: 2.25% (3.26%)		
198,448	Bakkafrost	12,876,831	0.89
293,589	Borregaard	5,685,003	0.40
200,643	Nordic Semiconductor	4,888,122	0.34
198,400	Tomra Systems	8,900,265	0.62
		32,350,221	2.25
	Spain: 2.69% (2.86%)		
1,701,954	Applus Services	12,119,587	0.84
428,362	CIE Automotive	8,954,101	0.63
578,758	Fluidra	17,584,658	1.22
		38,658,346	2.69
	Sweden: 10.75% (7.04%)		
1,002,024	AAK	17,424,738	1.21
1,151,117	Dometic	13,336,822	0.93
707,325	Getinge	21,263,493	1.48
1,568,688	Hexpol	14,945,634	1.04
2,078,485	Husqvarna	20,628,557	1.43
334,223	Intrum	7,388,595	0.51
275,906	Inwido	3,981,517	0.28
377,005	Loomis	8,739,134	0.61
945,679	Nolato	8,026,594	0.56
1,256,297	Nordnet	16,068,861	1.12
1,012,161	Stillfront Group	4,834,504	0.33
453,629	Thule	18,070,074	1.25
		154,708,523	10.75
	Switzerland: 8.14% (11.63%)		
155,869	Baloise	18,112,454	1.26
40,051	Bucher Industries	14,821,648	1.03
227,526	DKSH	12,767,501	0.89
1,397,361	SIG Combibloc	31,076,100	2.16
41,988	Tecan	18,972,556	1.32

Barings Europe Select Trust

Portfolio Statement (continued)

as at 31 August 2021

		Bid-Market value (£)	Percentage of total net assets (%)
Holdings	Investments		
	Equities: 98.11% (95.67%) (continued)		
	Switzerland: 8.14% (11.63%) (continued)		
185,950	Temenos	21,312,364	1.48
		117,062,623	8.14
	Portfolio of investments: 98.11% (99.40%)		
	(Cost: £967,490,272)	1,411,982,142	98.11
	Net other assets	27,168,547	1.89
	Net assets	1,439,150,689	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.

Comparative figures shown in brackets relate to 31 August 2020.

Barings Europe Select Trust

Independent auditors' Report to the Unitholders of Barings Europe Select Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Europe Select Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 115); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 114); the distribution tables (pages 128 to 131) and the notes to the financial statements (pages 116 to 127), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings Europe Select Trust

Independent auditors' Report to the Unitholders of Barings Europe Select Trust (continued)

Manager's report

In our opinion, the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings Europe Select Trust

Independent auditors' Report to the Unitholders of Barings Europe Select Trust (continued)

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

21 December 2021

Barings Europe Select Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		339,862		20,651
Revenue	3	30,743		23,714	
Expenses	4	(13,661)		(14,539)	
Interest payable and other similar charges	5	(357)		(100)	
Net revenue before taxation		16,725		9,075	
Taxation	6	(2,079)		(2,857)	
Net revenue after taxation			14,646		6,218
Total return before distributions			354,508		26,869
Distributions	7		(14,648)		(6,788)
Change in net assets attributable to unitholders from investment activities			339,860		20,081

Statement of Change in Net Assets Attributable to Unitholders

		31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			1,390,778		1,565,627
Amounts receivable on issue of units		283,363		266,347	
Amounts payable on cancellation of units		(575,823)		(461,759)	
			(292,460)		(195,412)
Changes in net assets attributable to unitholders from investment activities			339,860		20,081
Retained distribution on accumulation units	7		969		478
Unclaimed distributions			4		4
Closing net assets attributable to unitholders			1,439,151		1,390,778

Barings Europe Select Trust**Balance Sheet**as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Investment assets		1,411,982	1,382,378
Current assets:			
Debtors	9	12,455	15,905
Cash and bank balances	10	60,498	14,627
Total assets		1,484,935	1,412,910
Liabilities			
Creditors:			
Bank overdraft	10	(7,119)	(1,800)
Distribution payable on income units	7	(12,560)	(6,241)
Other creditors	11	(26,105)	(14,091)
Total liabilities		(45,784)	(22,132)
Net assets attributable to unitholders		1,439,151	1,390,778

Barings Europe Select Trust

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2021, there were no stock dividends on this Trust.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Gains

The net capital gains during the year comprise:

	31/08/2021 £'000	31/08/2020 £'000
Non-derivative securities	342,274	20,090
Currency (losses)/gains	(2,366)	584
Transaction charges	(46)	(23)
Net capital gains on investments	<u>339,862</u>	<u>20,651</u>

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
Bank interest	60	1
Offshore CIS interest revenue	2	425
Overseas dividends	30,681	23,288
	<u>30,743</u>	<u>23,714</u>

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	13,025	13,856
	13,025	13,856
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	183	195
Safe custody charges	264	267
	447	462
Other expenses:		
Administration fees	2	2
Audit fees	12	11
Professional fees	(9)	6
Registrar and transfer agency fees	169	157
Regulatory fees	(15)	9
Standing charges	3	3
Taxation fees*	27	33
	189	221
Total expenses	13,661	14,539

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	31/08/2021 £'000	31/08/2020 £'000
Interest expenses	357	100
	357	100

6. Taxation

	31/08/2021 £'000	31/08/2020 £'000
a) Analysis of tax charges for the year:		
Overseas withholding tax	2,079	2,857
Current tax charge (note 6b)	2,079	2,857

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Taxation (continued)

b) Factors affecting taxation charge of the year:

The tax assessed for the year is lower (31 August 2020: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020 £'000
Net revenue before taxation	16,725	9,075
Corporation tax at 20%	3,345	1,815
Effects of:		
Overseas withholding tax	2,079	2,857
Excess management expenses not utilised	2,791	2,842
Non taxable overseas dividends	(6,136)	(4,657)
Current tax charge for the year (note 6a)	2,079	2,857

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £35,154,328 (31 August 2020: £32,362,961*) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

* Prior year amount has been restated as a result of the change in prior year excess management expense.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprise:

	31/08/2021 £'000	31/08/2020 £'000
Interim Distribution	869	—
Interim Accumulation	28	—
Final Distribution	12,560	6,241
Final Accumulation	941	478
	14,398	6,719
Add: Revenue deducted on cancellation of units	1,216	371
Deduct: Revenue received on issue of units	(966)	(302)
	250	69
Total distributions	14,648	6,788

Details of the distributions per units are set out in the Distribution Tables on pages 128 to 131.

Distributions payable at the year end of £12,560,294 (31 August 2020: £6,240,787) are disclosed in the Balance Sheet on page 115.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

8. Movement between net revenue and distributions

	31/08/2021 £'000	31/08/2020 £'000
Net revenue after taxation	14,646	6,218
Equalisation on conversions	2	1
Income deficit	–	569
	14,648	6,788

9. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Accrued revenue	480	2,142
Amount receivable for creation of units	7,049	494
Overseas tax recoverable	4,926	3,489
Sales awaiting settlement	–	9,780
	12,455	15,905

10. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Bank overdraft	(7,119)	(1,800)
Cash and bank balances	60,498	14,627
	53,379	12,827

11. Other creditors

	31/08/2021 £'000	31/08/2020 £'000
Accrued expenses	1,554	1,294
Amounts payable for cancellation of units	24,133	1,619
Currency deals awaiting settlement	–	1
Purchases awaiting settlement	418	11,177
	26,105	14,091

12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: £nil).

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into the capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

14. Financial instruments

In pursuing its investment objective set out on page 94, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £70.599 million (31 August 2020: £69.119 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	72,932	12,110	85,042
Euro	1,034,929	18,529	1,053,458
Norwegian krone	32,350	2,835	35,185
Swedish krona	154,709	3,150	157,859
Swiss franc	117,063	16,301	133,364
US dollar	–	2,811	2,811
	1,411,983	55,736	1,467,719

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Danish krone	95,457	1,493	96,950
Euro	952,574	2,005	954,579
Norwegian krone	45,337	12,799	58,136
Swedish krona	97,835	–	97,835
Swiss franc	171,244	–	171,244
US dollar	19,305	8	19,313
	1,381,752	16,305	1,398,057

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £14.677 million (31 August 2020: £13.981 million).

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Portfolio of investments	–	–	1,411,982	1,411,982
Cash at bank	53,379	–	–	53,379
Other assets	–	–	12,455	12,455
Liabilities	–	–	(38,665)	(38,665)
	53,379	–	1,385,772	1,439,151

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	1,382,378	1,382,378
Cash at bank	12,827	–	–	12,827
Other assets	–	–	15,905	15,905
Liabilities	–	–	(20,332)	(20,332)
	12,827	–	1,377,951	1,390,778

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2021, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2020: same).

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2021:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	1,411,982	–	–	1,411,982
	<u>1,411,982</u>	<u>–</u>	<u>–</u>	<u>1,411,982</u>

Valuation technique for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	1,330,483	–	–	1,330,483
Investment Funds	–	51,895	–	51,895
	<u>1,330,483</u>	<u>51,895</u>	<u>–</u>	<u>1,382,378</u>

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	571,835	1,247,498
Corporate Actions	14,506	—
Commissions:		
Equities total value paid	257	338
Taxes:		
Equities total value paid	301	708
Total transaction costs	558	1,046
Gross purchases total	586,899	1,248,544
Analysis of total sale costs:		
Sales before transaction costs*	833,405	1,453,879
Corporate Actions	14,506	—
Commissions:		
Equities total value paid	(296)	(382)
Total transaction costs	(296)	(382)
Total sales net of transaction costs	847,615	1,453,497

* Not included in 2021 figures are purchases and sales in cash funds totalling £7.25 million and £56.50 million, respectively, where there are no transaction costs applicable. In 2020, purchases and sales in cash funds totalled £533.15 million and £565.03 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs (continued)

	31/08/2021	31/08/2020
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.04	0.05
Equities percentage of average NAV	0.02	0.02
Equities percentage of total equities purchases costs	0.05	0.10
Equities percentage of average NAV	0.02	0.05
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.04)	(0.04)
Equities percentage of average NAV	(0.02)	(0.03)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.10% (31 August 2020: 0.11%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has eight unit classes: A EUR Acc, A EUR Inc, A GBP Inc, A USD Acc, I EUR Acc, I EUR Inc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 96. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 98 and 99. The distribution per unit class is given in the distribution tables on pages 128 to 131. All classes have the same rights on winding up.

	Class A GBP Inc	Class A EUR Acc	Class A EUR Inc
Opening units	5,026,359	493,187	3,712,004
Units created	261,527	105,707	415,170
Units liquidated	(1,482,306)	(144,522)	(1,577,241)
Units converted	(468,651)	—	(1,315)
Closing units	3,336,929	454,372	2,548,618

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Unit classes (continued)

	Class A USD Acc	Class I GBP Acc	Class I GBP Inc
Opening units	262,319	—	20,127,246
Units created	312,583	3,962,389	4,048,460
Units liquidated	(220,089)	(234,706)	(7,556,416)
Units converted	—	—	467,854
Closing units	354,813	3,727,683	17,087,144

	Class I EUR Acc	Class I EUR Inc
Opening units	1,510,216	877,868
Units created	388,995	105,811
Units liquidated	(927,573)	(66,668)
Units converted	—	1,311
Closing units	971,638	918,322

19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2021, the Investment Manager had holdings of 1,000 units (31 August 2020: nil), equivalent to 0.00% (31 August 2020: 0.00%) of units held in the Trust. Amounts due from or to the Investment Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class decreased from 5,581.00p to 5,269.00p, A EUR Accumulation class from 6,922.00c to 6,626.00c, A EUR Income class from 6,489.00c to 6,183.00c, A USD Accumulation class from 8,176.00c to 7,485.00c, I GBP Accumulation class from 136.70p to 130.00p, I GBP Income class from 5,621.00p to 5,286.00p, I EUR Accumulation class from 7,051.00c to 6,764.00c and I EUR Income class from 6,542.00c to 6,208.00c as at 17 December 2021. This movement takes into account routine transaction. The Manager continues to monitor investment performance in line with investment objectives.

Barings Europe Select Trust

Distribution Tables

Interim Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 28 February 2021

Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	Nil
2	Nil	Nil	Nil	Nil

Interim accumulation - Class I GBP Acc* (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	0.1446	0.0000	0.1446	Nil
2	0.0000	0.1446	0.1446	Nil

Barings Europe Select Trust

Distribution Tables (continued)

Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	4.8154	0.0000	4.8154	Nil
2	2.0635	2.7519	4.8154	Nil

Interim accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	4.6697	0.0000	4.6697	Nil
2	2.1842	2.4855	4.6697	Nil

Interim distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	5.5455	0.0000	5.5455	Nil
2	1.3253	4.2202	5.5455	Nil

Final Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 31 August 2021

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	27.4366	0.0000	27.4366	Nil
2	3.7396	23.6970	27.4366	Nil

Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	35.2898	0.0000	35.2898	Nil
2	20.2901	14.9997	35.2898	Nil

Barings Europe Select Trust

Distribution Tables (continued)

Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	29.9982	0.0000	29.9982	Nil
2	3.5881	26.4101	29.9982	Nil

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	41.8559	0.0000	41.8559	Nil
2	2.6608	39.1951	41.8559	Nil

Final accumulation - Class I GBP Acc* (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	1.5014	0.0000	1.5014	Nil
2	0.3100	1.1914	1.5014	Nil

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	61.0223	0.0000	61.0223	29.7252
2	24.3057	36.7166	61.0223	29.7252

Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	76.5159	0.0000	76.5159	35.3425
2	65.0679	11.4480	76.5159	35.3425

Barings Europe Select Trust

Distribution Tables (continued)

Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	71.0324	0.0000	71.0324	32.8173
2	13.4041	57.6283	71.0324	32.8173

* Unit class was launched 30 October 2020.

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings German Growth Trust (the “Trust”) is to achieve capital growth by investing in Germany.

The Trust will seek to achieve its investment objective by investing at least 75% 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 Germany, or quoted or traded on the stock exchanges in Germany.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity related securities outside of Germany as well as in fixed income and cash.

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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) 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.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the HDAX® (Total Return) Index to assess the Trust’s performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the stock market index in Germany.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and Economic, Social, Governance (ESG) considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

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.
- 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.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021

Total Trust size: 31 August 2021	€400.28 million	
Total Trust size: 31 August 2020	€366.38 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Acc	1.58%	1.56%
Class A GBP Inc	1.58%	1.56%
Class A EUR Acc	1.58%	1.56%
Class A EUR Inc	1.58%	1.56%
Class A USD Acc	1.58%	1.56%
Class A USD Hedged Acc	1.58%	1.56%
Class A RMB Hedged Acc	1.58%	1.56%
Class I GBP Acc	0.83%	0.81%
Class I GBP Inc	0.83%	0.81%
Class I GBP Hedged Acc	0.83%	0.81%
Class I EUR Acc	0.83%	0.81%
Class I EUR Inc	0.83%	0.81%
Class I USD Acc	0.83%	0.81%
	Initial charge	Annual charge
Class A GBP Acc	up to 5.00%	1.50%
Class A GBP Inc	up to 5.00%	1.50%
Class A EUR Acc	up to 5.00%	1.50%
Class A EUR Inc	up to 5.00%	1.50%
Class A USD Acc	up to 5.00%	1.50%
Class A USD Hedged Acc	up to 5.00%	1.50%
Class A RMB Hedged Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I GBP Hedged Acc	Nil	0.75%
Class I EUR Acc	Nil	0.75%
Class I EUR Inc	Nil	0.75%
Class I USD Acc	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Acc	£1,000	£500
Class A GBP Inc	£1,000	£500
Class A EUR Acc	€5,000	€1,000
Class A EUR Inc	€5,000	€1,000
Class A USD Acc	US\$5,000	US\$2,500
Class A USD Hedged Acc	US\$5,000	US\$2,500
Class A RMB Hedged Acc	US\$5,000	US\$2,500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500
Class I GBP Hedged Acc	£10,000,000	£500

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2021 (continued)

	Minimum initial investment	Minimum subsequent investment
Class I EUR Acc	€10,000,000	€1,000
Class I EUR Inc	€10,000,000	€1,000
Class I USD Acc	US\$10,000,000	US\$2,500

* 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.

Price per unit	(pence/cents per unit)
Class A GBP Acc	1,027.00p
Class A GBP Inc	921.10p
Class A EUR Acc	1,195.00c
Class A EUR Inc	1,068.00c
Class A USD Acc	1,413.00c
Class A USD Hedged Acc	1,447.00c
Class A RMB Hedged Acc	RMB99.94
Class I GBP Acc	1,094.00p
Class I GBP Inc	921.70p
Class I GBP Hedged Acc	1,122.00p
Class I EUR Acc	1,274.00c
Class I EUR Inc	1,049.00c
Class I USD Acc	1,493.00c

Barings German Growth Trust

Trust Information

	Class A GBP Acc - Accumulation units			Class A GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	782.61	817.54	928.87	702.26	734.48	838.93
Return before operating charges	256.23	(22.54)	(92.26)	229.89	(20.26)	(83.34)
Operating charges	(13.73)	(12.39)	(19.07)	(12.29)	(11.12)	(17.22)
Return after operating charges	242.50	(34.93)	(111.33)	217.60	(31.38)	(100.56)
Distributions	(1.30)	(0.82)	(4.21)	(1.04)	(0.84)	(3.89)
Retained distributions on accumulation units	1.30	0.82	4.21	–	–	–
Closing net asset value per unit after direct transaction costs of*	1,025.11	782.61	817.54	918.82	702.26	734.48
	0.34	0.34	0.38	0.30	0.31	0.34
Performance						
Return after charges	30.99%	(4.27)%	(11.99)%	30.99%	(4.27)%	(11.99)%
Other information						
Closing net asset value ('000)	£64,778	£59,214	£70,879	£422	£420	£482
Closing number of units	6,319,159	7,566,216	8,669,792	45,970	59,817	65,561
Operating charges	1.58%	1.56%	1.57%	1.58%	1.56%	1.57%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices**						
Highest unit price	1,027.00	866.10	936.90	921.10	778.10	846.20
Lowest unit price	695.90	533.10	708.50	624.50	479.00	639.90

	Class A EUR Acc - Accumulation units			Class A EUR Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(c)	(c)	(c)	(c)	(c)	(c)
Change in net assets per unit						
Opening net asset value per unit	874.38	901.94	1,055.51	781.47	807.09	949.44
Return before operating charges	334.54	(13.71)	(134.54)	298.80	(12.29)	(121.03)
Operating charges	(15.97)	(13.85)	(19.03)	(14.09)	(12.42)	(17.07)
Return after operating charges	318.57	(27.56)	(153.57)	284.71	(24.71)	(138.10)
Distributions	(1.32)	(0.92)	(4.71)	(0.19)	(0.91)	(4.25)
Retained distributions on accumulation units	1.32	0.92	4.71	–	–	–
Closing net asset value per unit after direct transaction costs of*	1,192.95	874.38	901.94	1,065.99	781.47	807.09
	0.39	0.38	0.38	0.34	0.34	0.34
Performance						
Return after charges	36.43%	(3.06)%	(14.55)%	36.43%	(3.06)%	(14.55)%
Other information						
Closing net asset value ('000)	€177,337	€155,414	€187,926	€1,248	€1,520	€2,399
Closing number of units	14,865,376	17,774,191	20,835,804	117,057	194,475	297,194
Operating charges	1.58%	1.56%	1.57%	1.58%	1.56%	1.57%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices**						
Highest unit price	1,025.99	1,031.00	1,068.00	916.95	922.30	960.40
Lowest unit price	695.27	572.50	785.80	621.38	512.30	706.90

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 May 2018 to 31 August 2019, respectively.

