



**Barings Multi Asset Investment
Funds**

Prospectus

31 August 2020

PROSPECTUS

of

Barings Multi Asset Investment Funds

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000735)

This document constitutes the Prospectus for **Barings Multi Asset Investment Funds** which has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

The ACD has taken all reasonable steps to ensure that the facts stated in this document are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion as at the date of publication of this document. The ACD accepts responsibility accordingly.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Company. Investment in Shares in the Company involves risk and may not be suitable for all investors. Investors should only consider investing in the Company if they understand the risks involved including the risk of losing all capital invested. Investment into the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in one Fund is not a complete investment programme. As part of an investor's long-term investment planning they should consider diversifying their portfolio by investing in a range of investments and asset classes. Potential investors' attention is drawn to the section headed "Risk Considerations". If you are in any doubt as to whether or not investment in the Company is suitable for you or about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

In order to comply with legislation implementing UK obligations under intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including United States FATCA) the ACD will collect and report information about Shareholders, to include information to verify identity and tax status.

When requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and to any relevant overseas tax authorities.

Before investing you must have received and read the relevant Key Investor Information Document (KIID).

United States

The Shares offered hereby have not been registered under the Securities Act of 1933, as amended, nor any other relevant U.S. securities laws. The Company will not be registered as an investment company under the Investment Company Act of 1940, as amended. The Shares may not be directly or indirectly offered or sold in the U.S., any of its territories or possessions or areas subject to its jurisdiction nor to or for the benefit of any U.S. Persons. The Shares are not offered for sale in any jurisdiction in which the Funds are not authorised to be publicly sold. The Funds are available only in jurisdictions where their offer and sale are permitted. If a Shareholder currently resident outside the U.S. becomes resident in the U.S., we reserve the right to compulsorily redeem the Shareholder's investment.

Japan

The shares have not been and will not be registered pursuant to article 4, paragraph 1 of the financial instruments and exchange law of Japan (law no. 25 of 1948, as amended) and, accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Valid as at 31 August 2020

Copies of this Prospectus have been sent to the FCA and the Depositary.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by the ACD.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published prospectus. Investors should ensure that they have read all sections of the Prospectus and, if the Prospectus has been obtained electronically, should refer to the contents page to ensure they have the complete Prospectus.

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Directory

Company:

Barings Multi Asset Investment Funds
20 Old Bailey
London
EC4M 7BF

Authorised Corporate Director (ACD):

Baring Fund Managers Limited
20 Old Bailey
London
EC4M 7BF

Depository:

NatWest Trustee and Depository Services Limited
250 Bishopsgate
London
EC2M 4AA

Investment Manager:

Baring Asset Management Limited
20 Old Bailey
London
EC4M 7BF

Administrator:

Northern Trust Global Services SE
6 rue Lou Hemmer,
L-1748 Senningerberg
Luxembourg.

The Administrator's principal place of business in the United Kingdom:

Northern Trust Global Services SE, UK Branch
50 Bank Street,
London
E14 5NT
United Kingdom

Auditor:

PricewaterhouseCoopers LLP
144 Morrison Street
Edinburgh
EH3 8EX

Definitions

“Account Opening Form”	Any initial application form to be completed by investors to open an account as prescribed by the Company from time to time
“Accumulation Shares”	Shares in respect of which income is accumulated and added to the capital property of the Fund
“ACD”	Baring Fund Managers Limited, the authorised corporate director of the Company
“ACD Agreement”	The Agreement dated 9 March 2009 between the Company and the ACD
“Administrator”	Northern Trust Global Services SE, the administrator and registrar of the Company
“AIFM”	The legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and the AIFM Regulations, which at the date of this Prospectus is the ACD
“AIFM Directive or AIFMD”	Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time
“AIFM Regulations”	The Alternative Investment Fund Managers Regulations 2013 (as amended or replaced from time to time)
“Approved Bank”	in relation to a bank account opened by the Company: (a) if the account is opened at a branch in the United Kingdom; (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank or a building society which offers, unrestrictedly, banking services; or (iv) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (c) a bank supervised by the South African Reserve Bank
“Auditors”	PricewaterhouseCoopers LLP
“Baring Asset Management Group”	Baring Asset Management Limited, its subsidiaries and holding companies and all subsidiaries of any holding company
“Base Currency”	The Base Currency of a Fund, as stated in Appendix A
“Bond Connect”	The initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China
“Business Day”	Any day other than a Saturday, Sunday or bank holiday in England
“CCDC”	The China Central Depository & Clearing Co., Ltd.
“China Interbank Bond Market”	The Mainland China interbank bond markets
“CIBM Initiative”	The regime launched in February 2016 for foreign institutional investors to invest in the China Interbank Bond Market
“Class or Classes”	A particular division of shares in a Fund

“CMU”	The Central Moneymarkets Unit, an organisation established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services
“CoCos”	Contingent convertible bond(s)
“COLL Sourcebook” or “COLL”	the FCA’s Collective Investment Schemes Sourcebook (COLL) as amended from time to time
“Company”	Barings Multi Asset Investment Funds
“CSRC”	The China Securities Regulatory Commission
“Dealing Day”	Each Business Day on which the London Stock Exchange is open for business (or such other day as the ACD may determine)
“Depository”	NatWest Trustee and Depository Services Limited
“EEA State”	A member state of the European Union and any other state which is within the European Economic Area
“Eligible Institution”	One of certain eligible institutions being a BCD credit institution authorised by its home state regulator or an Markets in Financial Instruments Directive (MiFID) investment firm authorised by its home state regulator as defined in the glossary of definitions in the FCA Handbook
“EPM”	means the use of techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: (a) they are economically appropriate in that they are realised in a cost effective way; and (b) they are entered into for one or more of the following specific aims: <ul style="list-style-type: none"> - reduction of risk; - reduction of cost; - generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in the COLL Sourcebook
“FCA” or “Regulator”	The Financial Conduct Authority
“FCA Handbook”	The FCA Handbook of Rules and Guidance
“FCA Rules”	The rules contained in the COLL Sourcebook published by the FCA as part of the FCA Handbook made under the Financial Services and Markets Act 2000, as amended from time to time, which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook
“Fund” or “Funds”	A sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
“Income Shares”	Shares in respect of which income is distributed periodically to holders
“Instrument of Incorporation”	The instrument of incorporation of the Company as amended from time to time
“Investment Manager”, “Barings”	Baring Asset Management Limited
“Member State”	A member state of the European Union
“Net Asset Value”, “NAV”	The net asset value of a Fund or relevant Class, as the case may be, determined in accordance with the principles set out in the section headed “Valuation of the

	Company” within this prospectus
“OEIC Regulations”	The Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
“PRC” or “Mainland China”	The People’s Republic of China excluding Hong Kong, Macau and Taiwan for the purpose of this Prospectus
“Preliminary Charge”	A fee charged on subscriptions as specified in this Prospectus or such higher amount as may be approved by an extraordinary resolution. This is also commonly known as the “manager charge”, “initial charge”, “front end load”, “FEL” or “entry charge”
“Privacy Notice”	The privacy notice to be adopted by the Company and ACD in respect of the Company, as amended from time to time, the current version of which will be available via the website www.barings.com
“QFII”	Qualified Foreign Institutional Investor
“QFII Regulations”	the measures issued by the relevant authorities in the PRC with respect to the QFII
“Register”	The register of Shareholders maintained for the Company
“Regulations”	The OEIC Regulations and the FCA Handbook
“Renminbi” or “RMB”	The currency of the PRC
“RQFII”	Renminbi Qualified Foreign Institutional Investor
“RQFII Regulations”	The measures issued by the relevant authorities in the PRC with respect to the RQFII
“Scheme Property”	The scheme property of the Company required under the COLL Sourcebook to be given for safe-keeping to the Depository
“Settlement Date”	Three Business Days following the relevant Dealing Day
“Share or Shares”	A share or shares in the Company
“Shareholder”	A holder of registered Shares in the Company
“SHCH”	The Shanghai Clearing House, a financial market infrastructure approved and directed by the People’s Bank of China, is a Qualified Central Counterparty accepted by the People’s Bank of China and also one of the central securities depositories in Mainland China
“Subscription Form”	Any application form for subscription of Shares in an existing Fund, to be completed by investors as prescribed by the Company from time to time
“UK”	United Kingdom
“Valuation Point”	12 noon (London time) on each Dealing Day

Introduction

Barings Multi Asset Investment Funds is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000735. It was authorised with effect from 27 February 2009. The Fund's authorisation does not in any way indicate or suggest endorsement or approval of each Fund as an investment by the FCA. The Company is a non-UCITS retail scheme which complies with the FCA Rules. The Company has an unlimited duration. The FCA's product reference number ("PRN") for the Company is 494309. The Barings Multi Asset Fund's PRN number is 644837.

The head office of the Company is at 20 Old Bailey, London, EC4M 7BF. This is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The ACD is also the authorised corporate director of a number of other open-ended investment companies and the manager of a number of authorised unit trust, details of which are set out in the section headed "The Authorised Corporate Director".

The maximum share capital of the Company is £500 billion and the minimum is £1.

Shares in the Company have no par value and therefore the issued share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Shareholders are not liable for the debts of the Company.

Annual and Interim Accounting Dates

The annual and interim accounting periods of each Fund are set out in Appendix A. Yearly and half-yearly consolidated accounts will be made up to such dates each year. The annual income allocation date and the interim income allocation date for each Fund are the annual and interim accounting dates, respectively, as set out in Appendix A.

The Funds

The Company is structured as an umbrella company and therefore different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class. Information on the typical investor profile for the Fund is set out below.

The net proceeds from subscriptions will be invested in the specific pool of assets constituting the relevant Fund. The Company will maintain for each Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Fund. Shareholders are not liable for the debts of the Company nor are they liable to make any further payment after they have paid the price of the Shares.

To the extent that any Scheme Property of the Company, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between the Funds in a manner which it reasonably believes to be fair to all Shareholders of the Company.

The Funds are segregated portfolios of assets and, accordingly, the assets of one Fund belong exclusively to that particular Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company, or any other Fund of the Company, and shall not be available for any such purpose.

Shares in the Company are not listed on any investment exchange.

Further details of the Funds presently available in the Company are set out in Appendix A. The eligible markets for the Company are set out in Appendix B and the investment and borrowing powers of the Company are set out in Appendix C.

Shares in a Fund

Shares in the Funds are divided into Class A, Class I and Class X Shares, representing different charging structures. Shares are further divided into Accumulation and Income Share Classes.

Class A Shares are available to all investors, whereas Class B, Class I and X Shares are only available at the discretion of the ACD.

No management fees are payable in the Fund in respect of Class X Shares, instead a fee will be paid to the Investment Manager or ACD under a separate agreement.

All Shares are in registered form. Share certificates will not be issued, title to Shares being evidenced by entries on the Register and confirmed to investors in half-yearly statements of account. Fractions of a Share may be issued and shall have proportionate rights. Shares are freely transferable subject to the minimum holding requirements, unless any provision of law (whether of the United Kingdom or elsewhere) would be contravened. The Instrument of Incorporation permits the issue of bearer Shares but the Company does not intend to issue any such bearer Shares at present.

Shares of each Class in the Company have no par value and, within each Class in each Fund, subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of the liquidation of, the Company or termination of the relevant Fund. Shares in the Company do not carry preferential or pre-emptive rights to acquire further Shares.

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Each Fund may issue income and accumulation Shares. An income Share entitles the holder at each allocation date to payment of the net income allocated to the Share. An accumulation Share entitles the holder to have such income accumulated.

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class or a Fund for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund of the Company provided they meet the criteria laid down for that Class. Details of this switching facility and the restrictions are set out below.

The ACD may carry out a compulsory conversion of some or all of the Shares of one Class of Shares into another Class of Shares where it reasonably believes it is in the best interests of Shareholders (for example, to merge two existing classes). The ACD, when doing so, will act in good faith, on reasonable grounds and pursuant to applicable laws and regulations. The ACD will also give Shareholders written notice as required before any compulsory conversion is carried out.

Investors may wish to seek independent advice regarding which type of Share is more appropriate for them.

Governing Law

The laws of England and Wales are taken by the ACD as the basis for the establishment of relations prior to the conclusion of the contract. The contract shall be governed by, and construed in accordance with the laws of England and Wales. The English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, the contract and for this purpose, you and we agree to submit to the jurisdiction of the English courts.

Language

The ACD shall supply all information and communicate with you in English during the course of their relationship with you, unless otherwise required by law or regulation of the respective member state where the Fund is registered.

Type of Investor

The Company is capable of being marketed to all types of investors subject to compliance with applicable legal and regulatory requirements in the relevant jurisdiction(s).

Risk Considerations

The following section sets out the risks that, in the opinion of the ACD, could have a significant impact to the overall risk of a Fund. Investors should be aware that in a changing environment a Fund may be exposed to risks that were not envisaged at the date of the prospectus.

General

An investment in a Fund should be regarded as long-term in nature and only suitable for investors who understand

the risks involved. An investment in one Fund is not a complete investment programme. As part of your long-term financial planning you should consider diversifying your portfolio by investing in a range of investments and asset classes.

The value of investments and any income from them can go down as well as up and an investor may not get back the amount invested. An investor who realises (sells) Shares after a short period may, in addition, not realise the amount originally invested in view of any Preliminary Charge made on the issue of Shares.

There is no assurance that the investment objective of any of the Funds will be achieved. Past performance is not a guide to future performance.

The Fund employs a risk management process, as reviewed by the Depositary, which enables it to identify and measure, monitor and manage the various risks associated with managing the investments held by the Fund. Investors may obtain additional information regarding the risk management process by writing to the ACD.

No Investment Guarantee

Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in a Fund is subject to fluctuations in value and you may get back less than you invest.

Risks related to the exit of the UK from the European Union

The United Kingdom (the "UK") held a referendum on 23 June 2016 on whether to leave or remain in the European Union (the "EU"). The outcome of the referendum was in favour of leaving the EU. The UK officially withdrew from the EU on 31 January 2020 but will continue to follow all of the EU rules and its trading relationship will remain the same until the end of the transitional period ending on 31 December 2020. There are a number of uncertainties in connection with the future of the UK and its relationship with the EU, including the terms of the agreement it reaches in relation to its withdrawal from the EU and any agreements it reaches in relation to its future relationship with the EU. The negotiation of the UK's continuing relationship with the EU is likely to take a number of years. Until the terms of the UK's exit from, and continuing relationship with, the EU are clearer, it is not possible to determine the impact that the UK's departure from the EU and/or any related matters may have on a Fund or its investments, including, in each case, the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. However, given the size and importance of the UK's economy, current uncertainty or unpredictability about its legal, political and economic relationship with Europe may continue to be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including beyond the date of any withdrawal from the EU. In particular, the uncertainty surrounding the UK's relationship with the EU and its withdrawal as a Member State may adversely impact companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK and/or the EU, including with respect to opportunity, pricing, regulation, value or exit. In addition, the UK's withdrawal as a Member State may have an adverse effect on the tax treatment of any investments in the UK. The EU Directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties may no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network will need to be relied upon. Not all double tax treaties fully eliminate withholding tax. Further, there may be changes to the operation of VAT and the economic implications could potentially affect wider tax policy in the UK, such as the rate of corporation tax and other taxes. The outcome of the UK referendum could also have a destabilising effect if other Member States were to consider the option of leaving the EU. For these reasons, the decision of the UK to leave the EU could have adverse consequences on a Fund, the performance of its investments and its ability to fulfil its investment objective and implement its investment strategy.

Cyber Security Risk

The ACD and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption.

Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the ACD, Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Administrator's ability to calculate the NAV of the relevant Fund; impediments to trading for the relevant Fund's portfolio; the inability of Shareholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional

compliance costs.

Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Counterparty Risk

A Fund may be exposed to counterparty risk. Counterparty risk, otherwise known as default risk, is the risk that an organisation does not pay out on a bond or other trade or transaction when it is supposed to. If a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights.

Custody Risk

The Depositary has a duty to ensure that it safeguards and administers Scheme Property in compliance with the FCA Handbook governing the protection of client assets ("Client Asset Rules"). The Depositary is not under a duty to comply with the FCA Handbook on handling money received or held for the purposes of buying or selling securities and investments ("Client Money"). Moreover, with respect to handling Scheme Property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the Scheme Property may not be protected under the Client Asset Rules. In the event that the Depositary becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any Scheme Property which consists of Client Money, client assets held in a CSS or any other client assets which the Depositary or any of its delegates is not required or has failed to hold in accordance with the Client Asset Rules.

Inflation Risk

A Fund's assets or income from a Fund's investments may be worth less in real terms in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio will decline unless it grows by more than the rate of inflation.