Barings German Growth Trust

Trust Information (continued)

	Class A USD Acc - Accumulation units			Class A USD Hedged Acc - Accumulation units		
	31/08/2021 (c)	31/08/2020 (c)	31/08/2019 (c)	31/08/2021 (c)	31/08/2020 (c)	31/08/2019 (c)
Change in net assets per unit						
Opening net asset value per unit	1,042.02	995.49	1,257.98	1,049.67	1,059.09	1,193.42
Return before operating charges	387.78	63.01	(243.27)	413.00	8.13	(115.09)
Operating charges	(18.73)	(16.48)	(19.22)	(18.51)	(17.55)	(19.24)
Return after operating charges	369.05	46.53	(262.49)	394.49	(9.42)	(134.33)
Distributions	(1.20)	(1.47)	(5.07)	–	(1.15)	(4.69)
Retained distributions on accumulation units	1.20	1.47	5.07	–	1.15	4.69
Closing net asset value per unit	1,411.07	1,042.02	995.49	1,444.16	1,049.67	1,059.09
after direct transaction costs of*	0.46	0.45	0.38	0.45	0.48	0.38
Performance						
Return after charges	35.42%	4.67%	(20.87)%	37.58%	(0.89)%	(11.26)%
Other information						
Closing net asset value ('000)	\$6,266	\$7,590	\$7,583	\$8,739	\$15,392	\$18,601
Closing number of units	444,084	728,375	761,750	605,097	1,466,324	1,756,346
Operating charges	1.58%	1.56%	1.57%	1.58%	1.56%	1.57%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices**						
Highest unit price	1,027.49	1,126.00	1,262.00	1,052.21	1,223.00	1,208.00
Lowest unit price	697.74	615.10	894.70	716.18	679.40	904.60

	Class A RMB Hedged Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2021 (RMB)	31/08/2020 (RMB)	31/08/2019 (RMB)	31/08/2021 (p)	31/08/2020 (p)	31/08/2019 (p)
Change in net assets per unit						
Opening net asset value per unit	70.87	71.57	80.23	827.80	858.28	965.49
Return before operating charges	155.01	115.77	10.32	272.36	(23.71)	(96.78)
Operating charges*	(126.08)	(116.47)	(18.98)	(7.64)	(6.77)	(10.43)
Return after operating charges	28.93	(0.70)	(8.66)	264.72	(30.48)	(107.21)
Distributions	–	(4.47)	(0.42)	(8.44)	(7.43)	(13.14)
Retained distributions on accumulation units	–	4.47	0.42	8.44	7.43	13.14
Closing net asset value per unit	99.80	70.87	71.57	1,092.52	827.80	858.28
after direct transaction costs of**	3.09	3.20	0.38	0.36	0.36	0.40
Performance						
Return after charges	40.83%	(0.97)%	(10.79)%	31.98%	(3.55)%	(11.10)%
Other information						
Closing net asset value ('000)	RMB5,079	RMB4,570	RMB5,895	£94,833	£86,287	£107,137
Closing number of units	50,889	64,480	82,373	8,680,206	10,423,693	12,482,677
Operating charges	1.58%	1.56%	1.57%	0.83%	0.81%	0.82%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices***						
Highest unit price	99.94	82.82	81.33	1,094.00	912.30	973.90
Lowest unit price	62.74	45.98	61.30	737.00	562.00	740.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 May 2018 to 31 August 2019, respectively.

Barings German Growth Trust

Trust Information (continued)

	Class I GBP Inc - Distribution units			Class I GBP Hedged Acc - Accumulation units		
	31/08/2021 (p)	31/08/2020 (p)	31/08/2019 (p)	31/08/2021 (p)	31/08/2020 (p)	31/08/2019 (p)
Change in net assets per unit						
Opening net asset value per unit	697.41	729.60	833.39	812.11	835.94	954.93
Return before operating charges	229.46	(20.16)	(83.41)	315.78	(16.69)	(108.68)
Operating charges	(6.47)	(5.77)	(9.05)	(7.72)	(7.14)	(10.31)
Return after operating charges	222.99	(25.93)	(92.46)	308.06	(23.83)	(118.99)
Distributions	(7.23)	(6.26)	(11.33)	(8.88)	(3.88)	(13.35)
Retained distributions on accumulation units	—	—	—	8.88	3.88	13.35
Closing net asset value per unit after direct transaction costs of*	913.17	697.41	729.60	1,120.17	812.11	835.94
	0.30	0.31	0.34	0.36	0.38	0.39
Performance						
Return after charges	31.97%	(3.55)%	(11.09)%	37.93%	(2.85)%	(12.46)%
Other information						
Closing net asset value ('000)	£12,199	£10,460	£20,042	£665	£633	£740
Closing number of units	1,335,914	1,499,778	2,747,024	59,331	77,989	88,542
Operating charges	0.83%	0.81%	0.82%	0.83%	0.81%	0.82%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices**						
Highest unit price	921.70	775.60	840.70	1,122.00	961.20	966.30
Lowest unit price	620.90	477.80	638.90	715.30	530.20	719.30

	Class I EUR Acc - Accumulation units			Class I EUR Inc - Distribution units		
	31/08/2021 (c)	31/08/2020 (c)	31/08/2019 (c)	31/08/2021 (c)	31/08/2020 (c)	31/08/2019 (c)
Change in net assets per unit						
Opening net asset value per unit	925.05	947.20	1,098.01	761.52	786.80	957.29
Return before operating charges	355.19	(14.52)	(140.36)	292.16	(11.96)	(155.31)
Operating charges	(8.71)	(7.63)	(10.45)	(6.91)	(6.27)	(8.88)
Return after operating charges	346.48	(22.15)	(150.81)	285.25	(18.23)	(164.19)
Distributions	(10.12)	(8.26)	(14.48)	(8.24)	(7.05)	(6.30)
Retained distributions on accumulation units	10.12	8.26	14.48	—	—	—
Closing net asset value per unit after direct transaction costs of*	1,271.53	925.05	947.20	1,038.53	761.52	786.80
	0.41	0.40	0.40	0.32	0.33	0.34
Performance						
Return after charges	37.46%	(2.34)%	(13.73)%	37.46%	(2.32)%	(17.15)%
Other information						
Closing net asset value ('000)	€7,179	€14,200	€13,542	€16	€34	€35
Closing number of units	564,582	1,535,073	1,429,644	1,561	4,421	4,420
Operating charges	0.83%	0.81%	0.82%	0.83%	0.81%	0.82%
Direct transaction costs	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Prices**						
Highest unit price	1,093.81	1,087.00	1,111.00	900.64	902.20	969.00
Lowest unit price	736.46	603.60	821.10	606.30	501.50	688.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 May 2018 to 31 August 2019, respectively.

Barings German Growth Trust

Trust Information (continued)

	Class I USD Acc - Accumulation units		
	31/08/2021	31/08/2020	31/08/2019
	(c)	(c)	(c)
Change in net assets per unit			
Opening net asset value per unit	1,080.00	1,030.00	1,286.61
Return before operating charges	420.49	58.86	(245.82)
Operating charges	(10.49)	(8.86)	(10.79)
Return after operating charges	410.00	50.00	(256.61)
Distributions	(16.45)	(13.35)	(15.90)
Retained distributions on accumulation units	16.45	13.35	15.90
Closing net asset value per unit	1,490.00	1,080.00	1,030.00
after direct transaction costs of*	0.49	0.47	0.41
Performance			
Return after charges	37.96%	4.85%	(19.94)%
Other information			
Closing net asset value ('000)	\$0	\$0	\$0
Closing number of units	10	10	10
Operating charges	0.83%	0.81%	0.82%
Direct transaction costs	0.04%	0.04%	0.04%
Prices**			
Highest unit price	1,085.66	1,167.00	1,290.00
Lowest unit price	729.43	638.30	918.00

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 16 May 2018 to 31 August 2019, respectively.

Barings German Growth Trust

Report of the Investment Manager

Performance

During the year ended 31 August 2021, the Barings German Growth Trust ("the Trust") produced an absolute return for Class A EUR Acc of 36.87% compared with a return of 23.78% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A EUR Acc units against the performance comparator.

	1 year	3 years	5 years
Barings German Growth Trust	36.87%	5.87%	8.18%
HDAX® (Total Return) Index	23.78%	8.42%	9.31%

Stock selection significantly enhanced relative returns over the period, with our positioning in the Information Technology sector significantly driving outperformance. By market cap, positive stock selection between EUR 500m and EUR 10bn generated the vast majority of relative returns.

When evaluating the performance of the Trust over the longer term, and in line with our investment approach, stock selection has been beneficial to performance relative to the benchmark, however this has been overshadowed by periods where asset allocation, and broader macro effects have detracted significantly. These periods of underperformance occurred largely in 2018, when larger capitalisation equities in Germany significantly outperformed smaller companies, to which the Trust has a strong bias. This followed increased concerns surrounding trade tensions, fears of a slowdown in global economic growth, and central banks' withdrawal of accommodative monetary policy. In addition, performance also lagged the comparator benchmark in the earlier stages of 2020, as the COVID-19 pandemic took hold and market volatility increased globally. The Trust's portfolio exposure, which is biased towards smaller companies, and whose business models are increasingly reliant on consumer demand, were impacted to a greater extent than the performance comparator. Despite this longer term performance, we believe the recent outperformance in 2021 remains reflective of our repeatable long term process, where we believe our stock selection decisions can add value.

At a stock level, software provider Nagarro was the Trust's top contributor to relative performance, helped by a solid set of H1 earnings that highlighted elevated demand and profit growth. Semiconductor wafer manufacturer Siltronic also outperformed, as Global Wafers bid for the company at a significant premium to market value. Power tool manufacturer Einhell was another notable contributor, following strong earnings in 2020 and positive guidance for 2021.

In contrast, electronics and computing company S&T and car manufacturer Daimler both underperformed, as their share prices were impacted by broader market weakness related to the semiconductor chip shortage. Hannover Reinsurance was another detractor over the period, however, we expect that over the medium term the stock will perform strongly, as reinsurance rates have gone up for the first time since the global financial crisis.

Trading activity over the period remained relatively low, however we did purchase shares in diversified chemicals specialists BASF, a company we have admired for some time with compelling growth characteristics and ESG credentials. The Trust also increased exposure to the reinsurance market, via the purchase of shares in Hannover Reinsurance and Muenchener Rueckversicherungs- Gesellschaftin, reflecting our view that both stocks will perform strongly, against a backdrop of rising reinsurance rates. We sold out of Airbus, after the share price recovered significantly post the COVID-19 sell off. We also exited our position in Bayer, as a settlement related to the Glyphosate litigation became unlikely. Finally, we also tendered our shares in Siltronic, after the company were acquired by GlobalWafers.

Barings German Growth Trust

Report of the Investment Manager (continued)

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

Purchases	Costs €'000	Sales	Proceeds €'000
BASF	14,206	Airbus	21,168
Hannover Reinsurance	11,852	Bayer	13,921
Daimler	10,061	Deutsche Post	13,701
Muenchener Rueckversicherungs-Gesellschaftin	9,783	Volkswagen	12,560
Siemens	7,968	Hochtief	9,254
Allianz	5,995	Fresenius Medical Care	8,965
SAP	4,435	Rheinmetall	7,669
Covestro	4,216	Siltronic	7,627
Brenntag	3,308	Steico	6,240
ProSiebenSat 1 Media	2,245	Eckert & Ziegler	6,162

Market Outlook

As we move through 2021, equity markets have continued to extend their recovery from the lows of last year, reflecting optimism that the strong recovery in economic activity worldwide will continue.

This release of pent up demand has led to inflationary pressures across many markets, whilst the current shortage of semiconductor chips has only exacerbated the problem. Against this backdrop, it will be important to own businesses that either can easily pass on cost increases, or do not have a cost increase problem.

Fears regarding inflation have led to concerns that the stimulatory monetary policies followed by central banks around the world might be subject to tapering. However, at least in the short term, most central banks have shown little inclination to do so.

The outcome of the negotiations for a new governing coalition post the German general election is still ongoing and could increase market volatility in the short-term, particularly if negotiations break down and it looked likely that a very left-leaning coalition were to get into power. We see this as an unlikely outcome, but not one that is out of the question.

On balance, barring a COVID-19 mutation that defeats current vaccines, we expect that over the short term, the German equity market will continue to move gradually upwards, particularly if inflation is worse than expected and persists for longer than anticipated.

In this context, we remain driven primarily by our bottom-up stock selection decisions and continue to follow our quality Growth at a Reasonable Price investment approach.

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.

Barings German Growth Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings German Growth Trust (the "Trust") and of its net revenue and net capital losses for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings German Growth Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings German Growth Trust

Directors' Statement

The financial statements on pages 152 to 166 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings German Growth Trust

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Investment Funds: 0.00% (1.33%)		
	Equities: 92.92% (98.73%)		
	Basic Materials: 10.00% (8.23%)		
47,000	Brenntag	4,059,860	1.02
135,000	Linde	35,957,250	8.98
		40,017,110	10.00
	Communication Services: 0.52% (0.00%)		
130,000	ProSiebenSat 1 Media	2,095,600	0.52
	Consumer Discretionary: 10.06% (7.68%)		
206,000	Daimler	14,714,580	3.68
43,000	Einhell	7,568,000	1.89
50,000	Grammer	1,210,000	0.30
68,000	HELMA Eigenheimbau	4,501,600	1.12
65,450	Novem	877,687	0.22
290,000	Polytec	2,546,200	0.64
350,000	SAF-Holland	4,228,000	1.06
30,000	Stroeer	2,082,000	0.52
60,000	Zeal Network	2,529,000	0.63
		40,257,067	10.06
	Consumer, Cyclical: 1.11% (0.00%)		
64,000	Befesa	4,435,200	1.11
	Consumer. Non-cyclical: 0.00% (0.56%)		
	Energy: 0.41% (0.00%)		
32,000	Vereinigte BioEnergie	1,652,800	0.41
	Financials: 9.72% (5.50%)		
81,000	Allianz	16,023,420	4.00
40,000	DFV Deutsche Familienversicherung	545,600	0.14
45,481	DWS Group GmbH	801,848	0.20
75,000	Hannover Reinsurance	11,640,000	2.91
40,000	Muenchener Rueckversicherungs-Gesellschaftin	9,896,000	2.47
		38,906,868	9.72
	Health Care: 9.02% (15.99%)		
52,500	Apontis Pharma	1,233,750	0.31
4,500	BioNTech	1,311,843	0.33
22,000	CompuGroup Medical	1,725,900	0.43
28,000	Dermapharm	2,198,000	0.55
59,000	Evotec	2,512,220	0.63
260,000	M1 Kliniken	2,158,000	0.54
320,000	MagForce	1,158,400	0.29
39,000	Medios	1,579,500	0.39
83,000	Merck	16,840,700	4.21
55,000	MPH Health Care	1,408,000	0.35
640,000	Paion	1,171,200	0.29
35,000	PharmaSGP	822,500	0.21

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market Value (€)	of total net assets (%)
	Equities: 92.92% (98.73%) (continued)		
	Health Care: 9.02% (15.99%) (continued)		
42,000	Synlab	811,860	0.20
80,000	Vita 34	1,176,000	0.29
		36,107,873	9.02
	Industrials: 16.42% (25.72%)		
14,000	2G Energy	1,276,800	0.32
5,000	Amadeus Fire	867,000	0.22
35,013	Bauer	454,560	0.11
284,000	Deutsche Post	17,233,120	4.31
430,000	Deutz	3,321,750	0.83
24,000	Dr Hoenle	1,178,400	0.29
54,000	Frequentis	1,382,400	0.35
105,000	Hamburger Hafen und Logistik	1,968,750	0.49
122,000	Heidelberger Druckmaschinen	287,920	0.07
83,000	JOST Werke	4,573,300	1.14
44,000	Jungheinrich	2,046,000	0.51
73,000	KION	6,616,720	1.65
29,000	Krones	2,491,100	0.62
59,000	Siemens	8,343,780	2.08
23,000	Siemens Gamesa Renewable Energy	589,720	0.15
200,000	Singulus Technologies	802,000	0.20
28,000	Sixt	1,862,000	0.47
7,000	Steico	840,000	0.21
87,000	Technotrans	2,705,700	0.68
145,000	Traton	3,656,900	0.91
53,000	Wienerberger	1,797,760	0.45
150,000	Zumtobel Group	1,420,500	0.36
		65,716,180	16.42
	Information Technology: 21.95% (25.51%)		
19,000	Adesso	3,511,200	0.88
145,000	ADVA Optical Networking	2,035,800	0.51
133,000	Allgeier	3,458,000	0.86
60,000	Cliq Digital	1,362,000	0.34
48,000	DataSE	3,672,000	0.92
110,000	Exasol	1,856,800	0.46
180,000	GFT Technologies	5,364,000	1.34
21,000	GK Software	3,402,000	0.85
74,000	Infineon Technologies	2,698,410	0.67
75,000	Jenoptik	2,299,500	0.58
192,000	LPKF Laser & Electronics	4,104,960	1.03
200,000	Mobotix	1,420,000	0.36
45,000	Nagarro	5,605,500	1.40
110,000	PSI Software	4,411,000	1.10
110,000	PVA TePla	3,701,500	0.93
162,000	S&T	3,136,320	0.78
235,000	SAP	29,948,400	7.48
74,000	SUESS MicroTec	1,853,700	0.46