Credit Risk – General

Funds may be exposed to the credit/default risk of issuers of debt securities that the Fund may invest in or credit / default risk of counterparties of other trades or transactions in which the Fund may be engaged. When a Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

Currency Risk

The underlying investments of a Fund may be denominated in currencies other than the Base Currency of the Fund. Also, a Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. The Net Asset Value of a Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

Unless the Class is specifically described as a hedged Class, no steps are taken to mitigate the effects of exchange rate fluctuations between the currency of denomination of the Shares and the Base Currency.

Liquidity Risk

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.

Market Disruption Risk

The Fund may be exposed to the risk of incurring large losses in the event of disrupted markets. Disruptions may include the suspension or limit on trading of a financial exchange and disruptions in one market sector can have an adverse effect on other market sectors. If this happens, the risk of loss to a Fund can be increased because many

positions may become illiquid, making them difficult to sell. Finance available to a Fund may also be reduced which can make it more difficult for a Fund to trade.

Potential Implications of an Epidemic and/or a Pandemic

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, beginning in late 2019, an outbreak of a highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV, spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

Epidemics and pandemics can seriously disrupt the global economy and markets. The outbreak of pandemics such as COVID-19, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the countries in which a Fund may invest and global commercial activity and thereby adversely affect the performance of a Fund's investments. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund's investments, or a Fund's ability to source new investments or to realise its investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the Investment Manager's operations and the operations of the Investment Manager's and the Funds' service providers.

Any outbreak of disease epidemics may result in the closure of the Investment Manager's and/or an investment's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to an investment's business, (b) disruption of regional or global trade markets and/or the availability of capital or economic decline. Such outbreaks of disease may have an adverse impact on a Fund's value and/or a Fund's investments.

Risk Related to Suspension of Trading

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. The government or the regulators may also implement policies that may affect the financial markets. A suspension could render it impossible for the Investment Manager or an underlying fund manager to liquidate positions and thereby expose the Fund to losses and may have a negative impact on the Fund.

Valuation Risk

Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Fund.

Taxation Risk

Any change in the taxation legislation or the interpretation thereof in any jurisdiction where a Fund is registered, marketed or invested could affect the tax status of the Fund, and consequently the value of the Fund's investments in the affected jurisdiction, the Fund's ability to achieve its investment objective and/or to alter the post tax returns to Shareholders. Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.

A Fund may be subject to withholding or other taxes on income and/or gains arising from its investments. Certain investments may themselves be subject to similar taxes on the underlying investments that they hold. Any investment in either developed or emerging markets, may be subject to new taxes or the rate of tax applicable to any income arising or capital gains may increase or decrease as a result of any prospective or retrospective change in applicable laws, rules or regulations or the interpretation thereof. It is possible that a Fund may or may not be able to benefit from relief under a double tax agreement between the UK and the country where an investment is resident for tax purposes.

Certain countries may have a tax regime that is less well defined, may be subject to unpredictable change and may permit retroactive taxation thus the Funds could become subject to a local tax liability that had not reasonably been anticipated. Such uncertainty could necessitate significant provisions being made by any relevant Fund in the net asset values per Share calculations for foreign taxes while it could also result in a Fund incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made.

Consequently, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, a Fund pays taxes relating to previous years, any related costs will likewise be chargeable to the Fund. Such late paid taxes will normally be debited to a Fund at the point the decision to

accrue the liability in the Fund's accounts is made.

As a result of the situations referred to above, any provisions made by the Funds in respect of the potential taxation of and returns from investments held at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors in a Fund may be advantaged or disadvantaged when they subscribe or redeem their Shares in the Fund.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the relevant Fund. Please refer to the section headed "Taxation" of the prospectus.

Risk Arising from Fund Termination

In the event of the early closure of a Fund, the Fund would have to distribute to the Shareholders their pro rata interest in the assets of the Fund. It is possible that at the time of such sale or distribution, certain investments held by the Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organisational expenses with regard to the Fund that had not yet become fully amortised would be debited against the Fund's capital at that time. The circumstances under which the Fund may be terminated are outlined in the section headed "Winding up of the Company or a Fund".

Segregated Liability Risk

The Company is an umbrella Fund with segregated liability between Funds. As a result, as a matter of UK law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to discharge that liability. In addition, any contract entered into by the Company will, by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to the assets of any of the Funds, other than the Fund in respect of which the contract was entered into. These provisions are binding on creditors and a liquidator in the event of insolvency. However, this will not prevent the application of any rule of law which would require the application of the assets of any Fund on the grounds of fraud or misrepresentation. In addition, these provisions have not been tested in other jurisdictions, and these remain a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owing to another Fund in a jurisdiction which would not recognise the principle of segregation of liability.

Risk Related to Investment in Equities

A Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. When the equity markets are extremely volatile a Fund's Net Asset Value may fluctuate substantially.

Risks of Investment in Equity Related Securities

A Fund may invest in equity-related securities such as structured notes, participation notes or equity-linked notes. These are usually issued by a broker, an investment bank or a company and are therefore subject to the risk of insolvency or default of the issuer. If there is no active market in these instruments, this may lead to liquidity risk. Further, investment in equity-linked securities may lead to dilution of performance of a Fund when compared to the other funds which invest directly in similar underlying assets due to fees embedded in the notes. The aforesaid circumstances may adversely affect the net asset value per Share of a Fund.

Risk Related to Convertible Instruments

Convertible bonds are a hybrid between debt and equity, permitting shareholders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Risks Related to CoCos

The performance of CoCos is dependent on a number of factors including interest rates, credit and equity performance, and the correlations between factors. As such, these securities introduce significant additional risk to an investment in a Fund.

CoCos may also have unique equity conversion, principal write-down or coupon cancellation features which are tailored to the issuing banking institution and its regulatory requirements. Where such triggers or features are invoked, a Fund may suffer losses ahead of equity holders or when equity holders do not suffer losses and may lose some or all of its original investment. In addition, while certain CoCos are issued as perpetual instruments which are callable at pre-determined levels, it cannot be assumed that such CoCos will be called on the relevant call date and accordingly, a Fund may not receive a return of principal on the relevant call date and may suffer losses as a result.

As CoCos are relatively new complex investments, their behaviour under a stressed financial environment is thus unknown. Investors in CoCos may experience a reduced income rate, and a Fund may lose some or all of its original investment. Any future regulatory change impacting European banking institutions or CoCos could have substantial and adverse effects on the financial institutions issuing the CoCos, or the ability of a Fund or other investors to invest in CoCos.

Risk Related to Investment in Small-Capitalisation / Mid-Capitalisation Companies

The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general. Risks include economic risks, such as lack of product depth, limited geographical diversification and increased sensitivity to the business cycle. They also include organisational risk, such as concentration of management and shareholders and key-person dependence. Where smaller companies are listed on 'junior' sections of the stock exchange, they may be subject to a lighter regulatory environment. Furthermore, the shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

Risk Related to Investment in other funds

Where a Fund invests in underlying funds it will not have an active role in the day-to-day management of those funds and the Fund will be subject to the risks associated with the underlying funds. The Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the Net Asset Value of the Fund. There may be additional costs when investing into these underlying funds. There is also no guarantee that the underlying funds will have sufficient liquidity to meet the Fund's redemption requests as and when made.

Risk Related to Reliance on Third Party Fund Management

Where the Fund invests in Underlying Funds, it will not have an active role in the day-to-day management of those funds. Moreover, the Fund will generally not have the opportunity to evaluate the specific investments made by any Underlying Funds before they are made. Accordingly, the returns of the Fund primarily will depend on the performance of the Underlying Funds' managers and could be substantially adversely affected by the unfavourable performance of such Underlying Funds' managers.

Risk related to Duplication of Costs

It should be noted that the Fund incurs costs of its own management and fees paid to the Administrator, the Depositary, the Investment Manager and other service providers. In addition, the Fund incurs similar costs in its capacity as an investor in underlying funds which in turn pay similar fees to their underlying fund manager and other service providers.

Risk Related to Investment in Unregulated Schemes

The Fund may invest in an underlying fund which is not regulated by the FCA and which consequently may not provide a level of investor protection equivalent to regulated schemes.

Risk Related to Investment in Fixed Income Securities

Investment in bonds or fixed income securities is subject to liquidity, interest rate and credit risks (i.e. the risk of default). The value of a bond will usually fall if an issuer defaults.