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market Value (€)	of total net assets (%)
	Equities: 92.92% (98.73%) (continued)		
	Information Technology: 21.95% (25.51%) (continued)		
86,000	Traffic Systems	4,016,200	1.00
		87,857,290	21.95
	Materials: 10.37% (6.21%)		
90,000	AlzChem	2,232,000	0.56
207,000	BASF	13,711,680	3.43
120,000	BRAIN Biotechnology Research & Information Network	1,260,000	0.31
80,000	Covestro	4,462,400	1.12
70,000	Evonik Industries	2,027,200	0.51
48,000	Ibu-Tec Advanced Materials	2,260,800	0.56
33,000	LafargeHolcim	1,602,123	0.40
162,000	Lanxess	10,137,960	2.53
113,000	Nabaltec	3,819,400	0.95
		41,513,563	10.37
	Real Estate: 0.00% (0.49%)		
	Technology: 1.23% (0.39%)		
200,000	7C Solarparken	778,000	0.19
30,000	Siltronic	4,170,000	1.04
		4,948,000	1.23
	Telecommunications: 0.00% (0.35%)		
	Utilities: 2.11% (2.10%)		
34,919	ABO Wind	1,714,523	0.43
203,000	RWE	6,739,600	1.68
		8,454,123	2.11
	Forward Currency Contracts: -0.01% (-0.04%)		
USD (60,859)	Sold USD, bought EUR 51,830 for settlement 15/09/2021 (State Street)	419	—
USD (28,607)	Sold USD, bought EUR 24,453 for settlement 15/09/2021 (State Street)	287	—
USD (24,760)	Sold USD, bought EUR 21,191 for settlement 15/09/2021 (State Street)	275	—
USD (64,795)	Sold USD, bought EUR 54,973 for settlement 15/09/2021 (State Street)	238	—
CNH (332,601)	Sold CNH, bought EUR 43,620 for settlement 15/09/2021 (State Street)	178	—
USD (11,636)	Sold USD, bought EUR 9,893 for settlement 15/09/2021 (State Street)	64	—
GBP (3,108)	Sold GBP, bought EUR 3,666 for settlement 15/09/2021 (State Street)	51	—
USD (8,989)	Sold USD, bought EUR 7,642 for settlement 15/09/2021 (State Street)	49	—
USD (10,134)	Sold USD, bought EUR 8,604 for settlement 15/09/2021 (State Street)	43	—
USD (4,001)	Sold USD, bought EUR 3,411 for settlement 15/09/2021 (State Street)	31	—

BARINGS

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Bid-Market Value (€)	Percentage of total net assets (%)
	Forward Currency Contracts: -0.01% (-0.04%) (continued)		
EUR (100,001)	Sold EUR, bought CNH 13,069 for settlement 15/09/2021 (State Street)	13	—
USD (1,407)	Sold USD, bought EUR 1,200 for settlement 15/09/2021 (State Street)	12	—
GBP (734)	Sold GBP, bought EUR 863 for settlement 15/09/2021 (State Street)	9	—
EUR (2,600)	Sold EUR, bought GBP 3,025 for settlement 15/09/2021 (State Street)	1	—
GBP (50)	Sold GBP, bought EUR 58 for settlement 15/09/2021 (State Street)	—	—
EUR (115)	Sold EUR, bought GBP 99 for settlement 15/09/2021 (State Street)	—	—
EUR (89)	Sold EUR, bought GBP 75 for settlement 15/09/2021 (State Street)	(1)	—
EUR (155)	Sold EUR, bought GBP 133 for settlement 15/09/2021 (State Street)	(1)	—
EUR (117)	Sold EUR, bought GBP 100 for settlement 15/09/2021 (State Street)	(1)	—
EUR (470)	Sold EUR, bought GBP 400 for settlement 15/09/2021 (State Street)	(4)	—
EUR (4,813)	Sold EUR, bought CNH 36,751 for settlement 15/09/2021 (State Street)	(13)	—
EUR (1,181)	Sold EUR, bought GBP 1,000 for settlement 15/09/2021 (State Street)	(18)	—
EUR (2,376)	Sold EUR, bought USD 2,790 for settlement 15/09/2021 (State Street)	(20)	—
EUR (13,091)	Sold EUR, bought CNH 100,001 for settlement 15/09/2021 (State Street)	(30)	—
EUR (4,137)	Sold EUR, bought USD 4,848 for settlement 15/09/2021 (State Street)	(42)	—
USD (321,392)	Sold USD, bought EUR 380,437 for settlement 15/09/2021 (State Street)	(72)	—
EUR (11,493)	Sold EUR, bought GBP 9,737 for settlement 15/09/2021 (State Street)	(167)	—
EUR (25,081)	Sold EUR, bought USD 29,470 for settlement 15/09/2021 (State Street)	(186)	—
EUR (33,759)	Sold EUR, bought USD 39,685 for settlement 15/09/2021 (State Street)	(234)	—
EUR (43,920)	Sold EUR, bought USD 51,703 for settlement 15/09/2021 (State Street)	(243)	—
EUR (24,048)	Sold EUR, bought GBP 20,464 for settlement 15/09/2021 (State Street)	(245)	—
EUR (58,624)	Sold EUR, bought USD 68,949 for settlement 15/09/2021 (State Street)	(379)	—
EUR (58,253)	Sold EUR, bought USD 68,352 for settlement 15/09/2021 (State Street)	(512)	—
EUR (236,868)	Sold EUR, bought USD 279,578 for settlement 15/09/2021 (State Street)	(693)	—

BARINGS

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market Value (€)	of total net assets (%)
	Forward Currency Contracts: -0.01% (-0.04%) (continued)		
EUR (398,383)	Sold EUR, bought CNH 3,043,812 for settlement 15/09/2021 (State Street)	(828)	—
EUR (267,449)	Sold EUR, bought CNH 2,037,001 for settlement 15/09/2021 (State Street)	(1,395)	—
EUR (744,029)	Sold EUR, bought GBP 630,411 for settlement 15/09/2021 (State Street)	(10,743)	—
EUR (7,433,902)	Sold EUR, bought USD 8,744,015 for settlement 15/09/2021 (State Street)	(47,349)	(0.01)
		(61,506)	(0.01)
	Portfolio of investments: 92.91% (100.02%)		
	(Cost: €258,563,300)	371,900,168	92.91
	Net other assets	28,383,098	7.09
	Net assets	400,283,266	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.

Comparative figures shown in brackets relate to 31 August 2020.

Barings German Growth Trust

Independent auditors' Report to the Unitholders of Barings German Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings German Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 153); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 152); the distribution tables (pages 167 to 169); and the notes to the financial statements (pages 154 to 166), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Barings German Growth Trust

Independent auditors' Report to the Unitholders of Barings German Growth Trust (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Barings German Growth Trust

Independent auditors' Report to the Unitholders of Barings German Growth Trust (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
21 December 2021

Barings German Growth Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020	
		€'000	€'000	€'000	€'000
Income					
Net capital gains/(losses)	2		112,617		(11,825)
Revenue	3	7,128		7,898	
Expenses	4	(4,843)		(5,217)	
Interest payable and other similar charges	5	(56)		—	
Net revenue before taxation		2,229		2,681	
Taxation	6	(917)		(1,258)	
Net revenue after taxation			1,312		1,423
Total return before distributions			113,929		(10,402)
Distributions	7		(1,319)		(1,424)
Change in net assets attributable to unitholders from investment activities			112,610		(11,826)

Statement of Change in Net Assets Attributable to Unitholders

		31/08/2021		31/08/2020	
		€'000	€'000	€'000	€'000
Opening net assets attributable to unitholders			366,385		448,154
Amounts receivable on issue of units		50,114		70,658	
Amounts payable on cancellation of units		(130,038)		(141,853)	
			(79,924)		(71,195)
Changes in net assets attributable to unitholders from investment activities			112,610		(11,826)
Retained distribution on accumulation units	7		1,212		1,252
Closing net assets attributable to unitholders			400,283		366,385

Barings German Growth Trust

Balance Sheet

as at 31 August 2021

	Notes	31/08/2021 €'000	31/08/2020 €'000
Assets			
Investment assets		371,963	366,645
Current assets:			
Debtors	9	6,714	1,303
Cash and bank balances	10	23,858	804
Total assets		402,535	368,752
Liabilities			
Investment liabilities		(63)	(172)
Creditors:			
Bank overdraft	10	–	(807)
Distribution payable on income units	7	(113)	(108)
Other creditors	11	(2,076)	(1,280)
Total liabilities		(2,252)	(2,367)
Net assets attributable to unitholders		400,283	366,385

Barings German Growth Trust

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2021, there were no stock dividends on this Trust.

Distribution Policy

Where applicable, for the income ("Inc") units, the Trust will pay any surplus revenue as a distribution. For accumulation ("Acc") units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31/08/2021 €'000	31/08/2020 €'000
Non-derivative securities	112,580	(10,955)
Currency gains/(losses)	89	(15)
Forward currency contracts	(16)	(837)
Transaction charges	(36)	(18)
Net capital gains/(losses) on investments	112,617	(11,825)

3. Revenue

	31/08/2021 €'000	31/08/2020 €'000
Offshore CIS interest revenue	–	2
Overseas dividends	7,128	7,896
	7,128	7,898

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

4. Expenses

	31/08/2021 €'000	31/08/2020 €'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	4,603	5,003
	<u>4,603</u>	<u>5,003</u>
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	73	84
Safe custody charges	29	31
	<u>102</u>	<u>115</u>
Other expenses:		
Administration fees	2	2
Audit fees	9	10
Professional fees	(3)	1
PRS fees	(10)	9
Registrar and transfer agency fees	99	106
Regulatory fees	–	(1)
Standing charges	3	3
Taxation fees*	38	(31)
	<u>138</u>	<u>99</u>
Total expenses	<u><u>4,843</u></u>	<u><u>5,217</u></u>

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	2021 €'000	2020 €'000
Interest expenses	56	–
	<u>56</u>	<u>–</u>

6. Taxation

	31/08/2021 €'000	31/08/2020 €'000
a) Analysis of tax charges for the year:		
Overseas withholding tax	917	1,258
Current tax charge (note 6b)	<u>917</u>	<u>1,258</u>

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Taxation (continued)

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2020: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 €'000	31/08/2020 €'000
Net revenue before taxation	2,229	2,681
Corporation tax at 20%	446	536
Effects of:		
Overseas withholding tax	917	1,258
Excess management expenses not utilised	980	1,043
Non taxable overseas dividends	(1,426)	(1,579)
Current tax charge for the year (note 6a)	917	1,258

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of €17,530,226 (31 August 2020: €16,550,207) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	31/08/2021 €'000	31/08/2020 €'000
Final Distribution	113	108
Final Accumulation	1,212	1,252
	1,325	1,360
Add: Revenue deducted on cancellation of units	105	155
Deduct: Revenue received on issue of units	(111)	(91)
	(6)	64
Total distributions	1,319	1,424

Details of the distributions per unit are set out in the Distribution Tables on pages 167 to 169.

Distributions payable at the year end of €113,215 (31 August 2020: €108,029) are disclosed in the Balance Sheet on page 153.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

8. Movement between net revenue and distributions

	31/08/2021 €'000	31/08/2020 €'000
Net revenue after taxation	1,312	1,423
Equalisation on conversions	–	1
Income deficit	7	–
	1,319	1,424

9. Debtors

	31/08/2021 €'000	31/08/2020 €'000
Accrued revenue	–	849
Amount receivable for creation of units	279	257
Overseas tax recoverable	138	134
Sales awaiting settlement	6,297	63
	6,714	1,303

10. Cash and bank balances

	31/08/2021 €'000	31/08/2020 €'000
Bank overdraft	–	(807)
Cash and bank balances	23,858	804
	23,858	(3)

11. Other creditors

	31/08/2021 €'000	31/08/2020 €'000
Accrued expenses	520	413
Amounts payable for cancellation of units	1,522	867
Purchases awaiting settlement	34	–
	2,076	1,280

12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: €nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Financial instruments

In pursuing its investment objective set out on page 132, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €18.595 million (31 August 2020: €18.324 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than euro, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into euro on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Trust. This increases the exposure of the Trust to exchange rate movements and may significantly affect the returns of the Trust.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than euro with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments €'000	Net other assets €'000	Total €'000
Chinese yuan	638	–	638
Swiss franc	1,602	–	1,602
US dollar	8,977	128	9,105
Sterling	767	9,491	10,258
	11,984	9,619	21,603

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments €'000	Net other assets €'000	Total €'000
Chinese yuan	555	–	555
US dollar	12,821	8	12,829
Sterling	918	(241)	677
	14,294	(233)	14,061

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the euro increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €0.216 million (31 August 2020: €0.141 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 €'000	Fixed rate 31/08/2021 €'000	Non-interest bearing 31/08/2021 €'000	Total 31/08/2021 €'000
Portfolio of investments	(63)	–	371,963	371,900
Cash at bank	23,857	–	–	23,857
Other assets	–	–	6,715	6,715
Liabilities	–	–	(2,189)	(2,189)
	23,794	–	376,489	400,283

	Floating rate 31/08/2020 €'000	Fixed rate 31/08/2020 €'000	Non-interest bearing 31/08/2020 €'000	Total 31/08/2020 €'000
Portfolio of investments	(156)	–	366,629	366,473
Cash at bank	(3)	–	–	(3)
Other assets	–	–	1,328	1,328
Liabilities	–	–	(1,413)	(1,413)
	(159)	–	366,544	366,385

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. All currency contracts are held with State Street; please see next page for details of the notional exposure.

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the year, the Trust made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2021:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial Assets				
Equities	371,962	–	–	371,962
Forward Currency Contracts	–	1	–	1
	371,962	1	–	371,963
Financial Liabilities				
Forward Currency Contracts	–	(63)	–	(63)
	–	(63)	–	(63)

Valuation technique for the year ended 31 August 2020:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial Assets				
Equities	361,749	–	–	361,749
Forward Currency Contracts	–	15	–	15
Investment Funds	–	4,880	–	4,880
	361,749	4,895	–	366,664
Financial Liabilities				
Forward Currency Contracts	–	(171)	–	(171)
	–	(171)	–	(171)

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs

	31/08/2021 €'000	31/08/2020 €'000
Analysis of total purchase costs:		
Purchases before transaction costs*	110,499	166,666
Corporate Actions	10,109	6,659
Commissions:		
Equities total value paid	50	75
Taxes:		
Total transaction costs	50	75
Gross purchases total	120,658	173,400
	31/08/2021 €'000	31/08/2020 €'000
Analysis of total sale costs:		
Sales before transaction costs*	212,792	216,683
Corporate Actions	10,109	6,659
Commissions:		
Equities total value paid	(91)	(99)
Total transaction costs	(91)	(99)
Total sales net of transaction costs	222,810	223,243

* Not included in 2021 figures are purchases and sales in cash funds totaling €2.82 million and €2.84 million, respectively, where there are no transaction costs applicable. For the year ended 31 August 2020, purchases and sales in cash funds totaled €165.92 million and €187.86 million, respectively, where there are no transaction costs applicable.

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs (continued)

	31/08/2021	31/08/2020
Analysis of total purchase costs:	%	%
Commissions:		
Equities percentage of total equities purchases costs	0.05	0.05
Equities percentage of average NAV	0.01	0.02

	31/08/2021	31/08/2020
Analysis of total sale costs:	%	%
Commissions:		
Equities percentage of total equities sales costs	(0.04)	(0.05)
Equities percentage of average NAV	(0.02)	(0.02)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.28% (31 August 2020: 0.31%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has thirteen unit classes: A EUR Acc, A EUR Inc, A GBP Acc, A GBP Inc, A RMB Hedged Acc, A USD Acc, A USD Hedged Acc, I EUR Acc, I EUR Inc, I GBP Acc, I GBP Hedged Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 133. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 135 to 138. The distribution per unit class is given in the distribution tables on pages 167 to 169. All classes have the same rights on winding up.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Unit classes (continued)

	Class A GBP Acc	Class A GBP Inc	Class A EUR Acc
Opening units	7,566,216	59,817	17,774,191
Units created	386,721	1,334	949,481
Units liquidated	(1,222,799)	(7,170)	(3,858,296)
Units converted	(410,979)	(8,011)	—
Closing units	6,319,159	45,970	14,865,376

	Class A EUR Inc	Class A USD Acc	Class A USD Hedged Acc
Opening units	194,475	728,375	1,466,324
Units created	10,380	285,680	315,457
Units liquidated	(87,798)	(569,971)	(1,176,684)
Units converted	—	—	—
Closing units	117,057	444,084	605,097

	Class A RMB Hedged Acc	Class I GBP Acc	Class I GBP Inc
Opening units	64,480	10,423,693	1,499,778
Units created	44,849	2,391,012	205,246
Units liquidated	(58,440)	(4,520,169)	(379,937)
Units converted	—	385,670	10,827
Closing units	50,889	8,680,206	1,335,914

	Class I GBP Hedged Acc	Class I EUR Acc	Class I EUR Inc
Opening units	77,989	1,535,073	4,421
Units created	17,081	161,812	1,550
Units liquidated	(35,739)	(1,132,303)	(4,410)
Units converted	—	—	—
Closing units	59,331	564,582	1,561

	Class I USD Acc
Opening units	10
Units created	—
Units liquidated	—
Units converted	—
Closing units	10

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

20. Post balance sheet events

Subsequent to the year end, the price per unit of the A EUR Accumulation class decreased from 1,195.00c to 1,185.00c, A GBP Accumulation class from 1,027.00p to 1,009.00p, A GBP Income class from 921.10p to 904.40p, A EUR Income class from 1,068.00c to 1,059.00c, A USD Accumulation class from 1,413.00c to 1,341.00c, A USD Hedged Accumulation class from 1,447.00c to 1,437.00c, A RMB Hedged Accumulation class increased from RMB 99.94 to RMB 100.20, I GBP Accumulation class decreased from 1,094.00p to 1,078.00p, I GBP Income class from 921.70p to 900.80p, I GBP Hedged Accumulation class from 1,122.00p to 1,117p, I EUR Accumulation class from 1,274.00c to 1,266.00c, I EUR Income class from 1,049.00c to 1,034.00c and I USD Accumulation class from 1,493.00c to 1,421.00c as at 17 December 2021. This movement takes into account routine transaction. The Manager continues to monitor investment performance in line with investment objectives.