Fixed income securities are often rated by Credit Rating Agencies. Credit ratings indicate the probability that an issuer will fail to make timely payment of capital and / or interest that is due to be paid to investors under the terms of the security i.e. the risk of default.

Certain credit rating agencies are designated by the U.S. Securities and Exchange Commission as Nationally Recognized Statistical Rating Organizations (NRSROs). Each NRSRO has an alpha or alphanumerical scale that expresses their ratings. An example of an NRSRO is Standard and Poor's, their rating scale (expressed here in increasing order of default risk) is; AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C. The identifier D is also used, in order to signify that a security has already defaulted. Securities rated between the AAA rating level and the BBB- rating level are commonly referred to as 'investment grade'. These securities would be expected to have a very low risk of default.

Securities with ratings of BB+, and lower, are commonly referred to as 'sub-investment grade'. These securities would be expected to have a higher risk of default, and a greater sensitivity to economic conditions, than 'investment grade' securities.

A Fund may in accordance with its investment policy only be permitted to invest in securities / investments of a

certain credit rating. Credit ratings may however not always be an accurate or reliable measure of the strength of the securities / investments being invested in. Credit ratings assigned by rating agencies are also subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. Where such credit ratings prove inaccurate or unreliable, losses may be incurred by any Fund which has invested in such securities / investments.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Risk Related to Downgrading of Investment Grade Securities

The credit rating of a debt instrument or issuer may subsequently be downgraded. In the event of such downgrading the value of a Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Risk Related to Investment in Sub-Investment Grade Securities

The Fund may invest in debt securities rated sub-investment grade (e.g. with a credit rating of less than BBB- on the Standard & Poor's scale or as equivalent in respect of other internationally recognised credit rating agencies) or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss principal and interest than high-rated debt securities. The risk of loss due to default by such issuers is significantly greater because sub-investment grade securities generally are unsecured and are lower in the hierarchy of creditors.

The value of sub-investment grade securities tends to go up and down more quickly than investment grade securities, reflecting short-term corporate and market developments. Investment grade securities respond primarily to fluctuations in the general level of interest rates.

There are fewer investors in sub-investment grade securities and it may be harder to sell such securities. Market quotations may not be available for high yield debt securities, and judgment plays a greater role in valuing high yield corporate debt securities than is the case for securities for which more external sources for quotations and last sale information is available.

Volatility Risk

The debt instruments in which the Fund invests may not be traded on an active secondary market. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.

Interest Rate Risk

The debt instruments in which the Fund invests may not be traded on an active secondary market. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.

Credit Risk – Fixed Income

A Fund may invest in fixed income securities which have low credit status which may represent a higher credit risk than funds which do not invest in such securities. Investment in securities issued by corporations may also represent a higher credit risk than investment in securities issued by governments.

There can be no assurance that the issuers of fixed income securities in which a Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments or to the loss of some or all of the sums invested in or payments due on such securities or instruments.

Risk Related to Investment in Asset-Backed Securities and/or Mortgage-Backed Securities

The Funds may invest in asset-backed securities and/or mortgage-backed securities, which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. An asset-backed security is a security whose value and income payments are derived from and collateralised (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can include common payments from

credit cards, auto loans, and mortgage loans, to esoteric cash flows from aircraft leases, royalty payments and movie revenues.

The value and the quality of such securities depend on the value and the quality of the underlying assets against which such securities are backed.

Issuers of asset-backed and mortgage-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default.

Changes in interest rates may have a significant effect on investments in asset-backed securities and mortgage-backed securities. The return on, for example, holdings of mortgage-backed securities can reduce if the owners of the underlying mortgages repay their mortgages sooner than anticipated when interest rates go down. Investment in asset-backed and mortgage-backed securities may be subject to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met which may adversely impact the returns of the securities.

Risk Related to Credit Linked Securities

A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. The note pays coupons (interest) and there is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

Risk Related to Investment in Derivatives

Investments of a Fund may be composed of securities with varying degrees of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the Net Asset Value of the Fund concerned. Risks associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the Fund.

A Fund may use financial derivative instruments for efficient portfolio management including 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. Such strategies might be unsuccessful and incur losses for the Fund, due to market conditions. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves special risks, including:

1. dependence on the Investment Manager's ability to accurately predict movements in the price of the underlying security;
2. imperfect correlation between the movements in securities or currency on which a financial derivative instruments contract is based and movements in the securities or currencies in the relevant Fund;
3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Fund to liquidate a financial derivative instrument at an advantageous price;
4. due to the degree of leverage inherent in derivatives contracts, a relatively small price movement in a contract may result in an immediate and substantial loss to a Fund; and
5. possible impediments to effective efficient portfolio management or the ability to meet redemption repurchase requests or other short term obligations because a percentage of a Fund's assets may be segregated to cover its obligations.

Risk Related to Hedging Techniques

The Fund may utilise a variety of financial instruments, such as options, interest rate swaps, futures and forward contracts, etc., to seek to hedge against declines in the values of the Fund's positions as a result of changes in currency exchange rates, equity markets, market interest rates and other events. Hedging against a decline in the value of Fund's positions will not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but it does establish other positions designed to gain from those same developments, thus reducing the decline in the Fund's value. However, such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all or the Investment Manager may choose not to.

Risk Related to Efficient Portfolio Management

The ACD may utilise the Scheme Property of the Funds to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions include transactions in derivatives to hedge against price or currency fluctuations, and these may be dealt or traded on an eligible derivatives market or may be Over the Counter (OTC) derivative instruments. EPM techniques may also involve the ACD entering into stock lending transactions or repurchase and reverse repurchase agreements in relation to a Fund. The ACD must ensure in entering into EPM transactions, the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The ACD must also take steps to try and ensure that the counterparty exposure in such transactions is fully "covered" by cash and/or other acceptable and sufficiently liquid property sufficient to meet any obligation to pay or deliver that could arise.

EPM transactions will give rise to risks for the Funds. There is no guarantee that the use of EPM transactions will achieve their objective. In particular, see the risk disclosures titled "Risk Related to Hedging Techniques", "Risk Related to Futures Contracts", "Risk Related to Forward Foreign Exchange Transactions" and "Risk Related to Over the Counter (OTC) Transactions".

Leverage Risk

When a Fund purchases a security or an option, the risk to the Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps, contracts for differences or writing options, the Fund's liability may be potentially unlimited until the position is closed. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Fund. Investors should also note that certain derivatives such as forward foreign exchange and complex swaps may be entered into on an OTC basis with one or more eligible counterparties. Trading in such derivatives results in credit risk exposure to such eligible counterparties (i.e. the risk that the eligible counterparty to a derivative trade will fail to discharge its obligations under the terms of the trade in respect of the Fund). Where the ACD or an Investment Manager, on behalf of the Fund, enters into OTC derivatives it may seek to mitigate much of its credit risk to an eligible counterparty by receiving collateral from that eligible counterparty. To the extent that any OTC derivatives are not fully collateralised, a default by the eligible counterparty may result in a reduction in the value of the Fund and thereby a reduction in the value of an investment in the Fund. Additional information regarding leverage and its use can be found in Appendix C – "Leverage".

Risk Related to Futures Contracts

A futures contract is a standardised contract between two parties to exchange a specified asset of standardized quantity and quality for a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date. The contracts are traded on a futures exchange. The amount of loss (as well as profit) is unlimited.

Additionally, where the underlying specified asset is a commodity, the futures contract may be illiquid because certain commodity exchanges limit fluctuations in certain future contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to affect trades at or within the limit.

A Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions and may bear the risk of counterparty default. A Fund may be invested in certain futures contracts which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

Risk Related to Forward Foreign Exchange Contracts

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis, and therefore have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of an unrealised profit.

Risk Related to Swap Agreements

Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to strategies, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund.

The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to the Fund.

Risk Related to Over the Counter (OTC) Transactions

An OTC transaction takes place when a financial instrument is traded directly between two parties rather than through a stock exchange. Where the Fund acquires securities through an OTC transaction, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity.

In general, there is less regulation and supervision of OTC transactions than for transactions entered into on stock exchanges. In addition, many of the protections afforded to participants on some stock exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

A Fund may also have credit exposure to counterparties by virtue of positions in swap agreements, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the Fund. OTC transactions are executed in accordance with an agreed terms and conditions drawn up between the Fund and the counterparty. If the counterparty experiences credit issues and therefore defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures a Fund may implement to reduce counterparty risk, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Transactions in options may also carry a high degree of risk. For purchased positions the risk to the option holder is limited to the purchase cost of establishing the position. Out of the Money (OTM) positions will see the value of the options position decrease, especially as the position nears expiry.