Barings German Growth Trust

Distribution Tables

For the year ended 31 August 2021

Final Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 31 August 2021

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	1.2999	0.0000	1.2999	0.8162
2	0.7974	0.5025	1.2999	0.8162

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	1.0391	0.0000	1.0391	0.8352
2	0.4497	0.5894	1.0391	0.8352

Final accumulation - Class A EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	1.3196	0.0000	1.3196	0.9219
2	0.4413	0.8783	1.3196	0.9219

Final distribution - Class A EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	0.1939	0.0000	0.1939	0.9091
2	0.0000	0.1939	0.1939	0.9091

Final accumulation - Class A USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	1.1951	0.0000	1.1951	1.4733
2	0.3887	0.8064	1.1951	1.4733

Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2021

Final Distribution (continued)

Final accumulation - Class A USD Hedged Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	1.1524
2	Nil	Nil	Nil	1.1524

Final accumulation - Class A RMB Hedged Acc (in RMB per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	Nil	Nil	Nil	4.4733
2	Nil	Nil	Nil	4.4733

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	8.4392	0.0000	8.4392	7.4300
2	5.6287	2.8105	8.4392	7.4300

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	7.2254	0.0000	7.2254	6.2613
2	5.8310	1.3944	7.2254	6.2613

Final accumulation - Class I GBP Hedged Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	8.8808	0.0000	8.8808	3.8829
2	6.9661	1.9147	8.8808	3.8829

Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2021

Final Distribution (continued)

Final accumulation - Class I EUR Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	10.1236	0.0000	10.1236	8.2620
2	7.9542	2.1694	10.1236	8.2620

Final distribution - Class I EUR Inc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	8.2360	0.0000	8.2360	7.0469
2	8.1895	0.0465	8.2360	7.0469

Final accumulation - Class I USD Acc (in cents per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Accumulation Paid	2020 Accumulation Paid
1	16.4499	0.0000	16.4499	13.3520
2	16.4499	0.0000	16.4499	13.3520

Barings Japan Growth Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings Japan Growth Trust (the “Trust”) is to achieve capital growth by investing in 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 Japan, or quoted or traded on the stock exchanges in Japan.

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 30% of its total assets directly and indirectly in equities and equity-related securities outside of Japan as well as in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive ESG characteristics.

In order to implement the investment policy the Trust may gain indirect 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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) 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.

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the Japan (TSE) First Section (Total Net Return) Index to assess the Trust’s performance. The performance comparator’s constituents are not required to exhibit positive/improving ESG characteristics.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the largest companies in the Japanese stock market.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

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.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.

Barings Japan Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile (continued)

- 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.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

The Trust at a Glance on 31 August 2021

Total Trust size: 31 August 2021	£9.54million	
Total Trust size: 31 August 2020	£23.68 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Acc	1.73%	1.69%
Class I GBP Acc	0.98%	0.94%
Class I GBP Inc	0.98%	0.94%
	Initial charge	Annual charge
Class A GBP Acc	up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Acc	£1,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500

* 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. The OCF figures for the current year have increased due to a change in the methodology of calculating the OCF, in order to be consistent with the Key Investor Information Document ("KIID"). Adjustments of negative expenses in the prior year expenses were excluded from the calculation, thereby causing an increase.

Price per unit	(pence per unit)
Class A GBP Acc	273.10p
Class I GBP Acc	287.80p
Class I GBP Inc	274.50p

Barings Japan Growth Trust

Trust Information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	237.29	220.05	195.72	248.30	228.30	202.10
Return before operating charges	40.04	21.07	26.40	41.85	22.21	27.42
Operating charges	(4.55)	(3.83)	(2.07)	(2.71)	(2.21)	(1.22)
Return after operating charges	35.49	17.24	24.33	39.14	20.00	26.20
Distributions	(0.19)	(0.41)	(0.24)	(2.26)	(2.24)	(1.24)
Retained distributions on accumulation units	0.19	0.41	0.24	2.26	2.24	1.24
Closing net asset value per unit	272.78	237.29	220.05	287.44	248.30	228.30
after direct transaction costs of*	0.06	0.10	–	0.06	0.11	–
Performance						
Return after charges	14.96%	7.83%	12.43%	15.76%	8.76%	12.96%
Other information						
Closing net asset value ('000)	£2,913	£3,423	£16,716	£4,749	£17,524	£3,369
Closing number of units	1,067,789	1,442,466	7,596,426	1,652,123	7,057,591	1,475,868
Operating charges	1.73%	1.69%	1.72%	0.98%	0.94%	0.97%
Direct transaction costs	(0.02)%	0.05%	0.00%	(0.02)%	0.05%	0.00%
Prices**						
Highest unit price	279.90	243.10	224.40	293.70	254.20	232.70
Lowest unit price	234.40	174.00	192.90	245.20	181.50	199.40

	Class I GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)
Change in net assets per unit			
Opening net asset value per unit	236.75	219.65	195.52
Return before operating charges	39.97	21.37	26.51
Operating charges	(2.57)	(2.13)	(1.19)
Return after operating charges	37.40	19.24	25.32
Distributions	(2.17)	(2.14)	(1.19)
Closing net asset value per unit	271.98	236.75	219.65
after direct transaction costs of*	0.06	0.10	–
Performance			
Return after charges	15.80%	8.76%	12.95%
Other information			
Closing net asset value ('000)	£1,882	£2,732	£2,855
Closing number of units	691,842	1,154,169	1,299,604
Operating charges	0.98%	0.94%	0.97%
Direct transaction costs	(0.02)%	0.05%	0.00%
Prices**			
Highest unit price	280.00	244.60	225.10
Lowest unit price	233.80	174.60	192.90

*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 for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 1 February 2018 to 31 August 2019, respectively.

Barings Japan Growth Trust

Report of the Investment Manager

Performance

During the year ended 31 August 2021, the Barings Japan Growth Trust ("the Trust") produced an absolute net return for Class A GBP Acc of 15.38% compared with a return of 15.87% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Acc units against the performance comparator.

	1 year	3 years	5 years
Barings Japan Growth Trust	15.38%	8.10%	10.75%
Japan (TSE) First Section (Total Net Return) Index*	15.87%	4.83%	8.08%

** The performance comparator was changed from 31 August 2020 to Japan (TSE) First Section (Total Net Return) Index, previously Japan (TSE) First Section (Total Gross Return) Index.*

For the year ended 31 August 2021, the Topix index gained 23.40% in local currency terms, to reach 1960, the highest point since the early 1990 bubble. While the Japanese equity market enjoyed a strong gain during the period, it lagged the broader developed markets, mainly due to underperformance in the second half of the period when the mishandling of COVID-19 by the Japanese government became a drag on the market.

Similar to the overall Japanese equity market, a mix of growth, quality and undervalued cyclical stocks contributed to relative performance during the period, highlighting the balanced nature of the portfolio and our bottom up driven stock selection process.

At the stock level, Toyota Industries, an auto parts and forklift producer, Tokyo Electron, a global semiconductor production equipment company, and Daiwabo, a PC distributor, were the top contributors to relative returns. All three companies have their own distinctive investment thesis, not relying on a single thematic or style. New economy stocks, such as WealthNavi and Insource, also outperformed during the period, despite a pull-back in growth stocks during 2021. One theme that stood out among top contributors was semiconductor production, where we still hold a positive long-term view.

The main detractors from the performance were innovative wholesaler Paltac and Nintendo, a global game company. Paltac shares underperformed as COVID-19 led to a significant decrease in sales of consumer products, while Nintendo suffered a pull-back in share price as investors' concerns of peaking earnings weighed on the stock. In both cases, we believe current share prices undervalue each company's long-term earning power and we remain comfortable holding them in the portfolio.

Trading activity remained low over the period. Reflecting our market view, we have been introducing quality cyclical stocks to the portfolio, such as Komatsu (global leading construction and mining equipment producer) and Fujimi (semiconductor material producer). We have also been focusing on business and social trends that accelerated because of COVID-19 but will last beyond the pandemic, and added stocks that will benefit from these changes, such as Oisix (an online food delivery company) and LIFENET (an online life insurance company).

Barings Japan Growth Trust

Report of the Investment Manager (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Nippon Gas	580	Toyota Motor	1,008
CKD	573	Sony	872
Temairazu	532	Mitsubishi UFJ Financial	761
Minebea Mitsumi	504	Tokyo Electron	758
Tokyo Seimitsu	450	Nintendo	748
Toyota Motor	423	Toyota Industries	746
Justsystems	410	Tokio Marine	673
MCJ	397	Koito Manufacturing	649
Nabtesco	396	Kurita Water Industries	611
Yakult Honsha	382	Elecom	582

Market Outlook

The Barings Japan Growth Trust closed on 6 December 2021. The decision has been taken in consideration of, amongst other things, the Trust's economic viability and ability to operate in a cost-efficient manner due to its small asset size.

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.

Barings Japan Growth Trust

Environmental, Social and Governance ("ESG") Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance ("ESG") considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors while seeking better outcomes for society and the planet, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2021

	Positive or Improving	All Others
Barings Japan Growth Trust	71.99%	28.01%

ENGAGEMENT CASE STUDY: INSOURCE

Engagement Category: Governance

Format: Video call (one to one)

Contact: Chief Executive Order ("CEO")

Engagement Overview

We engaged with Insource, a Japanese provider of corporate training, with the intention to raise the ratio of independent directors on the company board.

Engagement Objective: Change Behaviour

Our aim was to increase the ratio of independent directors from the current level of below 30% to a minimum of a third of the board members as a means to improve independent oversight of the company and management.

Outcome: Ongoing

The company welcomed the conversation and seemed very open to making progress along the lines suggested. The CEO mentioned the hope of also appointing a lead external director and that a search for the right person for this role was imminent.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company's ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings Japan Growth Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

We stated our view that we felt our request was eminently achievable prior to the 2022 annual general meeting (“AGM”) and that the degree of progress would be a key element likely to influence our voting intentions at that time.

Since our initial interaction we have further engaged with the company, with the CEO claiming to have identified a very strong candidate for the lead external director role. This appointment would take the independent director ratio over the minimum level of a third that we had requested.

We intend to engage with the company again fairly soon to ensure that this development completes as suggested.

Barings Japan Growth Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Japan Growth Trust (the "Trust") and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Japan Growth Trust (the "Trust") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings Japan Growth Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Japan Growth Trust (the "Trust") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings Japan Growth Trust

Directors' Statement

The financial statements on pages 186 to 198 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings Japan Growth Trust

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Investment Funds: 0.00% (1.05%)		
	Equities: 97.39% (99.13%)		
	Auto Manufacturers: 6.09% (3.55%)		
9,200	Toyota Motor	580,851	6.09
	Auto Parts & Equipment: 0.58% (2.46%)		
2,400	Nifco	54,935	0.58
	Banks: 3.72% (3.25%)		
90,800	Mitsubishi UFJ Financial	355,269	3.72
	Basic Materials: 2.40% (2.27%)		
4,400	Aica Kogyo	106,801	1.12
4,400	Sumitomo Metal Mining	122,307	1.28
		229,108	2.40
	Building Materials: 2.86% (3.12%)		
700	Daikin Industries	126,338	1.32
15,300	Sanwa	147,341	1.54
		273,679	2.86
	Chemicals: 4.57% (3.09%)		
4,900	NOF	196,238	2.06
2,000	Shin-Etsu Chemical	239,436	2.51
		435,674	4.57
	Commercial Services: 0.00% (2.31%)		
	Communications: 3.61% (3.04%)		
4,600	Giftee	108,020	1.13
4,100	Kadokawa	136,113	1.43
4,100	Oisix ra daichi	100,329	1.05
		344,462	3.61
	Computers: 3.18% (2.98%)		
6,100	Nomura Research Institute	165,945	1.74
3,000	SCSK	136,943	1.44
		302,888	3.18
	Consumer, Cyclical: 12.42% (11.21%)		
10,000	Daiwabo	137,733	1.44
4,600	Koito Manufacturing	203,616	2.13
13,700	Nippon Gas	140,957	1.48
4,100	Paltac	129,226	1.36
11,200	Ryohin Keikaku	173,811	1.82
5,400	Seria	142,990	1.50
4,200	Toyota Industries	256,733	2.69
		1,185,066	12.42
	Consumer, Non-cyclical: 5.73% (7.04%)		
10,800	Daiichi Sankyo	185,673	1.95
8,900	Insource	124,400	1.30

Barings Japan Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

Holdings	Investments	Bid-Market Value (£)	Percentage of total net assets (%)
	Equities: 97.39% (99.13%) (continued)		
	Consumer, Non-cyclical: 5.73% (7.04%) (continued)		
1,300	One	139,920	1.47
2,300	Yakult Honsha	95,899	1.01
		545,892	5.73
	Diversified Financial Services: 1.22% (1.54%)		
13,200	Aruhi	116,597	1.22
	Electronics: 4.73% (1.62%)		
10,700	Minebea Mitsumi	199,601	2.09
4,200	Murata Manufacturing	251,781	2.64
		451,382	4.73
	Engineering & Construction: 1.74% (1.54%)		
9,100	Kyowa Exeo	165,498	1.74
	Food: 0.00% (1.18%)		
	Hand/Machine Tools: 0.00% (1.07%)		
	Healthcare Products: 1.50% (1.64%)		
4,400	Shimadzu	142,884	1.50
	Home Furnishings: 3.76% (4.25%)		
4,800	Sony	358,857	3.76
	Industrial: 14.19% (11.89%)		
11,300	Casio Computer	126,386	1.32
12,400	CKD	187,942	1.97
5,900	Comsys	114,607	1.20
4,400	Fujimi	177,953	1.87
7,000	Japan Elevator Service	133,438	1.40
1,700	Kurita Water Industries	57,669	0.60
4,700	Nabtesco	134,825	1.41
6,600	Nichias	126,683	1.33
3,900	Sho-Bond	127,033	1.33
5,300	Tokyo Seimitsu	168,270	1.76
		1,354,806	14.19
	Insurance: 3.34% (3.03%)		
9,000	Tokio Marine	318,525	3.34
	Machinery-Construction & Mining: 2.33% (1.26%)		
12,700	Komatsu	222,688	2.33
	Machinery-Diversified: 1.65% (2.52%)		
8,400	Fuji	157,802	1.65
	Pharmaceuticals: 0.00% (2.30%)		
	Real Estate: 1.77% (1.20%)		
7,000	Katitas	168,527	1.77

Barings Japan Growth Trust

Portfolio Statement (continued)

as at 31 August 2021

		Bid-Market Value (£)	Percentage of total net assets (%)
Holdings	Investments		
	Equities: 97.39% (99.13%) (continued)		
	Retail: 1.61% (1.35%)		
1,200	Cosmos Pharmaceutical	<u>153,897</u>	<u>1.61</u>
	Semiconductors: 2.60% (2.70%)		
800	Tokyo Electron	<u>248,460</u>	<u>2.60</u>
	Technology: 6.36% (6.63%)		
3,000	Justsystems	128,248	1.34
14,800	MCJ	119,519	1.25
5,000	NEC	190,363	1.99
8,300	TIS	169,756	1.78
		<u>607,886</u>	<u>6.36</u>
	Telecommunications: 2.51% (4.60%)		
12,400	Nippon Telegraph & Telephone	<u>239,807</u>	<u>2.51</u>
	Toys/Games/Hobbies: 2.92% (3.41%)		
800	Nintendo	<u>278,549</u>	<u>2.92</u>
	Transportation: 0.00% (1.08%)		
	Portfolio of investments: 97.39% (100.18%)	9,293,989	97.39
	Net other assets	249,261	2.61
	Net assets	<u>9,543,250</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 31 August 2020.