Where a Fund invests in derivatives, the issues described in the 'General Risks – Taxation' section may also apply to any change in the taxation legislation or interpretation thereof of the governing law of the derivative contract, the derivative counterparty, the market(s) comprising the underlying exposure(s) of the derivative or the markets where a Fund is registered or marketed.

OTC derivatives are generally entered into pursuant to contracts based on the standards set by the International Swaps and Derivatives Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

Operational Risk linked to Management of Collateral

The use of OTC derivatives and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the conditions imposed by the FCA, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

The management of operational risk is established through policies set by the risk committee of the Investment Manager. These policies set standards for the high level assessment of risk and, monitoring and reporting of risk within the business and analysis of reported operational risk events.

Risk Related to Investment in Europe - European Sovereign Debt Crisis

A Fund may invest substantially in Europe. The current Eurozone crisis continues to raise uncertainty with some or no clarity on an enduring solution. Any adverse events, such as among others, the downgrading of the credit rating of a European country, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant EU Member States from the Eurozone, or any combination of the above or other economic or political events may have a negative impact on the value of the Funds. In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks associated with investments in Europe. These may lead to the partial or full break-up of the Eurozone, with the result that the Euro may no longer be a valid trading currency. These events may increase volatility, liquidity and currency risks associated with investments in Europe and may adversely impact the performance and value of a Fund.

If certain countries cease to use Euro as their local currency, the transition by a EU Member State away from the Euro or the dissolution of the Euro may require the redenomination of some, or all, Euro-denominated sovereign debt, corporate debt and securities (including equity securities). This may have an adverse impact on the liquidity of the Fund's Euro-denominated assets and on the performance of a Fund which holds such assets. A Eurozone

break-up or exit from the Euro might also lead to additional performance, legal and operational risks to a Fund and may cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an exiting EU Member State.

While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, there are concerns that these measures may not have the desired effect and the future stability and growth of Europe remains uncertain. If a crisis occurs, economic recovery may take some time and future growth will be affected. The performance and value of a Fund may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that may adversely affect the performance and value of a Fund. It is also possible that a large number of investors could decide to redeem their investments in a Fund at the same time. Investors also need to bear in mind that the events in Europe may spread to other parts of the world, affecting the global financial system and other local economies, and ultimately adversely affecting the performance and value of a Fund.

Risk Related to Investment in Emerging Markets (and/or Frontier Markets)

The Fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks / control, political and economic uncertainties, legal and taxation risks, custody risk and the likelihood of a high degree of volatility. Currency conversion and repatriation of investment income, capital and proceeds of sale by a Fund may be limited or require governmental consents. A Fund could be adversely affected by delays in, or refusal to grant, any such approval for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Stock exchanges and other such clearing infrastructure may lack liquidity and robust procedures and may be susceptible to interference.

Political, Social and Economic Instability

Some countries have a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on a Fund's investments in those countries. Developing countries can be subject to a higher than usual risk of political change, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries and thus a Fund's investments in those countries. Furthermore, it may be difficult for the Fund to obtain effective enforcement of its rights in certain developing countries.

Market Liquidity and Foreign Investment Infrastructure

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that the purchase and sale of holdings may take longer. Volatility of prices can be greater than in the developed world. This may result in considerable volatility in the value of the Fund and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which could have an adverse effect on the value of the Fund and therefore the Dealing Price.

In certain developing countries, portfolio investment by foreign investors (such as these Funds) may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to these Funds of attractive investment opportunities.

Corporate Disclosure, Accounting and Regulatory Standards

Companies in developing countries are generally not subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in the developed world. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies in most developing countries than in countries with more advanced securities markets. As a result, there may be less information available publicly to investors in developing country securities; such information as is available may be less reliable.

Availability and Reliability of Official Data

Less statistical data is available in relation to the securities markets of developing countries relative to the securities markets in, for example, the United Kingdom; such data as is available may be less reliable.

Legal Risk

Many laws in developing countries are new and largely untested. As a result the Fund may be subject to a number of risks, including but not limited to inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of established avenues for legal redress and a lack of enforcement of existing regulations.

Furthermore, it may be difficult to obtain and enforce a judgement in certain countries in which assets of the Fund are invested.

Taxation

Taxation of dividends and capital gains received by foreign investors varies among developing countries and, in some cases, is comparatively high. In addition, developing countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that these Funds could in the future become subject to a local tax liability that had not reasonably been anticipated in the conduct of investment activities or the valuation of the assets of these Funds. Such uncertainty could necessitate significant provisions being made in the Net Asset Values per Share calculations for foreign taxes.

Settlement and Custody Risk

As the Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, there is an increased risk of the assets of a Fund which are traded in such markets being lost through fraud, negligence, oversight or catastrophe such as a fire. High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may be adversely affect the value of the Fund. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Funds may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce its right against third parties. As these Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of such Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depository will have no liability.

Risk Related to Investment in Agricultural and Soft Commodities

Natural events such as fire, drought, unseasonal rain, disease, flood, pests as well as human error and interruptions of water supply may have adverse impact on the agricultural and soft commodities markets. The agricultural and soft commodities markets may also fluctuate significantly with prices rising or falling sharply due to, for example, changing market supply and demand relationships.

Risk Related to Investment in China

Certain Funds may make investments that are tied economically to issuers from the PRC. Investing in the Chinese securities markets is subject to both emerging market risks as well as country specific risks. Political changes, restrictions on currency exchange, exchange monitoring, taxes, limitations on foreign capital investments and capital repatriation can also affect investment performance.

Investment in Chinese securities may involve certain custodial risks. For example, the evidence of title of exchange traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the relevant exchange. These arrangements of the depositories and registries may not be fully tested with regard to their efficiency, accuracy and security.

Investment in the PRC remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity. The PRC government's control of future movements in exchange rates and currency conversion may have an adverse impact on the operations and financial results of the companies in which a Fund invests. In addition, Chinese accounting standards may differ from international accounting standards. RMB is currently not a freely convertible currency and is subject to exchange control policies and restrictions. The value of the assets of the Fund as measured in the Base Currency of a Fund may be affected unfavourably by fluctuations in currency rates and exchange control regulations. There can be no assurance that the RMB will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund. Although offshore RMB ("CNH") and onshore RMB ("CNY") are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

Under the prevailing PRC tax policy, there are certain tax incentives available to PRC companies with foreign investments. However, there is a possibility that the tax laws, regulations and practice in the PRC may be subject to change and that such changes may have retrospective effect. There is no assurance that tax incentives currently offered to foreign companies will not be abolished in the future. In addition, by investing in Chinese securities including China A shares, China B shares, and Chinese domestic bonds (including indirectly through investment in other CIS or participation notes), a Fund may be subject to withholding and other taxes imposed in the PRC which cannot be eliminated by any applicable double taxation treaty and/or any applicable tax exemptions. There are risks

and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains and/or interest/dividends realised from investments of a Fund made via the Shanghai Hong Kong Stock Connect Scheme or the Shenzhen Hong Kong Stock Connect Scheme (together the “Connect Schemes”), the QFII/RQFII regime, the CIBM Initiative and/or Bond Connect, or any other initiative which provides a Fund with access to the PRC financial markets and/or exposure to PRC issuers. There may not be specific written guidance by the PRC tax authorities on certain tax that may be payable in respect of trading in China Interbank Bond Market by eligible foreign institutional investors. Hence there may be uncertainty as to a Fund’s tax liabilities in respect of any investments in PRC securities. Any increased tax liabilities may adversely affect a Fund’s Net Asset Value. Such uncertainty could necessitate tax provisions being made in the Net Asset Value per Share calculations for foreign taxes while it could also result in a Fund incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made. With the potential uncertainty concerning the tax treatment of investments in Chinese securities, the possibility of tax rules being changed and the possibility of taxes or tax liabilities being applied retroactively, any provisions for taxation made by the relevant Funds at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending on the position of the Chinese tax authorities in the future and the level of tax provisions (if any) proving to be either excessive or inadequate either when they subscribed or redeemed their Shares in the relevant Funds. In the event that tax provisions are made, any shortfall between the provision and the actual tax liabilities, which will be debited from a Fund’s assets, will adversely affect such Fund’s Net Asset Value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Currently, foreign investors may only invest in China A shares, China domestic bonds and the PRC domestic securities market(s): (1) through QFII regime and/or RQFII regime; (2) through the Connect Schemes; (3) as a strategic investor under applicable PRC regulations; and/or (4) through the Foreign Access Regime (as defined below). Foreign investors may invest in China B shares directly. It is possible that there will be other means approved by the relevant regulators to permit direct investment in China A shares and/or Chinese domestic bonds in the future. Where consistent with and within a Fund’s investment objective and strategy, it is anticipated that a Fund may obtain direct exposure to China A shares and/or Chinese domestic bonds via the applicable means set out above, subject to obtaining appropriate licences and/or registration where necessary. It may also be possible to obtain indirect exposure to China A shares, China B shares and/or domestic Chinese bonds through investment in other eligible collective investment schemes or participation notes.

Connect Schemes and Related Risks

The Connect Schemes are securities trading and clearing linked programmes developed by the Stock Exchange of Hong Kong (“SEHK”), Hong Kong Exchanges and Clearing Limited (“HKEx”), Shanghai Stock Exchange (“SSE”)/ Shenzhen Stock Exchange (“SZSE”) (as the case may be) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”) with the aim to achieve mutual stock market access between Mainland China and Hong Kong.

Under the Northbound Shanghai Trading Link, investors, through their Hong Kong brokers and a securities trading service company established by the SEHK, may be able to trade China A shares listed in the SSE (“SSE Securities”), subject to the rules of the Shanghai Hong Kong Stock Connect Scheme. SSE Securities, as of the date of this Prospectus, include shares listed on the SSE that are (a) constituent stocks of SSE 180 Index; (b) constituent stocks of SSE 380 Index; (c) China A shares listed on the SSE that are not constituent stocks of the SSE 180 Index or SSE 380 Index but which have corresponding China H shares accepted for listing and trading on SEHK, provided that: (i) they are not traded on the SSE in currencies other than RMB (ii) they are not under risk alert.

Similarly, under the Northbound Shenzhen Trading Link, through their Hong Kong brokers and a securities trading service company established by SEHK, Hong Kong and overseas investors may be able to trade China A shares listed in the SZSE (“SZSE Securities”), subject to the rules of the Shenzhen Hong Kong Stock Connect Scheme. SZSE Securities, as of the date of the Prospectus, include (a) all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and (b) China A shares listed on the SZSE which have corresponding China H shares accepted for listing and trading on SEHK, provided that: (i) they are not traded on the SZSE in currencies other than RMB (ii) they are not under risk alert or under delisting arrangement. At the initial stage of the Shenzhen Hong Kong Stock Connect, investors eligible to trade shares that are listed on the ChiNext Board under Northbound trading will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations, including each relevant Fund.

SEHK may include or exclude securities as SSE Securities/ SZSE Securities and may change the eligibility of shares for trading on the Northbound Shanghai Trading Link/ Northbound Shenzhen Trading Link (as the case may be). When a stock is recalled from the scope of eligible stocks for trading via the Connect Schemes, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of a Fund, for example, when a Fund wishes to purchase a stock which is recalled from the scope of eligible stocks. It is contemplated that SEHK and SSE/SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary to ensure an orderly and fair market and that risks are managed prudently. Consent from the

relevant regulator(s) would be sought before a suspension is triggered. Where a suspension in the Northbound trading is affected, the ability of certain Funds to access the China A share market through Connect Schemes will be adversely affected.

Differences in trading days between the PRC stock markets and days on which the Connect Schemes operate may also result in a Fund being subject to risk of price fluctuation and may negatively impact the Net Asset Value of a Fund. Investors should also note that the relevant rules and regulations on Connect Schemes are subject to change which may have potential retrospective effect; additional rules and regulations relating to the Connect Schemes may also be promulgated in the future. The Connect Schemes are subject to quota limitations. Where a suspension in the trading through the programme is effected, a Fund's ability to invest in China A shares or access the PRC market through the programme will be adversely affected. In such event, a Fund's ability to achieve its investment objective could be negatively affected.

The SSE Securities and SZSE Securities in respect of a Fund are held by the Depositary in accounts in the Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities Clearing Company Limited ("HKSCC") as central securities depository in Hong Kong. HKSCC in turn holds the SSE Securities and SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Connect Schemes. While the relevant CSRC regulations and ChinaClear rules generally provide for the concept of a "nominee holder", that Hong Kong and overseas investors (such as the Company and the Funds) would be recognised as having beneficial ownership in the SSE Securities and SZSE Securities. The precise nature and rights of a Fund as the beneficial owner of the SSE Securities and SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore, the exact nature and methods of enforcement of the rights and interests of a Fund under PRC law is uncertain. Further, how an investor, such as a relevant Fund, as the beneficial owner of SSE Securities and SZSE Securities under the stock connect structure, exercises and enforces its right in the PRC courts are yet to be tested. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it may not be possible to say with certainty if the SSE Securities and SZSE Securities will be regarded as held for the beneficial ownership of a Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Funds which invest in stocks listed on Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board may be subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board"). Stocks listed on SME Board and/or ChiNext Board may be overvalued and may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares. The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board. It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted. Investments in the SME Board and/or ChiNext Board may result in significant losses for a Fund and its investors.

Investments through the Connect Schemes are also subject to additional risks such as registration/default risk, regulatory risk and risks relating to other China specific investment requirements/rules/regulations (e.g. short swing profit rule and foreign holding restrictions), currency risks, possibility of more limited participation in corporate actions and shareholders' meeting, operational risk relating to the systems of market participants, risks relating to the requirement of front-end monitoring. As a result, a Fund's ability to access the China A share market (and hence to pursue its investment strategy) may be adversely affected and/or a Fund's Net Asset Value may be negatively impacted. It should also be noted that a Fund's investments through Northbound trading under Connect Scheme will not benefit from any local investor compensation schemes.

There are various rules and regulations relating to the operation of the Connect Schemes, including the trading arrangements, clearing, settlement and custody arrangements, investor and participant eligibility etc. Further information may be obtained via the following: https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en

Foreign Access Regime (as defined below and related risks)

A Fund can invest in the China Interbank Bond Market via the CIBM Initiative, Bond Connect and subject to any other rules and regulations and administrative procedures as promulgated by the Mainland Chinese authorities ("Foreign Access Regime").

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent (as in CIBM Initiative) or offshore custody agent (as in Bond Connect), and such agent will carry out the relevant filings and account opening with the relevant authorities. There is no quota limitation. As such, relevant Funds may be subject to the risks of default or errors on the part of such agents.

The Foreign Access Regime rules and regulations are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China

Interbank Bond Market, a Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, a Fund's ability to achieve its investment objective will be negatively affected.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of such securities to fluctuate significantly. A Fund investing in such securities is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such securities.

To the extent that the Fund transacts in the China Interbank Bond Market, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investment in the PRC bond market may also be subject to credit rating risks. The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may create difficulties for the Fund to correctly assess the credit quality and credit risk of its bond investment. Domestic Chinese bonds invested in by the Fund may be rated below investment grade or may not be rated by any rating agency of an Investment Standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the Net Asset Value of the Fund which invests in such securities may be more volatile. Investors should therefore be aware that an investment in such the Fund is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

Investing in domestic Chinese bonds via CIBM Initiative and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, or recall any types of bond products from the scope of investable bonds, the Fund's ability to invest in domestic Chinese bonds will be adversely affected. In such event, the Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, the Fund may suffer substantial losses as a result.

The CIBM Initiatives require the Fund investing through such initiatives to appoint an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of the Fund or in the rare case where the custodian/agent itself is insolvent, the enforcement of the trading documents and against the underlying assets may be subject to delay and uncertainty. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks in favour of the Fund are ring-fenced from the proprietary assets of the custodian, the retrieval of custodian assets may be subject to various legal procedures that are time-consuming.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Under the Bond Connect, a trading order can only be executed with onshore market makers approved by the Chinese regulators as the counterparty. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose the Fund to settlement risks if its counterparty defaults and limit the Fund's ability to execute trades with different counterparties.

Debt securities purchased via Bond Connect will be held in the name of CMU. The Fund's ownership in those debt securities may not be reflected directly in record entry with CCD/C/SHCH and will instead be reflected on the record of CMU. The Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the ownership rights on behalf of and for the benefit of the Fund. If the Fund wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there lacks judicial precedents in China whether such an action will be recognised and enforced by the Chinese courts.