Barings Japan Growth Trust

Independent auditors' Report to the Unitholders of Barings Japan Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Japan Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 187); the statement of total return and statement of change in net assets attributable to unitholders for the year then ended (page 186); the distribution tables (page 199) and the notes to the financial statements (pages 188 to 198), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 of the financial statements (page 188) which describes the Manager's reasons why the financial statements for the Trust have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Manager's report

In our opinion, the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Barings Japan Growth Trust

Independent auditors' Report to the Unitholders of Barings Japan Growth Trust (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings Japan Growth Trust

Independent auditors' Report to the Unitholders of Barings Japan Growth Trust (continued)

Use of this report

This report, including the opinions, has been prepared for, and only for, the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

21 December 2021

Barings Japan Growth Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

	Notes	31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		2,945		1,674
Revenue	3	496		471	
Expenses	4	(250)		(274)	
Interest payable and other similar charges	5	(2)		—	
Net revenue before taxation		244		197	
Taxation	6	(50)		(47)	
Net revenue after taxation			194		150
Total return before distributions			3,139		1,824
Distributions	7		(194)		(195)
Change in net assets attributable to unitholders from investment activities			2,945		1,629

Statement of Change in Net Assets Attributable to Unitholders

		31/08/2021		31/08/2020	
		£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			23,679		22,940
Amounts receivable on issue of units		3,026		4,531	
Amounts payable on cancellation of units		(20,162)		(5,585)	
			(17,136)		(1,054)
Dilution adjustment			16		—
Changes in net assets attributable to unitholders from investment activities			2,945		1,629
Retained distribution on accumulation units	7		39		164
Closing net assets attributable to unitholders			9,543		23,679

Barings Japan Growth Trust

Balance Sheet

as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Investment assets		–	23,723
Current assets:			
Investment assets		9,294	–
Debtors	8	62	60
Cash and bank balances	9	8,614	224
Total assets		17,970	24,007
Liabilities			
Creditors:			
Bank overdrafts	9	(8,338)	(209)
Distribution payable on income units	7	(15)	(25)
Other creditors	10	(74)	(94)
Total liabilities		(8,427)	(328)
Net assets attributable to unitholders		9,543	23,679

Barings Japan Growth Trust

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

As the net asset value of the Barings Japan Growth Trust (the “Trust”) has fallen to a level at which it can no longer be managed efficiently, given the level of fixed costs payable out of the assets, the Manager resolved that the closure of the Trust would be in the best interests of investors. The Trust will commence wind-up on 6 December 2021. Therefore, the financial statements for the current year have been prepared on a basis other than going concern. Any additional costs in relation to the termination will be borne by the Manager. The financial statements for the year ended 31 August 2020 were produced on a going concern basis.

In applying this basis of preparation, the assets and liabilities of the Fund are stated at their fair values, which materially equate to their realisable values and fixed assets and long-term liabilities are reclassified as current assets and liabilities.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest. Units will be “single priced”, with the same price for buying or selling on any particular day. This will be based on a bid-market valuation of the underlying investments without addition or deduction of a provision for dealing costs.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

2. Net Capital Gains

The net capital gains during the year comprise:

	31/08/2021 £'000	31/08/2020 £'000
Non-derivative securities	2,910	1,689
Currency gains/(losses)	38	(7)
Transaction charges	(3)	(8)
Net capital gains on investments	<u>2,945</u>	<u>1,674</u>

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
Offshore CIS interest revenue	–	1
Overseas dividends	496	470
	<u>496</u>	<u>471</u>

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	206	239
	206	239
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	5	5
Safe custody charges	4	3
	9	8
Other expenses:		
Administration fees	2	2
Audit fees	9	10
Professional fees	(4)	3
Registrar and transfer agency fees	15	15
Regulatory fees	(6)	4
Standing charges	3	3
Taxation fees*	16	(10)
	35	27
Total expenses	250	274

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	31/08/2021 £'000	31/08/2020 £'000
Interest expenses	2	—
	2	—

6. Taxation

	31/08/2021 £'000	31/08/2020 £'000
a) Analysis of tax charges for the year:		
Overseas withholding tax	50	47
Current tax charge (note 6b)	50	47

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Taxation (continued)

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2020: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020 £'000
Net revenue before taxation	244	197
Corporation tax at 20%	49	39
Effects of:		
Overseas withholding tax	50	47
Excess management expenses not utilised	50	55
Non taxable overseas dividends	(99)	(94)
Current tax charge for the year (note 6a)	50	47

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £1,580,012 (31 August 2020: £1,529,683) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	31/08/2021 £'000	31/08/2020 £'000
Final Distribution	15	25
Final Accumulation	39	164
	54	189
Add: Revenue deducted on cancellation of units	155	34
Deduct: Revenue received on issue of units	(15)	(28)
	140	6
Total distributions	194	195

Details of the distributions per unit are set out in the Distribution Tables on page 199.

Distributions payable at the year end of £15,004 (31 August 2020: £24,703) are disclosed in the Balance Sheet on page 187.

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

8. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Accrued revenue	6	14
Amount receivable for creation of units	56	46
	62	60

9. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Bank overdraft	(8,338)	(209)
Cash and bank balances	8,614	224
	276	15

10. Other creditors

	31/08/2021 £'000	31/08/2020 £'000
Accrued expenses	49	47
Amounts payable for cancellation of units	25	47
	74	94

11. Contingent liabilities

There were no contingent liabilities at the year end date (31 August 2020: £nil).

12. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

13. Financial instruments

In pursuing its investment objective set out on page 170, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.465 million (31 August 2020: £1.186 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Japanese yen	9,294	167	9,461
	9,294	167	9,461

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments (continued)

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Japanese yen	23,474	20	23,494
	<u>23,474</u>	<u>20</u>	<u>23,494</u>

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.095 million (31 August 2020: £0.235 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Portfolio of investments	–	–	9,294	9,294
Cash at bank	276	–	–	276
Other assets	–	–	62	62
Liabilities	–	–	(89)	(89)
	<u>276</u>	<u>–</u>	<u>9,267</u>	<u>9,543</u>
	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	–	–	23,723	23,723
Cash at bank	15	–	–	15
Other assets	–	–	60	60
Liabilities	–	–	(119)	(119)
	<u>15</u>	<u>–</u>	<u>23,664</u>	<u>23,679</u>

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Risks of financial instruments (continued)

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2021 (31 August 2020: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2021, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2020: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy:

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2021:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	9,294	–	–	9,294
	9,294	–	–	9,294

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Fair value (continued)

Valuation technique for the year ended 31 August 2020

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Equities	23,474	–	–	23,474
Investment Funds	–	249	–	249
	23,474	249	–	23,723

16. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	11,445	14,471
Commissions:		
Equities total value paid	3	5
Total transaction costs	3	5
Gross purchases total	11,448	14,476
Analysis of total sale costs:		
Sales before transaction costs*	28,544	14,588
Commissions:		
Equities total value paid	(7)	(5)
Total transaction costs	(7)	(5)
Total sales net of transaction costs	28,537	14,583

* Not included in 31 August 2021 figures are purchases and sales in cash funds totalling £0.316 million and £0.569 million, respectively, where there are no transaction costs applicable. In 31 August 2020, purchases and sales in cash funds totalled £3.540 million and £4.212 million, respectively.

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Portfolio transaction costs (continued)

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

	31/08/2021	31/08/2020
	%	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	0.03	0.04
Equities percentage of average NAV	0.01	0.02

	31/08/2021	31/08/2020
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.02)	(0.03)
Equities percentage of average NAV	(0.03)	(0.02)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.50% (31 August 2020: 0.31%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17. Unit classes

The Trust currently has three unit classes: A GBP Acc, I GBP Acc and I GBP Inc. The annual management charge and Trust management fee can be found on page 171. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 172. The distribution per unit class is given in the distribution tables on page 199. All classes have the same rights on winding up.

	Class A GBP Acc	Class I GBP Acc	Class I GBP Inc
Opening units	1,442,466	7,057,591	1,154,169
Units created	287,370	619,351	224,631
Units liquidated	(555,884)	(6,126,125)	(686,958)
Units converted	(106,163)	101,306	—
Closing units	1,067,789	1,652,123	691,842

18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

BARINGS

Barings Japan Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

18. Related party transactions (continued)

Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

19. Post balance sheet events

Following a review of the Trust, the Manager resolved to terminate the Barings Japan Growth Trust. The Trust commenced wind-up on 6 December 2021 and all units have been redeemed.

Barings Japan Growth Trust

Distribution Tables

Final Distribution

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 31 August 2021

Final accumulation - Class A GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021 Accumulation Paid	2020 Accumulation Paid
1	0.1925	0.0000	0.1925	0.4085
2	0.0000	0.1925	0.1925	0.4085

Final accumulation - Class I GBP Acc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021 Accumulation Paid	2020 Accumulation Paid
1	2.2589	0.0000	2.2589	2.2433
2	0.6381	1.6208	2.2589	2.2433

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 12)	2021 Distribution Paid	2020 Distribution Paid
1	2.1687	0.0000	2.1687	2.1403
2	0.5937	1.5750	2.1687	2.1403

Barings Strategic Bond Fund

Investment Objective and Policy and Fund at a Glance

Investment Objective and Policy

The investment objective of Barings Strategic Bond Fund (the “Fund”) is to achieve capital growth together with income by investing globally.

The Fund will seek to achieve its investment objective by investing directly and indirectly in fixed income securities globally, as well as cash, near cash and money market instruments.

The Fund may invest directly and indirectly in investment grade, sub-investment grade and unrated bonds issued by governments, sovereigns, supranationals and corporates in developed and emerging markets. The Investment Manager has the ability to invest directly or indirectly in debt securities of any maturity, duration or credit rating (including unrated).

In order to implement the investment policy, the Fund may gain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also obtain indirect exposure through derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management and for investment purposes. Forward currency transactions will be used to gain exposure to currencies and may be used to manage currency risk when considered appropriate.

Please refer to the Prospectus for the full investment objective and policy.

Performance Assessment

The Fund is not managed to a benchmark, nor does the Manager use a benchmark in assessing the Fund's performance. Investors may however refer to the information in Morningstar's Global Bond Category, which presents data for a range of funds (including the Fund) which are grouped according to investment style, including performance information, and which enables investors to compare information across products.

How the Fund is Managed

The Fund invests in corporate and government bond markets where it is believed that yields are likely to fall (and prices are likely to rise). It also avoids those which are evaluated as expensive, and where returns are likely to be negative in the medium term. The overall duration or interest rate sensitivity of the Fund will fluctuate as expectations for economic developments change, relative to the market. The Manager will also look to add value through foreign exchange management, identifying those markets where currencies are attractive, for example, due to sound economic fundamentals or rising interest rates.

Risk Profile

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

- There is no guarantee that a bond issuer will pay the interest due or repay the loan. Bond values are likely to fall if interest rates rise.
- Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell fund investments at an anticipated price or in a timely manner. This could have a negative impact on the value of your investment. In extreme conditions, this could affect the Fund's ability to meet investors' redemption requests.
- 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 Fund's value rises and falls and could expose the Fund 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.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Strategic Bond Fund

Investment Objective and Policy and Fund at a Glance (continued)

The Fund at a Glance on 31 August 2021

Total Fund size: 31 August 2021	£30.09 million	
Total Fund size: 31 August 2020	£31.92 million	
OCF*	31/08/2021	31/08/2020
Class A GBP Inc**	1.49%	1.58%
Class I GBP Inc	0.89%	0.98%
	Initial charge	Annual charge
Class A GBP Inc**	up to 5.00%	1.25%
Class I GBP Inc	Nil	0.65%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Inc**	£1,000	£500
Class I GBP Inc	£10,000,000	£500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Fund and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges. The OCF figures for the current year have decreased due to a change in the methodology of calculating the OCF, in order to be consistent with the Key Investor Information Document ("KIID"). Adjustments from over accruals in the prior year expenses were excluded from the calculation, thereby causing a decrease.

** Calculation based on mid-price.

Price per unit	(pence per unit)
Class A GBP Inc	112.10p
Class I GBP Inc	112.70p

Barings Strategic Bond Fund

Fund Information

	Class A GBP Inc - Distribution units			Class I GBP Inc - Distribution units		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	109.89	119.93	115.24	110.05	120.10	115.38
Return before operating charges	4.95	(5.13)	9.47	5.00	(5.13)	9.52
Operating charges	(1.73)	(1.83)	(1.90)	(1.04)	(1.14)	(1.11)
Return after operating charges	3.22	(6.96)	7.57	3.96	(6.27)	8.41
Distributions	(1.50)	(3.08)	(2.88)	(2.22)	(3.78)	(3.69)
Closing net asset value per unit after direct transaction costs of*	111.61	109.89	119.93	111.79	110.05	120.10
	0.02	0.03	0.03	0.02	0.03	0.03
Performance						
Return after charges	2.93%	(5.80)%	6.57%	3.60%	(5.22)%	7.29%
Other information						
Closing net asset value ('000)	£10,440	£14,855	£18,357	£19,652	£17,065	£20,678
Closing number of units	9,354,596	13,517,773	15,306,845	17,579,614	15,507,127	17,216,975
Operating charges	1.49%	1.58%	1.44%	0.89%	0.98%	0.84%
Direct transaction costs	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
Prices**						
Highest unit price	122.30	127.30	122.50	122.70	127.80	123.20
Lowest unit price	107.30	93.44	112.00	107.90	93.67	112.90

*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 Fund and unit class returns before operating charges.

**High/low prices included in the table above for the current accounting year are from 1 September 2020 to 31 August 2021. For previous periods, they relate to the accounting year from 1 September 2019 to 31 August 2020 and accounting period from 13 July 2018 to 31 August 2019, respectively.

Barings Strategic Bond Fund

Report of the Investment Manager

Performance

During the year ended 31 August 2021, the Barings Strategic Bond Fund (the "Fund") produced an absolute net return for Class A GBP Inc of 2.72% compared with a return of 0.52% for the performance comparator. The table below shows the 1 year, 3 year and 5 year annualised net return for the Class A GBP Inc units against the performance comparator.

	1 year	3 years	5 years
Barings Strategic Bond Fund	2.72%	1.89%	0.50%
Morningstar Global Bond Category	0.52%	4.56%	2.47%

As highlighted in the last update, the Fund was negatively impacted by COVID-19, but fully recovered all post COVID-19 losses and closing the year in positive territory. Performance continued to improve with economically sensitive assets rebounding from the COVID-19 hit. This was in line with our global macro-economic base case scenario.

The Fund distributes income collected semi-annually. This is not a targeted return measure and varies from time to time. The Fund's overall performance is measured on an absolute return basis.

The 1 year income distribution for the Class A GBP Inc and Class I GBP Inc was 1.50p and 2.22p respectively. The average 3 year income distribution for the Class A GBP Inc and Class I GBP Inc was 2.49p and 3.23p respectively. The Fund's positioning remain biased towards risk assets, with long positions in inflation linked bonds, Developed Market high yield (DM HY) credit, Emerging Markets (EM) hard currency bonds and commodity linked currencies (CLCs) such as the Australian Dollar and Canadian Dollar. The Fund also holds significant short positions in developed market nominal bonds, specifically on long maturity across US, Germany, Australia and Canada.

There is one notable positioning change during the current reporting period: we increased the Fund's short exposure to developed market nominal bonds, specifically on long maturity across US, Germany, Australia and Canada. We anticipate bond yields to rise (bond prices to fall) in response to strong economic growth, rising inflation and central banks tightening monetary policy.

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

Purchases	Costs £'000	Sales	Proceeds £'000
UK Treasury Bond 0.00% 09/08/2021	5,096	SPDR Refinitiv Global Convertible Bond UCITS	8,245
SPDR Refinitiv Global Convertible Bond UCITS	4,881	UK Treasury Bond 0.00% 09/08/2021	5,096
Hellenic Republic Government Bond 3.38% 15/02/2025	3,898	Italy Buoni Poliennali Del Tesoro 2.80% 01/03/2067	4,741
US Treasury Bond. 0.00% 02/09/2021	3,604	Hellenic Republic Government Bond 3.38% 15/02/2025	3,798
US Treasury Bond. 0.00% 27/11/2020	3,337	US Treasury Bond. 0.00% 02/09/2021	3,592
US Treasury Bond. 0.00% 21/01/2021	3,215	US Treasury Bond. 0.00% 27/11/2020	3,218
Italy Buoni Poliennali Del Tesoro 2.80% 01/03/2067	2,817	US Treasury Bond 0.00% 21/01/2021	3,140
US Treasury Bond 0.00% 15/07/2021	2,412	Hellenic Republic Government Bond 3.90% 30/01/2033	2,858
Colombia Government International Bond 8.13% 21/05/2024	1,881	US Treasury Bond 0.00% 15/07/2021	2,393
Hellenic Republic Government Bond 3.90% 30/01/2033	1,838	United States Treasury Inflation Indexed Bonds 0.25% 15/02/2050	2,151

Barings Strategic Bond Fund

Report of the Investment Manager (continued)

Market Outlook

The Barings Strategic Bond Fund will close, effective 18 January 2022. The decision has been taken in consideration of, amongst other things, the Fund's economic viability and ability to operate in a cost-efficient manner due to its small asset size.

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.

Barings Strategic Bond Fund

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook ("COLL") requires Baring Fund Managers Limited (the "Manager") to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Strategic Bond Fund (the "Fund") and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014");
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Fund in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the "Fund") for the year ended 31 August 2021

NatWest Trustee and Depositary Services Limited (the "Trustee") must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Fund.

Barings Strategic Bond Fund

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Strategic Bond Fund (the "Fund") for the year ended 31 August 2021 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Fund, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Fund.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 21 December 2021

Barings Strategic Bond Fund

Directors' Statement

The financial statements on pages 215 to 230 were approved by Baring Fund Managers Limited (the “Manager”) and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 21 December 2021

Barings Strategic Bond Fund

Portfolio Statement

as at 31 August 2021

Holdings	Investments	Bid-Market value (£)	Percentage of total net assets (%)
	Bonds: 90.82% (77.23%)		
	Australian dollar: 5.13% (0.00%)		
AUD 2,417,000	Australia Government Bond 0.805% 21/11/2027	<u>1,542,154</u>	<u>5.13</u>
	Canadian dollar: 5.17% (0.00%)		
CAD 1,293,000	Canadian Government Real Return Bond 6.844% 01/12/2026	<u>1,555,489</u>	<u>5.17</u>
	Euro: 23.73% (25.86%)		
EUR 1,070,998	Deutsche Bundesrepublik Inflation Linked Bond 0.10% 15/04/2023	1,050,197	3.49
EUR 1,043,224	Deutsche Bundesrepublik Inflation Linked Bond 0.108% 15/04/2026	1,069,179	3.55
EUR 1,059,031	French Republic Government Bond 0.106% 01/03/2025	1,026,780	3.41
EUR 758,000	Italy Buoni Poliennali Del Tesoro 3.519% 15/09/2026	912,736	3.04
EUR 791,000	Italy Buoni Poliennali Del Tesoro 0.403% 11/04/2024	712,972	2.37
EUR 1,400,000	Republic of South Africa Government International Bond 3.75% 24/07/2026	1,315,585	4.37
EUR 1,154,000	Turkey Government International Bond 5.20% 16/02/2026	1,054,315	3.50
		<u>7,141,764</u>	<u>23.73</u>
	Mexican peso: 4.04% (0.00%)		
MXN 31,930,000	Mexican Bonos 7.75% 29/05/2031	<u>1,216,175</u>	<u>4.04</u>
	Pound sterling: 8.01% (2.70%)		
GBP 1,200,000	Petrobras Global Finance 6.625% 16/01/2034	1,384,896	4.60
GBP 1,057,000	Petroleos Mexicanos 3.75% 16/11/2025	1,026,136	3.41
		<u>2,411,032</u>	<u>8.01</u>
	Russian ruble: 4.28% (0.00%)		
RUB 122,298,000	Russian Federal Bond - OFZ 8.15% 03/02/2027	<u>1,288,129</u>	<u>4.28</u>
	South African rand: 5.84% (0.00%)		
ZAR 16,352,655	Republic of South Africa Government Bond 8.00% 31/01/2030	779,323	2.59
ZAR 17,236,677	Republic of South Africa Government Bond 10.50% 21/12/2026	979,444	3.25
		<u>1,758,767</u>	<u>5.84</u>
	US dollar: 34.62% (48.67%)		
USD 1,272,000	Brazilian Government International Bond 6.00% 07/04/2026	1,075,098	3.57
USD 400,000	Brazilian Government International Bond 7.125% 20/01/2037	364,503	1.21
USD 2,200,000	Colombia Government International Bond 8.125% 21/05/2024	1,865,279	6.20
USD 1,346,000	Mexico Government International Bond 4.125% 21/01/2026	1,105,325	3.67
USD 1,412,000	Turkey Government International Bond 6.35% 10/08/2024	1,081,279	3.60

BARINGS

Barings Strategic Bond Fund

Portfolio Statement (continued)

as at 31 August 2021

		Bid-Market value (£)	Percentage of total net assets (%)
Holdings	Investments		
	Bonds: 90.82% (77.23%)		
	US dollar: 34.62% (48.67%) (continued)		
	Ukraine Government International Bond 7.75%		
USD 1,350,000	01/09/2023	1,053,639	3.50
	Ukraine Government International Bond 7.75%		
USD 1,350,000	01/09/2026	1,089,589	3.62
	United States Treasury Inflation Indexed Bonds		
USD 1,553,500	0.126% 15/04/2025	1,281,597	4.26
	United States Treasury Inflation Indexed Bonds		
USD 1,621,500	0.715% 15/01/2026	1,500,594	4.99
		10,416,903	34.62
	Time Deposits: 5.24% (0.66%)		
	US dollar: 0.00% (0.66%)		
	Pound sterling: 5.24% (0.00%)		
600,000	CLI Cash Collateral	—	—
2,004,000	OTC Derivative Cash Collateral	1,576,514	5.24
		1,576,514	5.24
	Credit Default Swaps: 0.00% (1.71%)		
	Euro: 0.00% (1.41%)		
	US dollar: 0.00% (0.30%)		
	Exchange Traded Funds: 0.00% (10.39%)		
	US dollar: 0.00% (10.39%)		
	Futures Contracts: -0.82% (1.76%)		
	Australian dollar: -0.52% (0.00%)		
(45)	Future AUS 10yr SFE September 2021	(115,207)	(0.38)
(17)	Future Australian Dollar CME September 2021	(42,506)	(0.14)
		(157,713)	(0.52)
	Canadian dollar: 0.06% (0.00%)		
(65)	Future CAN 10yr MSE December 2021	32,633	0.11
(15)	Future Canadian Dollar CME September 2021	(14,607)	(0.05)
		18,026	0.06
	Euro: -0.53% (-0.26%)		
(30)	Future Euro Buxl September 2021	(60,509)	(0.20)
(40)	Future Euro FOAT September 2021	(98,671)	(0.33)
		(159,180)	(0.53)
	Pound sterling: 0.10% (0.00%)		
(45)	Future Long Gilt ICF December 2021	31,050	0.10
	US dollar: 0.07% (2.02%)		
20	Future Iboxx iShares CBF October 2021	6,624	0.02
90	Future South Africa Rand September 2021	(4,902)	(0.02)
(20)	Future US 10yr ULTRA CBT December 2021	2,723	0.01

Barings Strategic Bond Fund

Portfolio Statement (continued)

as at 31 August 2021

		Percentage Bid-Market of total net value assets (£) (%)	
Holdings	Investments		
	Futures Contracts: -0.82% (1.76%) (continued)		
	US dollar: 0.07% (2.02%) (continued)		
(18)	Future US Ultra CBT December 2021	17,056	0.06
		21,501	0.07
	Interest Rate Swaps: -1.50% (0.00%)		
	Australian dollar: -1.76% (0.00%)		
5,000,000	Receive AUD 1.99% Pay BBSW 6M	—	—
(5,000,000)	Receive AUD 1.99% Pay BBSW 6M	(175,504)	(0.59)
(5,000,000)	Receive AUD 2.28% Pay BBSW 6M	(352,707)	(1.17)
5,000,000	Receive AUD 2.28% Pay BBSW 6M	—	—
		(528,211)	(1.76)
	Canadian dollar: 0.26% (0.00%)		
4,500,000	Receive CAD 1.96% Pay CDOR 3M	103,623	0.35
(4,500,000)	Receive CAD 1.96% Pay CDOR 3M	—	—
1,750,000	Receive CAD 2.24% Pay CDOR 3M	—	—
(1,750,000)	Receive CAD 2.24% Pay CDOR 3M	(26,115)	(0.09)
		77,508	0.26
	Options: -3.21% (0.00%)		
	Euro: -0.52% (0.00%)		
(5,000,000)	S&P 500 Index Option Call 10.25% 22/12/2021	(72,912)	(0.24)
(6,500,000)	S&P 500 Index Option Call 4.54% 23/12/2021	(83,707)	(0.28)
		(156,619)	(0.52)
	US dollar: -2.69% (0.00%)		
(3,500,000)	S&P 500 Index Option Call 0.725% 10/06/2021	(14,624)	(0.05)
(5,000,000)	S&P 500 Index Option Call 5.07% 30/12/2021	(219,515)	(0.73)
(6,000,000)	S&P 500 Index Option Call 5.226% 10/03/2022	(264,756)	(0.88)
(3,000,000)	S&P 500 Index Option Call 5.80% 25/11/2021	(15,336)	(0.05)
(6,000,000)	S&P 500 Index Option Call 74.31% 27/12/2021	(127,059)	(0.42)
(6,000,000)	S&P 500 Index Option Call 75.115% 10/03/2022	(163,576)	(0.54)
(1,500,000)	S&P 500 Index Option Put 0.725% 10/06/2021	(6,267)	(0.02)
		(811,133)	(2.69)
	Forward Currency Contracts: 0.48% (-0.05%)		
JPY (489,975,375)	Sold JPY, bought GBP 3,358,105 for settlement 30/12/2021 (State Street)	118,657	0.40
EUR (2,697,649)	Sold EUR, bought HUF 960,000,000 for settlement 16/02/2022 (Northern Trust)	36,734	0.12
HUF 960,000,000	Sold HUF, bought EUR 2,697,649 for settlement 16/02/2022 (Northern Trust)	(12,504)	(0.04)
		142,887	0.48

Barings Strategic Bond Fund**Portfolio Statement** (continued)as at 31 August 2021

Holdings	Investments	Percentage	
		Bid-Market value (£)	of total net assets (%)
	Portfolio of investments: 90.94% (91.04%)	27,385,043	90.94
	Net other assets	2,706,967	9.06
	Net assets	30,092,010	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.

Comparative figures shown in brackets relate to 31 August 2020.

Debt security allocation is as follows:

Percentage of debt securities above investment grade	55.94%
Percentage of debt securities below investment grade (sub BBB - or unrated)	44.06%
	100.00%

Barings Strategic Bond Fund

Independent auditors' Report to the Unitholders of Barings Strategic Bond Fund

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Strategic Bond Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 August 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2021 (page 216); the statement of total return, and statement of change in net assets attributable to unitholders for the year then ended (page 215); the distribution tables (page 231); and the notes to the financial statements (pages 217 to 230), which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 of the Accounting Policies (page 217) which describes the Manager's reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Barings Strategic Bond Fund

Independent auditors' Report to the Unitholders of Barings Strategic Bond Fund (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Fund/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Barings Strategic Bond Fund

Independent auditors' Report to the Unitholders of Barings Strategic Bond Fund (continued)

Use of this report

This report, including the opinions, has been prepared for, and only for, the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook, we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
21 December 2021

Barings Strategic Bond Fund

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2021

Statement of Total Return

		31/08/2021		31/08/2020	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		500		(3,132)
Revenue	3	1,114		1,512	
Expenses	4	(343)		(394)	
Interest payable and other similar charges	5	(225)		(56)	
Net revenue before taxation		546		1,062	
Taxation	6	—		—	
Net revenue after taxation			546		1,062
Total return before distributions			1,046		(2,070)
Distributions	7		(550)		(1,062)
Change in net assets attributable to unitholders from investment activities			496		(3,132)

Statement of Change in Net Assets Attributable to Unitholders

	31/08/2021		31/08/2020	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		31,920		39,035
Amounts receivable on issue of units	4,657		1,820	
Amounts payable on cancellation of units	(6,988)		(5,806)	
		(2,331)		(3,986)
Changes in net assets attributable to unitholders from investment activities		496		(3,132)
Unclaimed distributions		7		3
Closing net assets attributable to unitholders		30,092		31,920

Barings Strategic Bond Fund

Balance Sheet

as at 31 August 2021

	Notes	31/08/2021 £'000	31/08/2020 £'000
Assets			
Investment assets		–	29,609
Current assets:			
Investment assets		29,256	–
Debtors	9	354	451
Cash and bank balances	10	2,825	2,954
Total assets		32,435	33,014
Liabilities			
Investment liabilities		–	(338)
Current liabilities:			
Investment liabilities		(1,871)	–
Creditors:			
Bank overdraft	10	(70)	–
Distribution payable on income units	7	(224)	(618)
Other creditors	11	(178)	(138)
Total liabilities		(2,343)	(1,094)
Net assets attributable to unitholders		30,092	31,920

Barings Strategic Bond Fund

Notes to the Financial Statements

for the year ended 31 August 2021

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ("IA") in May 2014 (the "IMA SORP 2014"). The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

As the net asset value of the Barings Strategic Bond Fund (the "Fund") has fallen to a level at which it is no longer competitive, given the level of fixed costs payable out of the assets, the Manager resolved that the closure of the Fund would be in the best interests of investors. The Fund will commence wind-up on 18 January 2022. Therefore, the financial statements for the current year have been prepared on a basis other than going concern. Any additional costs in relation to the termination will be borne by the Manager. The financial statements for the year ended 31 August 2020 were produced on a going concern basis.

In applying this basis of preparation, the assets and liabilities of the Fund are stated at their fair values, which materially equate to their realisable values and fixed assets and long-term liabilities are reclassified as current assets and liabilities.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2021, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Open forward currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

Structured products are valued at the fair value, where a price can only be obtained from the issuer the value is confirmed by an independent price provider by reference to the terms as defined in the term sheet of the structured product.

The market value of over the counter (OTC) derivatives is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2021.

Revenue Recognition

Bank interest and other revenue is recognised on an accruals basis.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment, and is treated as revenue. The effective yield basis amortises any discount or premium on the debt element of the purchase or an investment over its remaining life based on contractual cash flows. Any adjustments resulting from changes in actual cash flows are treated as capital.

Returns from derivative securities are taken to capital and/or revenue depending on the motive and circumstances surrounding the particular transaction. The net revenue/expense on derivative positions are recognised as revenue and form part of the Fund's distribution.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

1. Accounting policies (continued)

Derivative financial instruments

The Fund may use financial derivative instruments for efficient portfolio management, including in attempting to hedge or reduce the overall risk of its investments, or financial derivative instruments may be used for investment purposes in pursuit of investment objectives, policies and strategies. Gains and losses on forward contracts and futures contracts are accounted for in accordance with the Manager's intention on entering into the contracts and the circumstances surrounding the particular transaction. Where the motive and circumstance is to protect or enhance capital return, gains or losses are recognised in net capital gains/(losses) in the statement of total return; Where the motive and circumstance is to protect or enhance revenue, the revenue and expenses derived therefrom are included in revenue or interest payable and other similar charges in the statement of total return. Any positions on such transactions open at the year-end are reflected in the balance sheet at their marked to market value.

Distribution Policy

Where applicable, for the income ("Inc") units, the Fund will pay any surplus revenue as a distribution.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Fund is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Fund.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	31/08/2021	31/08/2020
	£'000	£'000
Non-derivative securities	(3)	(3,404)
Derivative securities	(229)	557
Currency gains	128	279
Forward currency contracts	614	(504)
Transaction charges	(3)	(52)
Derivative charges	(7)	(8)
Net capital gains/(losses) on investments	500	(3,132)

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

3. Revenue

	31/08/2021 £'000	31/08/2020 £'000
Bank interest	1	8
Credit default swap income	45	—
Interest on debt securities	889	1,443
Offshore CIS interest revenue	179	53
Overseas dividends	—	8
	1,114	1,512

4. Expenses

	31/08/2021 £'000	31/08/2020 £'000
Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:		
Manager's service charge	287	330
	287	330
Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:		
Trustee fees	7	7
Safe custody charges	4	6
	11	13
Other expenses:		
Administration fees	2	2
Audit fees	13	13
Legal fees	—	1
Professional fees	(7)	10
Registrar and transfer agency fees	11	29
Standing charges	3	3
Taxation fees*	23	(7)
	45	51
Total expenses	343	394

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

	31/08/2021 £'000	31/08/2020 £'000
Derivative expenses	219	51
Interest expenses	6	5
	225	56

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

6. Taxation

	31/08/2021 £'000	31/08/2020 £'000
a) Analysis of tax charges for the year:		
Corporation tax	—	—
Current tax charge (note 6b)	—	—

b) Factors affecting taxation charge of the year:

The tax assessed for the year is lower (31 August 2020: lower) than the standard rate of corporation tax in the UK for an authorised unit fund, which is 20% (31 August 2020: 20%). The differences are explained below:

	31/08/2021 £'000	31/08/2020 £'000
Net revenue before taxation	546	1,062
Corporation tax at 20%	109	212
Effects of:		
Interest distributions	(109)	(212)
Current tax charge for the year (note 6a)	—	—

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £nil (31 August 2020: £nil) in relation to unutilised management expenses.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	31/08/2021 £'000	31/08/2020 £'000
Interim Distribution	311	410
Final Distribution	224	618
	535	1,028
Add: Revenue deducted on cancellation of units	32	51
Deduct: Revenue received on issue of units	(17)	(17)
	15	34
Total distributions	550	1,062

Details of the distributions per unit are set out in the Distribution Tables on page 231.

Distributions payable at the year end of £224,242 (31 August 2020: £618,113) are disclosed in the Balance Sheet on page 216.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

8. Movement between net revenue and distributions

	31/08/2021 £'000	31/08/2020 £'000
Net revenue after taxation	546	1,062
Equalisation on conversions	4	—
	550	1,062

9. Debtors

	31/08/2021 £'000	31/08/2020 £'000
Accrued revenue	337	374
Amount receivable for creation of units	7	1
Currency deals awaiting settlement	—	1
Corporation tax - prepayment	4	—
Credit default swap receivable	—	69
Overseas tax recoverable	6	6
	354	451

10. Cash and bank balances

	31/08/2021 £'000	31/08/2020 £'000
Bank overdraft	(70)	—
Cash and bank balances	1,487	1,516
Cash held by the broker	1,338	1,438
	2,755	2,954

11. Other creditors

	31/08/2021 £'000	31/08/2020 £'000
Accrued expenses	66	65
Amounts payable for cancellation of units	68	73
Swap revenue payable to broker	44	—
	178	138

12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2020: £nil).

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

14. Financial instruments

In pursuing its investment objective set out on page 200, the Fund may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Fund's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Fund's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2020: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2021, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £1.455 million (31 August 2020: £1.464 million).

Foreign currency risk

The revenue and capital value of the Fund's investments can be significantly affected by foreign currency translation movements, as the majority of the Fund's assets and revenue are denominated in currencies other than sterling, which is the Fund's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Fund. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Fund. The Fund converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

In addition, the Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Fund. This increases the exposure of the Fund to exchange rate movements and may significantly affect the returns of the Fund.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

At the year-end date, a proportion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2021:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	856	313	1,169
Brazilian real	–	1	1
Canadian dollar	1,650	82	1,732
Euro	6,813	462	7,275
Hungarian forint	37	–	37
Japanese yen	119	34	153
Mexican peso	1,216	–	1,216
Russian ruble	1,288	–	1,288
South African rand	1,759	–	1,759
Swedish krona	–	19	19
Swiss franc	–	44	44
Polish zloty	–	6	6
US dollar	11,203	1,143	12,346
	24,941	2,104	27,045

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

Currency exposure for the year ended 31 August 2020:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
Australian dollar	–	9	9
Brazilian real	–	28	28
Canadian dollar	–	6	6
Chilean peso	1,341	–	1,341
Egyptian pound	3,229	–	3,229
Euro	8,624	193	8,817
Japanese yen	–	37	37
Philippine peso	1,539	–	1,539
Polish zloty	–	6	6
Russian ruble	986	1	987
Swiss franc	–	47	47
US dollar	12,691	1,992	14,683
	<u>28,410</u>	<u>2,319</u>	<u>30,729</u>

Foreign currency risk sensitivity analysis

At 31 August 2021, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.270 million (31 August 2020: £0.307 million).