QFII Regime and Related Risks

The QFII regime, which allows qualifying foreign investors to invest directly in certain securities in Mainland China, is governed by rules and regulations promulgated by the relevant authorities in Mainland China, including the CSRC, the State Administration of Foreign Exchange (“SAFE”) and the People’s Bank of China (“PBOC”) and/or other relevant authorities. Investments through the QFII regime are required to be made through holders of QFII licence.

In the event that the Fund invests via the QFII regime, investors should note that the Fund’s ability to make such investments or to fully implement or pursue its investment objective and strategy are subject to the applicable laws, rules and regulations (including the then prevailing exchange controls and other prevailing requirements of the PRC including rules on investment restrictions and repatriation and remittance of principal and profits) in the PRC, which are subject to change and any such changes may have potential retrospective effect.

In addition, there can be no assurance that the QFII Regulations will not be abolished. The Fund, which invests in the PRC markets through the QFII regime, may be adversely affected as a result of such changes.

Where the Fund invests in China A shares or other securities in the PRC through the QFII regime, such securities will be held by a local custodian(s) (“QFII Custodian”) appointed by the QFII in accordance with QFII Regulations. According to the current QFII Regulations, a QFII is allowed to appoint multiple local custodians. The QFII Custodian may open one or more securities account(s) in the name of the QFII licence holder for the account of the relevant Fund in accordance with PRC laws and the Fund may be subject to custodial risk. If the QFII Custodian defaults, the Fund may suffer substantial losses. In the event of liquidation of the QFII Custodian, relevant PRC laws will apply and cash deposited in the cash account of the relevant Fund with the QFII Custodian will form part of its assets in the PRC and the Fund will become an unsecured creditor for such amount.

A Fund investing via the QFII regime may also incur losses due to a default, act or omission of the QFII Custodian or PRC brokers in the execution or settlement of any transaction or in the transfer of any funds or securities. In such event, a Fund investing via the QFII regime may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

Repatriations by QFIIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. review on authenticity, submission of certain documents in respect of the repatriation etc.). Completion of the repatriation process may be subject to delay. There is no assurance that QFII Regulations will not change or that repatriation restrictions will not be imposed in the future.

Further, the QFII licence of a QFII licence holder may be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the QFII licence holder or for any other reasons.

There are rules and restrictions under QFII Regulations, including rules on remittance of principal, investment restrictions and repatriation of funds which will apply to the QFII licence holder as a whole and not simply apply to the investment made for the account of the Fund. As other parties other than the Fund may also invest through the QFII licence holder, investors should be aware that violations of the QFII Regulations on investments arising out of activities of such other parties could result in the revocation of or other regulatory action in respect of the QFII licence holder as a whole. Hence, the ability of the Fund to make investments may be adversely affected by other funds or clients investing through the same QFII licence holder.

A Fund may suffer losses if the approval of the QFII is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities, or if any of the key operators or parties (including QFII Custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

RQFII Regime and Related Risks

The RQFII regime, which allows RQFII to invest Renminbi raised outside of Mainland China directly in certain securities in Mainland China, is governed by rules and regulations as promulgated by the relevant authorities in the PRC, including the CSRC, the SAFE and the PBOC and/or other relevant authorities.

The application and interpretation of the RQFII Regulations remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. A Fund’s ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect. Any changes to the relevant rules may have a material adverse impact on Unitholders’ investment in a Fund.

A Fund may suffer losses if the approval of Barings' RQFII license is being revoked/terminated or otherwise invalidated as the relevant Fund may be prohibited from trading of relevant securities and repatriation of such Fund's monies, or if any of the key operators or parties (including RQFII Custodian (as defined below)/PRC brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

A Fund may be impacted by the rules and restrictions under the RQFII Regulations (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. Repatriations by RQFIIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. review on authenticity, submission of certain documents in respect of the repatriation etc.). Completion of the repatriation process may be subject to delay. There is no assurance that RQFII Regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation may impact on the relevant Fund's ability to meet redemption requests. In extreme circumstances, the relevant Funds may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

Where a Fund invests in Mainland China through the RQFII regime, such securities will be held by local custodian(s) (the "RQFII Custodian") pursuant to PRC regulations. According to the current RQFII Regulations, an RQFII is allowed to appoint multiple local custodians. Cash shall be maintained in a cash account with the RQFII Custodian. Cash deposited in the cash account of the relevant Funds with the RQFII Custodian will not be segregated but will be a debt owing from the RQFII Custodian to the relevant Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of bankruptcy or liquidation of the RQFII Custodian, the relevant Funds will not have any proprietary rights to the cash deposited in such cash account, and the relevant Funds will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the RQFII Custodian. The relevant Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Fund will suffer losses.

Also, a Fund may incur losses due to the acts or omissions of the RQFII Custodian or PRC brokers in the execution or settlement of any transaction or in the transfer of any funds or securities. In such event, the relevant Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

Risk Related to Investment in Commodities / Natural Resources

The value of commodities (which includes but is not limited to gold and natural resources) and the companies involved can be significantly affected (both negatively and positively) by world events, trade controls, worldwide competition, political and economic conditions, international energy conservation, the success of exploration projects, tax and other government regulations.

Risk Related to Investment in Property Related Assets

The Fund may invest in property related assets which tend to be extremely illiquid in nature. Realising such investments or closing out positions in such investments at the valuation determined at the last valuation point may not be possible. Investments in securities issued by companies which are principally engaged in the business of real estate, for example, property unit trusts, Real Estate Investment trusts (REITs) and other collective investment schemes with a property focus, will be subject to risks associated with the direct ownership of real estate. These risks include (but are not limited to) reduction in the value of the real estate; general and local economic conditions; extended vacancies of properties; uninsured damages from flood, fire, earthquake and other natural disasters.

Risk Related to Investment in Russia

Investments in companies organised in or who principally do business in Russia pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and shareholders of the Funds. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions. Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of the Fund's Shares an individual must travel to the company's registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that the Funds could lose their registration through fraud, negligence, oversight or catastrophe such as a fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate the Funds in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Funds may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Funds may find it impossible to enforce its rights against third parties.

Fees and Expenses

Management Fee

The ACD is entitled under the ACD Agreement to receive from the Company (with effect from the Dealing Day on which Shares of any Class are first allotted) a management fee payable monthly in arrears and calculated and accrued based on the value of the Scheme Property of the relevant Fund on each day that the value of the net assets of that Fund is calculated, at the percentage rate set out in Appendix A below. The management fee is payable in sterling. The current annual rate of management fee in respect of each Fund as a percentage of the value of Scheme Property is set out in Appendix A.

If there is any change made to this approach, the FCA will notify Shareholders of the change in accordance with the FCA Rules.

The ACD may increase the rate of management fee per Class of Share on compliance with the requirements to give 60 days' prior notice in writing and to alter this Prospectus as set out in the FCA Rules.

In relation to investment by a Fund in a collective investment scheme managed (i) directly or by delegation by the ACD or (ii) by another company with which the ACD is linked by common management and control or by a direct or indirect holding of more than 10% of the capital or voting rights of such company (collectively referred to as "Related Funds"), the following conditions will apply:

1. no subscription, conversion or redemption fees on account of the Fund's investment in the Related Fund may be charged;
2. no management fee may be charged at the level of the Related Fund; and
3. where a commission (including a related commission) is received by the ACD by virtue of their investment in the Related Fund, the commission must be repaid into the property of the relevant Fund.

Investment Management Fee

The Investment Manager's fees and expenses (plus VAT thereon where applicable) will be paid by the ACD out of its remuneration under the ACD Agreement.

Administration Fee

The Administrator's fees and expenses (plus VAT thereon where applicable) will be paid by the ACD out of its remuneration under the ACD Agreement.

Depositary Fee

In consideration for the services performed by the Depositary the Depositary shall be entitled to receive from the Company (with effect from the Dealing Day on which Shares of any Class are first allotted) a fee which is calculated and payable in the same manner as the management fee. The rate of the periodic fee is agreed between the ACD and the Depositary and is calculated on a sliding scale for the Fund on the following basis:

VALUE OF THE PROPERTY OF THE FUND	BELOW £200 MILLION	BETWEEN £200 AND £400 MILLION	BETWEEN £400 AND £1,200 MILLION	OVER £1,200 MILLION
Periodic Fee per annum	0.0175%	0.0150%	0.0100%	0.0050%

These rates can be varied from time to time in accordance with the COLL Sourcebook.

The first accrual in relation to any Fund will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

ITEM	RANGE
Transaction charges	£0 to £200
Custody charges	0.0035% to 1.08% (per annum)

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably

practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the COLL Sourcebook or by the general law.