Interest rate risk

The Fund may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Fund also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will in general have the opposite effect.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

	Floating rate 31/08/2021 £'000	Fixed rate 31/08/2021 £'000	Non-interest bearing 31/08/2021 £'000	Total 31/08/2021 £'000
Portfolio of investments	143	27,488	(246)	27,385
Cash at bank	2,755	–	–	2,755
Other assets	–	–	354	354
Liabilities	–	–	(402)	(402)
	2,898	27,488	(294)	30,092

	Floating rate 31/08/2020 £'000	Fixed rate 31/08/2020 £'000	Non-interest bearing 31/08/2020 £'000	Total 31/08/2020 £'000
Portfolio of investments	(14)	24,653	4,632	29,271
Cash at bank	2,954	–	–	2,954
Other assets	–	–	451	451
Liabilities	–	–	(756)	(756)
	2,940	24,653	4,327	31,920

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to the London Interbank Offered Rate ("LIBOR") or international equivalent borrowing rate.

Interest rate risk sensitivity analysis

As at 31 August 2021, if the interest rate increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.301 million (31 August 2020: £0.245 million).

Liquidity risk

The Fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Fund is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. All currency contracts are held with Standard Chartered Bank; please see next page for details of the notional exposure.

The Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the year, the Fund made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Fund's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Fund.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

15. Risks of financial instruments (continued)

Derivatives and other financial instruments

Transactions in derivatives, forward contracts, futures, options and swaps may be used for the purpose of hedging and meeting the investment objectives of the Fund. In pursuing the Fund's objectives, the Manager may make use of a variety of instruments in accordance with the rules. The Fund does not hold any derivatives that could impact the value of the Fund significantly in the current or prior year.

Counterparty exposure for the year ended 31 August 2021:

	Interest rate swaps £'000	Credit default swaps £'000	Forward contracts £'000
Citigroup	(451)	—	—
State Street	—	—	119
Northern Trust	—	—	24

Counterparty exposure for the year ended 31 August 2020:

	Interest rate swaps £'000	Credit default swaps £'000	Forward contracts £'000
Citigroup	—	546	—
Standard Chartered Bank	—	—	(37)
Northern Trust	—	—	71
State Street	—	—	(49)

Counterparty exposure has not been disclosed for exchange-traded derivatives (such as futures and options) as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated. In respect of derivative assets, the Fund is exposed to counterparty risk from the counterparty, whereas in respect of derivative liabilities, the counterparty is exposed to counterparty risk from the Fund.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Fund to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

16. Fair value (continued)

Valuation technique for the year ended 31 August 2021:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Debt Securities	2,783	24,547	–	27,330
Forward Currency Contracts	–	155	–	155
Futures Contracts	91	–	–	91
Interest Rate Swaps	–	103	–	103
Time Deposit	1,577	–	–	1,577
	4,451	24,805	–	29,256
Financial Liabilities				
Forward Currency Contracts	–	(12)	–	(12)
Futures Contracts	(337)	–	–	(337)
Interest Rate Swaps	–	(554)	–	(554)
Options	(968)	–	–	(968)
	(1,305)	(566)	–	(1,871)

Valuation technique for the year ended 31 August 2020:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Credit Default Swaps	–	546	–	546
Debt Securities	3,866	20,787	–	24,653
Exchange Traded Funds	3,315	–	–	3,315
Forward Currency Contracts	–	141	–	141
Futures Contracts	743	–	–	743
Time Deposit	211	–	–	211
	8,135	21,474	–	29,609
Financial Liabilities				
Forward Currency Contracts	–	(155)	–	(155)
Futures Contracts	(183)	–	–	(183)
	(183)	(155)	–	(338)

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs

	31/08/2021 £'000	31/08/2020 £'000
Analysis of total purchase costs:		
Purchases before transaction costs*	82,702	107,050
Commissions:		
Collective Investment Schemes total value paid	2	4
Total transaction costs	2	4
Gross purchases total	82,704	107,054
Analysis of total sale costs:		
Sales before transaction costs*	85,156	112,566
Commissions:		
Collective Investment Schemes total value paid	(3)	(4)
Total transaction costs	(3)	(4)
Total sales net of transaction costs	85,153	112,562

* There were no purchases and sales in cash funds during the year ended 31 August 2021. For the year from 1 September 2019 to 31 August 2020, there were also no purchases and sales in cash funds.

The above analysis covers any direct transaction costs suffered by the Fund during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

17. Portfolio transaction costs (continued)

	31/08/2021	31/08/2020
	%	%
Analysis of total purchase costs:		
Commissions:		
Collective Investment Schemes percentage of total equities purchases costs	0.04	0.04
Collective Investment Schemes percentage of average NAV	0.01	0.01

	31/08/2021	31/08/2020
	%	%
Analysis of total sale costs:		
Commissions:		
Collective Investment Schemes percentage of total equities sales costs	(0.03)	(0.05)
Collective Investment Schemes percentage of average NAV	(0.01)	(0.01)

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.34% (31 August 2020: (1.20)%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Fund currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Fund management fee can be found on page 201. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 202. The distribution per unit class is given in the distribution tables on page 231. All classes have the same rights on winding up.

	Class A GBP Inc	Class I GBP Inc
Opening units	13,517,773	15,507,127
Units created	628,224	3,302,220
Units liquidated	(1,537,506)	(4,475,230)
Units converted	(3,253,895)	3,245,497
Closing units	9,354,596	17,579,614

19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Fund. As at 31 August 2021, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2020: £nil).

The Manager exercises control over the Fund and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

Barings Strategic Bond Fund

Notes to the Financial Statements (continued)

for the year ended 31 August 2021

19. Related party transactions (continued)

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class increased from 112.10p to 113.20p and I GBP Income class from 112.70p to 113.60 as at 17 December 2021. This movement takes into account routine transaction. The Manager continues to monitor investment performance in line with investment objectives.

Following a review of the Fund, the Manager resolved to terminate the Barings Strategic Bond Fund. The Fund will commence wind-up on 18 January 2022 and any units still held at that time will be redeemed and the proceeds will be returned to the unitholders.

Barings Strategic Bond Fund

Distribution Tables

Group 1: Units purchased prior to 1 September 2020

Group 2: Units purchased between 1 September 2020 and 28 February 2021

Interim distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	0.9492	0.0000	0.9492	1.1686
2	0.8095	0.1397	0.9492	1.1686

Interim distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	1.2344	0.0000	1.2344	1.4638
2	1.0124	0.2220	1.2344	1.4638

Group 1: Units purchased prior to 1 March 2021

Group 2: Units purchased between 1 March 2021 and 31 August 2021

Final distribution - Class A GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	0.5534	0.0000	0.5534	1.9106
2	0.3047	0.2487	0.5534	1.9106

Final distribution - Class I GBP Inc (in pence per unit)

Group	Net Revenue	Equalisation (Note 13)	2021 Distribution Paid	2020 Distribution Paid
1	0.9811	0.0000	0.9811	2.3205
2	0.4915	0.4896	0.9811	2.3205

Barings UK Unit Trusts

The Risk and Reward Profile

	SRRI risk category* 31/08/2021	SRRI risk category* 31/08/2020
Barings Dynamic Capital Growth Fund - Class A GBP Acc**	N/A	N/A
Barings Dynamic Capital Growth Fund - Class A GBP Inc**	N/A	N/A
Barings Dynamic Capital Growth Fund - Class D GBP Acc**	N/A	N/A
Barings Dynamic Capital Growth Fund - Class I GBP Acc**	N/A	N/A
Barings Dynamic Capital Growth Fund - Class I GBP Inc**	N/A	N/A

	SRRI risk category* 31/08/2021	SRRI risk category* 31/08/2020
Barings Eastern Trust - Class A GBP Acc	6	6
Barings Eastern Trust - Class A GBP Inc	6	6
Barings Eastern Trust - Class A USD Acc	6	6
Barings Eastern Trust - Class D GBP Inc	6	6
Barings Eastern Trust - Class I GBP Acc	6	6
Barings Eastern Trust - Class I GBP Inc	6	6
Barings Eastern Trust - Class I USD Acc ***	6	N/A

	SRRI risk category* 31/08/2021	SRRI risk category* 31/08/2020
Barings European Growth - Class A GBP Inc	6	6
Barings European Growth - Class I GBP Inc	6	6

Barings UK Unit Trusts

The Risk and Reward Profile (continued)

	SRRI risk category* 31/08/2021	SRRI risk category* 31/08/2020
Barings Europe Select - Class A GBP Inc	6	6
Barings Europe Select - Class A EUR Acc	6	6
Barings Europe Select - Class A EUR Inc	6	6
Barings Europe Select - Class A USD Acc	6	6
Barings Europe Select - Class I GBP Acc ****	6	N/A
Barings Europe Select - Class I GBP Inc	6	6
Barings Europe Select - Class I EUR Acc	6	6
Barings Europe Select - Class I EUR Inc	6	6

	SRRI risk category* 31/08/2021	SRRI risk category* 31/08/2020
Barings German Growth - Class A GBP Acc	6	6
Barings German Growth - Class A GBP Inc	6	6
Barings German Growth - Class A EUR Acc	6	6
Barings German Growth - Class A EUR Inc	6	6
Barings German Growth - Class A USD Acc	6	6
Barings German Growth - Class A USD Hedged Acc	6	6
Barings German Growth - Class A CHF Hedged Acc	6	6
Barings German Growth - Class A RMB Hedged Acc	6	6
Barings German Growth - Class I GBP Acc	6	6
Barings German Growth - Class I GBP Inc	6	6
Barings German Growth - Class I GBP Hedged Acc	6	6
Barings German Growth - Class I EUR Acc	6	6
Barings German Growth - Class I EUR Inc	6	6
Barings German Growth - Class I USD Acc	6	6

Barings UK Unit Trusts

The Risk and Reward Profile (continued)

	SRRRI risk category* 31/08/2021	SRRRI risk category* 31/08/2020
Barings Japan Growth - Class A GBP Acc	5	6
Barings Japan Growth - Class I GBP Acc	5	6
Barings Japan Growth - Class I GBP Inc	5	6

	SRRRI risk category* 31/08/2021	SRRRI risk category* 31/08/2020
Barings Strategic Bond - Class A GBP Inc	5	5
Barings Strategic Bond - Class I GBP Inc	5	5

* 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 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 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 Fund ceased trading on 3 December 2019.

*** Unit class was launched on 30 October 2020 and was seeded in the Trust on 4 June 2021.

**** Unit class was launched on 30 October 2020.

Barings UK Unit Trusts

Important Information

Constitution

The Trusts were constituted by a Trust Deed between Baring Fund Managers Limited (“the Manager”) and NatWest Trustee and Depositary Services Limited.

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

The Trusts are authorised unit trust schemes as defined in section 243 of the Financial Services and Markets Act 2000 and have been established as Undertakings for Collective Investments in Transferable Securities (“UCITS”) schemes.

Performance

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 reference in the Investment Manager reports for any of the Trusts should not be read as recommendations to investors to buy or sell the same but are included as illustrations only.

Key changes during the year

The Prospectus of the Trusts was updated on 5 March 2021 and 6 December 2021. The material changes to the Prospectus on 5 March 2021 are outlined as follows:

- Updated disclosures on the United Kingdom’s exit from the European Union.
- Inclusion of additional disclosures to bring the Trusts into compliance with Level 1 of the Sustainable Finance Disclosure Regulation (“SFDR”).
- The following Trusts have been brought into scope of Article 8 of the regulation and can be categorised as “Light Green” environmental, social and governance (“ESG”) products:
 - a. Barings Europe Select Trust;
 - b. Barings Eastern Trust;
 - c. Barings Japan Growth Trust;
 - d. Barings European Growth Trust.

The prospectus includes clarifications to the investment policy and strategy of these Trusts.

The material change to the Prospectus on 6 December 2021 is outlined as follows:

- Commencement of wind-up for Barings Japan Growth Trust on 6 December 2021.

There are other immaterial changes to the Prospectus that are not listed above.

Effective 1 September 2020, Barings Europe Select Trust re-opened for ongoing subscription by existing and new investors.

Market timing

Repeatedly purchasing and selling units in the Trusts in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the Manager’s investment strategy and increase the Trusts’ expenses to the prejudice of all unitholders.

The Trusts are 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 Trusts.

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 are published on the Barings website at www.baring.com. 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 Trusts’ 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.

Barings UK Unit Trusts

Important Information (continued)

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 annual management fees charged to the Trust are shown on pages 5, 29, 65, 96, 133, 171, and 201.

Revenue allocations and reports

Revenue allocations are made on 30 April (interim) and 31 October (final) of each year, where applicable, and forwarded to unitholders together with tax vouchers. The most recent annual report and audited financial statements and interim report and unaudited financial statements will be available on the Baring Asset Management Limited website at www.baring.com.

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. 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.

Value Assessment

As part of the FCA's Asset Management Market Study, Authorised Fund Managers are now required to produce an annual Value Assessment for all UK authorised funds. The Manager published its annual Value Assessment for the Barings funds as part of a broader composite report in December 2021. This is made available on the Barings website at www.baring.com.

Remuneration (unaudited)

The Manager's Remuneration Policy ensures that the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policies under the UCITS directive and AIFMD" (ESMA 2016/411) (the "ESMA Guidelines"), (as amended) are:

- (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or the Trust; and
- (ii) consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is also subject to the Financial Conduct Authority's ("FCA's") UCITS Remuneration Codes (SYSC 19B and 19E) and must comply with the remuneration principles in a way and to the extent that is appropriate to its size and business.

Remuneration Committee

Due to the size and nature of the Manager, the Board of Directors considers it appropriate not to apply the requirement to appoint a remuneration committee.

The Manager forms part of the Barings Europe Limited (UK) group of companies ("Barings"). Barings has a remuneration committee to take remuneration decisions, namely the HR Remunerations Committee. The remuneration committee ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

Remuneration Code Staff

The Manager has determined its Remuneration Code Staff as the following:

1. Senior Management

Senior Management comprises the Board of Directors, all SMFs and all members of the European Management Team ("EMT").

All control functions detailed in section 2 below are also senior managers.

Barings UK Unit Trusts

Important Information (continued)

Remuneration Code Staff (continued)

2. Control Functions

The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

3. Risk takers

Risk takers are defined as the investment managers of the Trust. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to Baring Asset Management Limited ("BAML"). Accordingly, the Manager currently has no risk takers outside of the senior management.

BAML is a BIPRU firm and subject to the Capital Requirements Directive ("CRD") which has equivalent remuneration rules.

4. Employees in the same remuneration bracket as risk takers

The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Trust. Accordingly, the Manager currently has no staff in this category.

5. Staff responsible for heading the investment management, administration, marketing and human resources

To the extent that the Manager's staff fall within this category, they are also control function staff falling within section 2 above.

Remuneration Disclosure

The disclosure below details fixed and variable remuneration paid to Baring Fund Managers ("BFM") Staff and BFM Remuneration Code Staff (for the financial year end 31 August 2021).

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
Total remuneration paid by BFM in relation to the Fund*	18	£553,534	£128,293	£425,241
Total Senior Management Remuneration paid by BFM**	18	£620,405	£143,793	£476,612
Risk Takers remuneration	0	£0	£0	£0
Employees in the same remuneration bracket as risk takers	0	£0	£0	£0
Carried interest paid by the Trusts	0	£0	£0	£0

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. No material changes have been made throughout the year or as a result of the review; no irregularities were identified.

Barings UK Unit Trusts

Important Information (continued)

Remuneration Disclosure (continued)

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Barings fund disclosures in that same year.

Notes:

*Manager does not make any direct payments to staff who are paid by other Barings Group entities. Figures shown are apportioned on a fund Asset Under Management ("AUM") basis as a proportion of Barings total AUM as at 31 August 2021. Accordingly, the figures are not representative of any individual's actual remuneration.

**Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind and discretionary pension awards.

The Trust does not pay performance fees.

There has been no award of carry interest in the year.

Barings UK Unit Trusts

Disclosure for Overseas Investors

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, KIID(s), the latest annual and interim reports, copies of the Trust Deed (and any amendments thereto) as well as a list of the purchases and sales made on behalf of the Trust, in French, from the representative at the above address. Official publications for the relevant trusts 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 to the performance tables on page 243 to 245

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 the Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the Trust for the 12 month to 31 August 2021. The TER has been established by the Manager and draws upon the data contained in the "Statement of total return" (Manager's management fee, registration fees, trustee fees, safe custody charges, audit fees, Financial Conduct Authority ("FCA") and other regulatory fees and taxation fees as well as any further fees and costs listed in the "Statement of total return" account which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above guideline.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

The TERs for each class for the year ended 31 August 2021 and 31 August 2020 are as follows:

	TER 31/08/2021 %	TER 31/08/2020 %
Barings Europe Select Trust - Class A GBP Inc	1.55	1.57
Barings Europe Select Trust - Class A EUR Acc	1.55	1.57
Barings Europe Select Trust - Class A EUR Inc	1.55	1.57
Barings Europe Select Trust - Class A USD Acc	1.55	1.57
Barings Europe Select Trust - Class I GBP Acc*	0.80	N/A
Barings Europe Select Trust - Class I GBP Inc	0.80	0.82
Barings Europe Select Trust - Class I EUR Acc	0.80	0.82
Barings Europe Select Trust - Class I EUR Inc	0.80	0.82

* The Class I GBP Acc unit class was launched on 30 October 2020.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

The TERs for each class for the year ended 31 August 2021 and 31 August 2020 are as follows:

	TER 31/08/2021 %	TER 31/08/2020 %
Barings German Growth Trust - Class A GBP Acc	1.58	1.56
Barings German Growth Trust - Class A GBP Inc	1.58	1.56
Barings German Growth Trust - Class A EUR Acc	1.58	1.56
Barings German Growth Trust - Class A EUR Inc	1.58	1.56
Barings German Growth Trust - Class A USD Acc	1.58	1.56
Barings German Growth Trust - Class A USD Hedged Acc	1.58	1.56
Barings German Growth Trust - Class A CHF Hedged Acc	1.58	1.56
Barings German Growth Trust - Class A RMB Hedged Acc	1.58	1.56
Barings German Growth Trust - Class I GBP Acc	0.83	0.81
Barings German Growth Trust - Class I GBP Inc	0.83	0.81
Barings German Growth Trust - Class I GBP Acc	0.83	0.81
Barings German Growth Trust - Class I GBP Hedged Acc	0.83	0.81
Barings German Growth Trust - Class I EUR Acc	0.83	0.81
Barings German Growth Trust - Class I EUR Inc	0.83	0.81
Barings German Growth Trust - Class I USD Acc	0.83	0.81

The TERs for each class for the year ended 31 August 2021 and 31 August 2020 are as follows:

	TER 28/02/2021 %	TER 31/08/2020 %
Barings Strategic Bond Fund - Class A GBP Inc	1.49	1.58
Barings Strategic Bond Fund - Class I GBP Inc	0.89	0.98

Barings UK Unit Trusts

Disclosure for Overseas Investors (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 fund units exclusively with institutional investors with professional treasury facilities; and/or;
- sales partners who place fund 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 fund units for third parties:

- life insurance companies (in respect of fund 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 fund units held for the account of beneficiaries);
- investment foundations (in respect of fund units held for the account of in-house funds);
- Swiss fund management companies (in respect of fund units held for the account of the funds managed); and
- foreign fund management companies and providers (in respect of fund units held for the account of managed funds and investing unitholders).

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Performance record to 31 August 2021

Barings Europe Select Trust

	01/09/2020 - 31/08/2021 %	01/09/2019 - 31/08/2020 %	01/06/2018 - 31/08/2019 %	01/06/2017 - 31/05/2018 %	01/06/2016 - 31/05/2017 %
Class A GBP Inc (GBP terms)*	29.19	2.34	4.25	5.27	36.09
EMIX Smaller European Companies Ex UK (Total Net Return) Index (GBP terms)	36.43	6.74	(0.62)	6.17	39.89
Class A EUR Acc (EUR terms)*	34.51	3.69	1.00	4.91	18.91
Class A EUR Inc (EUR terms)*	34.49	3.70	0.76	4.92	18.91
Class A USD Acc (USD terms)	33.73	11.81	(4.74)	9.27	19.58
Class I GBP Acc (GBP terms)**	34.15	N/A	N/A	N/A	N/A
Class I GBP Inc (GBP terms)	29.17	3.12	5.22	6.06	37.17
Class I EUR Acc (EUR terms)	35.52	4.50	1.72	5.72	19.79
Class I EUR Inc (EUR terms)	35.52	4.49	1.71	5.70	19.82

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/Euromoney.

* 'Baring Europe Select Trust - Class GBP Inc' changed its name to 'Barings Europe Select Trust - Class A GBP Inc' on 29 August 2017.

'Baring Europe Select Trust - Class EUR Acc' changed its name to 'Barings Europe Select Trust - Class A EUR Acc' on 29 August 2017.

'Baring Europe Select Trust - Class EUR Inc' changed its name to 'Barings Europe Select Trust - Class A EUR Inc' on 29 August 2017.

** The Class I GBP Acc unit class was launched on 30 October 2020.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Performance record to 31 August 2021 (continued)

Barings German Growth Trust

	01/09/2020 - 31/08/2021 %	01/09/2019 - 31/08/2020 %	16/05/2018 - 31/08/2019 %	16/05/2017 - 15/05/2018 %	16/05/2016 - 15/05/2017 %
Class A GBP Acc (GBP terms)	31.48	(4.62)	(11.92)	9.84	39.62
Class A GBP Inc (GBP terms)	31.27	(4.62)	(11.91)	9.84	39.60
HDAX @ Total Return (GBP terms)	23.78	6.60	(5.65)	7.19	38.53
Class A EUR Acc (EUR terms)	36.87	(3.35)	(14.53)	5.94	29.55
Class A EUR Inc (EUR terms)	36.85	(3.35)	(14.49)	5.89	29.57
Class A USD Acc (USD terms)	36.00	4.20	(20.80)	14.98	25.36
Class A USD Hedged Acc (USD terms)	38.20	(1.32)	(11.21)	8.14	31.77
Class A CHF Hedged Acc (CHF terms)*	-	-	-	-	28.75
Class A RMB Hedged Acc (RMB terms)	-	-	-	9.97	36.10
Class I GBP Acc (GBP terms)	32.43	(3.91)	(11.03)	10.67	40.69
Class I GBP Inc (GBP terms)	31.27	(3.91)	(11.03)	10.67	40.65
Class I GBP Hedged Acc (GBP terms)*	38.45	(3.21)	(12.39)	7.26	7.71
Class I EUR Acc (EUR terms)	37.94	(2.65)	(13.68)	6.70	30.56
Class I EUR Inc (EUR terms)	37.96	(2.63)	(17.09)	6.67	30.48
Class I USD Acc (USD terms)	37.60	5.34	(20.03)	15.93	26.42

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/HDAX.

* The Class A CHF Hedged Acc unit class was launched on 29 May 2015 and closed on 17 April 2018.

The Class I GBP Hedged Acc unit class was launched on 24 March 2017.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Performance record to 31 August 2021 (continued)

Barings Strategic Bond Fund

	01/09/2020 - 31/08/2021 %	01/09/2019 - 31/08/2020 %	13/07/2018 - 31/08/2019 %	13/07/2017 - 12/07/2018 %	13/07/2016 - 12/07/2017 %
Class A GBP Inc (GBP terms)*	2.72	(6.03)	6.79	(0.68)	0.48
Class I GBP Inc (GBP terms)	3.34	(5.43)	7.49	0.00	1.09

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

* 'Baring Strategic Bond Fund – Class GBP Inc' changed its name to 'Barings Strategic Bond Fund – Class A GBP Inc' on 29 August 2017.

For data sourced from Morningstar: © Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts

Barings Eastern Trust, Barings European Growth Trust, Barings Europe Select Trust and Barings German Growth Trust have been registered for sale in Hong Kong. The other Trusts within this report are not authorised in Hong Kong and are not available to Hong Kong residents.

Barings Eastern Trust

	A GBP Acc (p)	A GBP Inc (p)	A USD Acc (c)	A USD Inc* (c)	D GBP Inc** (p)
2021 High Low	1,887.00 1,358.00	1,837.00 1,322.00	2,611.00 1,743.00	N/A N/A	1,896.00 1,359.00
2020 High Low	1,411.00 935.90	1,373.00 910.70	1,857.00 1,077.00	N/A N/A	1,419.00 937.80
2019 High Low	1,145.00 889.70	1,150.00 899.00	1,139.57 888.47	N/A N/A	1,149.99 898.95
2018 High Low	1,165.00 856.80	1,143.00 840.70	1,627.00 1,050.00	N/A N/A	1,177.00 858.00
2017 High Low	866.30 627.10	850.10 615.40	1,110.00 890.90	N/A N/A	867.70 625.80
2016 High Low	770.40 559.00	756.10 548.60	1,153.00 878.80	1,131.00 862.20	N/A N/A
2015 High Low	705.80 521.50	692.60 511.80	1,065.00 848.80	1,045.00 833.00	N/A N/A
2014 High Low	554.60 522.50	544.30 511.80	943.60 797.50	912.40 728.90	N/A N/A
2013 High Low	609.20 563.50	598.12 553.12	927.40 758.00	912.40 745.60	N/A N/A
2012 High Low	557.10 492.10	549.20 485.10	1,009.00 691.10	993.70 681.20	N/A N/A

* Class A USD Inc was closed on 2016 hence no data available from 2017 to 2021.

** Class D GBP Inc was only launched on 2017 hence no data available from 2012 to 2016.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Eastern Trust (continued)

	I GBP Acc* (p)	I GBP Inc** (p)	I USD Acc*** (c)
2021 High Low	1,982.00 1,421.00	1,893.00 1,357.00	2,611.00 1,869.00
2020 High Low	1,476.00 976.10	1,416.00 936.10	N/A N/A
2019 High Low	1,175.00 917.80	1,150.00 897.60	N/A N/A
2018 High Low	1,195.00 872.70	1,175.00 858.00	N/A N/A
2017 High Low	879.70 635.00	866.70 625.60	N/A N/A
2016 High Low	773.37 562.67	764.00 556.10	N/A N/A
2015 High Low	707.21 579.73	701.60 516.80	N/A N/A
2014 High Low	N/A N/A	549.40 516.80	N/A N/A
2013 High Low	N/A N/A	599.50 553.96	N/A N/A
2012 High Low	N/A N/A	N/A N/A	N/A N/A

* Class I GBP Acc was only launched on 2015 hence no data available from 2012 to 2014.

** Class I GBP Inc was only launched on 2013 hence no data available for 2012.

*** Class I USD Acc was only launched on 2020 hence no data available from 2012 to 2019.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings European Growth Trust

	A GBP Inc* (p)	I GBP Inc (p)
2021 High Low	1,699.00 1,207.00	1,717.00 1,212.00
2020 High Low	1,451.00 961.40	1,461.0 968.80
2019 High Low	1,512.00 1,152.00	1,517.00 1,161.00
2018 High Low	1,552.00 1,315.00	1,564.00 1,318.00
2017 High Low	1,326.00 980.40	1,338.00 982.80
2016 High Low	1,167.00 912.90	1,114.00 920.40
2015 High Low	1,185.00 964.30	1,138.00 970.80
2014 High Low	1,107.00 984.60	1,064.00 992.00
2013 High Low	972.90 815.10	927.30 815.10
2012 High Low	N/A N/A	816.30 668.80

* Class A GBP Inc was only launched on 2013 hence no data available for 2012.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Europe Select Trust

	A GBP Inc (p)	A EUR Acc (c)	A Eur Inc (c)	A USD Acc* (c)	I GBP Acc** (p)
2021 High Low	5,581.00 4,121.00	5,942.99 4,395.82	5,571.23 4,121.36	5,945.32 4,398.08	136.70 100.00
2020 High Low	4,419.00 3,072.00	5,616.00 3,607.00	5,265.00 3,382.00	6,125.00 3,928.00	N/A N/A
2019 High Low	4,383.00 3,534.00	5,141.00 4,150.00	4,828.00 3,907.00	5,971.00 4,728.00	N/A N/A
2018 High Low	4,184.00 3,828.00	5,000.00 4,482.00	4,735.00 4,243.00	6,184.00 5,206.00	N/A N/A
2017 High Low	3,887.00 2,793.00	4,717.00 3,615.00	4,481.00 3,450.00	5,253.00 3,982.00	N/A N/A
2016 High Low	2,891.00 2,439.00	4,042.00 3,373.00	3,866.00 3,226.00	4,393.00 3,783.00	N/A N/A
2015 High Low	2,701.00 2,033.00	3,908.00 2,652.00	3,757.00 2,550.00	4,372.00 3,380.00	N/A N/A
2014 High Low	2,486.00 2,299.00	3,106.00 2,406.00	3,004.00 2,327.00	4,277.00 3,834.00	N/A N/A
2013 High Low	2,171.00 1,843.00	2,579.00 1,879.00	2,536.00 1,849.00	N/A N/A	N/A N/A
2012 High Low	1,676.21 1,438.74	2,136.00 1,582.00	2,116.00 1,567.00	N/A N/A	N/A N/A

* Class A USD Acc was only launched on 2014 hence no data available from 2012 to 2013.

** Class I GBP Acc was launched on 30 October 2020 hence no data available from 2012 to 2020.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Europe Select Trust (continued)

	I GBP Inc (p)	I EUR Acc* (c)	I EUR Inc** (c)
2021 High Low	5,621.00 4,128.00	6,053.75 4,450.71	5,616.74 4,133.06
2020 High Low	4,434.00 3,084.00	5,655.00 3,635.00	5,287.00 3,398.00
2019 High Low	4,424.00 3,552.00	5,152.00 4,152.00	4,886.00 3,939.00
2018 High Low	4,212.00 3,837.00	4,973.00 4,438.00	4,786.00 4,271.00
2017 High Low	3,929.00 2,803.00	4,660.00 3,550.00	4,531.00 3,450.00
2016 High Low	2,917.00 2,450.00	3,940.00 3,293.00	3,892.00 3,252.00
2015 High Low	2,722.00 2,043.00	3,794.00 3,777.00	3,793.00 2,563.00
2014 High Low	2,507.00 2,317.00	N/A N/A	3,033.00 2,874.00
2013 High Low	2,183.00 1,848.00	N/A N/A	N/A N/A
2012 High Low	1,761.00 1,361.00	N/A N/A	N/A N/A

* Class I EUR Acc was only launched in 2015 hence no data available from 2012 to 2014.

** Class I EUR Inc was only launched in 2014 hence no data available from 2012 to 2013.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust

	A GBP Inc (p)	A GBP Acc (p)	A Eur Acc (c)	A EUR Inc (c)	A USD Acc* (c)
2021 High Low	921.10 624.50	1,027.00 695.90	1,025.99 695.27	916.95 621.38	1,027.49 697.74
2020 High Low	778.10 479.00	866.10 533.10	1,031.00 572.50	922.30 512.30	1,260.00 615.10
2019 High Low	846.20 639.90	936.90 708.50	1,068.00 785.80	960.40 706.90	1,262.00 894.70
2018 High Low	887.30 752.00	980.20 830.70	1,117.00 956.60	1,009.00 864.00	1,378.00 1,083.00
2017 High Low	771.10 535.80	846.40 587.90	997.70 712.10	907.80 648.10	1,095.00 788.00
2016 High Low	584.30 500.90	634.80 544.20	879.20 694.60	808.40 638.70	966.60 785.20
2015 High Low	589.60 497.30	638.80 538.80	885.70 606.60	817.50 559.80	1,014.00 772.90
2014 High Low	553.30 516.50	596.80 557.30	722.10 566.10	669.60 515.70	990.80 909.40
2013 High Low	472.10 409.80	509.00 441.80	601.90 430.20	558.30 399.10	N/A N/A
2012 High Low	387.60 330.70	412.90 352.40	506.60 340.70	539.80 363.10	N/A N/A

* Class A USD Acc was only launched on 2014 hence no data available from 2012 to 2013.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust (continued)

	A USD Hedged Acc* (c)	A CHF Hedged Acc** (CHF)	A RMB Hedged Acc* (RMB)	I GBP Acc*** (p)	I GBP Inc*** (p)
2021 High Low	1,052.51 716.18	N/A N/A	99.94 62.74	1,094.00 737.00	921.70 620.90
2020 High Low	1,223.00 679.40	N/A N/A	82.82 45.98	912.30 562.00	775.60 477.80
2019 High Low	1,208.00 904.60	N/A N/A	81.33 61.30	973.90 740.00	840.70 638.90
2018 High Low	1,253.00 1,064.00	11.35 9.74	83.87 70.80	1,017.00 857.00	885.90 747.00
2017 High Low	1,105.00 778.00	9.30 6.75	73.02 49.90	886.00 602.40	771.10 532.10
2016 High Low	954.80 755.10	9.06 7.14	59.71 47.93	649.6 556.1	584.40 500.30
2015 High Low	N/A N/A	N/A N/A	N/A N/A	648.7 546.1	589.40 496.10
2014 High Low	N/A N/A	N/A N/A	N/A N/A	600.9 560.9	553.30 516.50
2013 High Low	N/A N/A	N/A N/A	N/A N/A	509.5 469.2	474.20 410.30
2012 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A

* Class A USD Hedged Acc and A RMB Hedged Acc were only launched on 2016 hence no data available from 2012 to 2015.

** Class A CHF Hedged Acc was only launched on 2016 and closed in 2018 hence no data available from 2012 to 2015 and 2019 to 2021.

*** Class I GBP Acc and Class I GBP Inc were launched on 2013 hence no data available for 2012.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust (continued)

	I GBP Hedged Acc* (p)	I EUR Acc** (c)	I Eur Inc** (c)	I USD Acc** (c)
2021 High Low	1,122.00 715.30	1,093.41 736.46	900.64 606.30	1,085.66 729.43
2020 High Low	961.20 530.20	1,087.00 603.60	902.20 501.50	1,167.00 638.30
2019 High Low	966.30 719.30	1,111.00 821.10	969.00 688.00	1,290.00 918.80
2018 High Low	1,007.00 857.20	1,159.00 989.00	1,020.00 871.00	1,406.00 1,100.00
2017 High Low	891.00 826.20	1,030.00 730.00	919.00 652.10	1,111.00 794.00
2016 High Low	N/A N/A	895.00 710.10	807.70 641.30	930.90 788.10
2015 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2014 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2013 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A
2012 High Low	N/A N/A	N/A N/A	N/A N/A	N/A N/A

* Class I GBP Hedged Acc was only launched on 2017 hence no data available from 2012 to 2016.

** Class I EUR Acc, I EUR Inc and I USD Acc were only launched on 2016 hence no data available from 2012 to 2015.

Barings UK Unit Trusts

Directory

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.

Sub-Investment Manager for Barings Eastern Trust

Barings Asset Management (Asia) Limited

35th Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

Directors

J. Armstrong (non-executive)

E. Browning

R. Kent

J. Swayne

K. Troup (non-executive)

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.

Administrator & Registrar

Northern Trust Global Services SE

6 rue Lou Hemmer,

Senningerberg

Luxembourg, L-1748

The Administrator & Registrar's principal place of business in the United Kingdom:

Northern Trust Global Services SE UK Branch

50 Bank Street

London, E14 5NT

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

Independent Auditors

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow, G2 7EQ

Barings UK Unit Trusts

Directory (continued)

Austrian paying agent

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Wien
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 Limited GmbH
Guillettstraße 54
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 Instrument of Incorporation as well as the annual and the interim reports and financial statements are available on www.baring.com, or via the office of the Austrian, French, German, Swedish, and Swiss paying agents.

Address:

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

Contact:

Tel: +44 (0)20 7628 6000
Fax: +44 (0)20 7638 7928
www.barings.com

BARINGS