On a winding up of the Fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

SDRT Charges

The Stamp Duty Reserve Tax (SDRT) charge on management dealings in shares has been abolished.

Other Payments out of the Scheme Property of the Company

So far as the Regulations allow, certain other expenses, including the following, can be paid out of the property of the Company or Fund, as the case may be:

1. broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
2. any costs incurred in the incorporation and authorisation of the Company, any initial offer of Shares and the fees for professional services provided to the Company in connection with such offer, will be borne by the Company;
3. fees and expenses in respect of establishing and maintaining the Register, including any sub-registers kept for the purpose of the administration of ISAs;
4. any costs incurred in or about the listing of Shares in the Company on any stock exchange, and the creation, conversion and cancellation of Shares;
5. expenses incurred in acquiring and disposing of investments;
6. any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
7. any fees, expenses or disbursements of any legal, tax or other professional adviser of the Company;
8. any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
9. any costs incurred in respect of meetings of Shareholders (and any meetings of Classes of Shares) convened for any purpose including those convened on a requisition by Shareholders (not including the ACD or an associate of the ACD);
10. interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
11. taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
12. the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
13. the fees of the FCA under Schedule 1 Part III of FSMA and Rules 1-4 of the Fees Manual Instrument 2005, as amended, and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
14. any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
15. the costs of providing scheme facilities and fees incurred in connection with the registration, or other required procedures, to permit lawful marketing of any of the Funds in a country outside the UK where the Company is being marketed;
16. any payments otherwise due by virtue of a change to the Regulations;
17. any value added or similar tax relating to any change or expense set out herein;
18. any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations;

19. any costs incurred in preparing, translating, producing (including printing), distributing and modifying the Instrument of Incorporation, the Prospectus, the Key Investor Information Document (“KIID”) (apart from the costs of distributing the Simplified Prospectus) or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations, including any costs associated with communicating such changes to investors;
20. any liabilities arising on the unitisation, amalgamation or reconstruction of any of the Funds;
21. certain liabilities on amalgamation or reconstruction arising after the transfer of property to the Company in consideration for the issue of Shares as set out in the Fees Manual Instrument 2005;
22. any amount payable by the Company under any indemnity provisions contained in any agreement with any functionary of the Company;
23. taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares and any SDRT charged in accordance with Schedule 19 of the Finance Act 1999;
24. the fees and expenses payable to the ACD, the Investment Manager and the Administrator;
25. any costs incurred in producing and despatching income or other payments to the Shareholders;
26. all fees and expenses (including FCA fees, legal fees and any other administrative costs);
27. any costs incurred by the Company in publishing and despatching the details of the valuation and price of the Shares;
28. any fees and expenses associated with administration of the Funds, pricing of the Shares and valuation of the assets of the Funds. This may include (as appropriate) the costs incurred in obtaining estimated prices or verifying prices with external suppliers;
29. fees of any paying, representative or other agents of the company or the ACD;
30. any costs incurred in winding up the Company or terminating a Fund; and
31. payments otherwise due by virtue of the FCA Rules.

Dealing Charges

Preliminary charge

The ACD may impose a Preliminary Charge on the purchase of Shares which is in addition to the published purchase price. This charge is a percentage of the total amount of the Shareholder’s investment and will be deducted from their initial investment amount before Shares are purchased. Details of any Preliminary Charge applicable to Shares are set out in Appendix A. The initial charge, if any, is payable to the ACD. The ACD may waive or discount the Preliminary Charge at its discretion.

The ACD may increase the Preliminary Charge on 60 days’ prior written notice to those holders of Shares who ought reasonably have been known to the ACD to have made an arrangement for the purchase of Shares at regular intervals, and any increase from the current rates can only be made after the ACD has revised the Prospectus as set out in the FCA Rules to reflect the new rate of the Preliminary Charge and the date of its commencement.

Redemption charge

The ACD may make a charge on the redemption of all or any Classes of Share. At present no redemption charge is levied. The ACD may introduce a redemption charge which will apply only to Shares sold since its introduction but not to Shares previously in issue.

Switching fee

There is currently no switching fee on the exchange of Shares of one Fund for Shares in another Fund or on a switch between Classes of the same Fund, although the ACD reserves the right to introduce one.

Valuation of the Company

Pricing of Shares

The price of Shares is calculated by reference to the Net Asset Value of the Scheme Property of the relevant Fund. Shares will be “single priced”, meaning the same price for buying or selling on any particular day and will be based on a mid-market valuation of the underlying investments. A Preliminary Charge payable to the ACD may increase the price for the investor buying Shares, and redemption charges (likewise payable to the ACD) may reduce the amount an investor receives on selling his Shares.

The Company deals on a forward pricing basis; that is to say, the price calculated for each Class of Share in each Fund at the next Valuation Point following receipt of an application to buy or redeem Shares.

Calculation of the Net Asset Value

The Scheme Property of the Company and each Fund is valued at the Valuation Point every Dealing Day on the basis described in this section.

The ACD may at any time in a Business Day carry out additional valuations of the Scheme Property of the Company and each Fund if it considers it desirable. The ACD shall inform the Depositary of any decision to carry out such additional valuations. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealing.

The ACD will, forthwith upon completing each valuation, notify the Depositary of the price of a Share of each Class of each Fund.

The value of the Scheme Property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the provisions set out in Appendix E.

Notwithstanding the provisions of Appendix E, the ACD may, in the event it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the rules in Appendix E, use other generally recognised valuation principles in order to reach a proper valuation of the total assets of the Company.

In the absence of bad faith, negligence or manifest error, every decision taken by the ACD or its delegate in calculating the Net Asset Value shall be final and binding on the Company, and its present, past and future Shareholders.

The price per Share of any Class in a Fund shall be calculated by taking the proportion of the value of Scheme Property attributable to all Shares of that Class (by reference to the most recent valuation of that Scheme Property) and dividing it by the number of Shares of the relevant Class in issue immediately before that valuation. The price will be expressed in Class currency and will be accurate to four significant figures.

Publication of Prices

The ACD will publish the most recent price of each Share Class in each Fund on the Barings website at www.baring.com. Shares in the Fund are not listed or dealt on any investment exchange. Prices can also be obtained by telephone on +44 (0) 333 300 0372.

As the ACD deals on a forward pricing basis the published price will not necessarily be the same as the one at which investors deal. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

Fair Value Pricing

Fair value pricing ("FVP") may be defined as the application of the ACD's best estimate of the amount a Fund might receive on a sale, or expect to pay on a purchase, of one or more securities or even an entire portfolio of securities, at the time of the Fund's Valuation Point, with the intention of producing a fairer dealing price, thereby protecting ongoing, incoming and outgoing investors.

At the discretion of the ACD's, where market conditions may be such that the last applicable real time quoted price or the Valuation Point does not capture the best reflection of the buying and selling price of a stock, FVP may be applied. Due to the time differences between the closing of the relevant securities exchanges and the time of the Fund's Valuation Point, a Fund may fair value its investments more frequently than it does other securities and on some Funds this may occur on a daily basis. The ACD has determined that movements in relevant indices or other appropriate market indicators, after the close of the securities exchanges, may demonstrate that market quotations are unreliable and may trigger fair value pricing for certain securities. Therefore the fair values assigned to a Fund's investments may not be the quoted or published prices of the investments on their primary markets or exchanges. By fair valuing a security which is suspended from trading, for example, because of financial irregularities, or whose price may have been affected by significant events or by news after the last market pricing of the security, the Funds attempt to establish a price that they might reasonably expect to receive upon the current sale of that security. It may also be necessary to use FVP in the event of a market remaining closed unexpectedly due to a force majeure event.

Suspended securities may provide an exception to this general policy. When individual securities are suspended for trading, for example, because of financial irregularities, the Investment Manager will suggest what it believes to be a reasonable price for that security. This is normally, but not always, achieved by applying a percentage discount to the last traded price prior to suspension, and which will be justified to the ACD.

Suspension of Valuation and Dealing in Shares

The ACD may, with the prior agreement of the Depositary, and shall if the Depositary so requires, without prior notice to Shareholders, temporarily suspend the issue, cancellation, sale and redemption of Shares where, due to exceptional circumstances, it is in the interests of all Shareholders in the relevant Fund or Funds to do so. Shareholders will be notified of such suspension in dealings as soon as is practicable after suspension commences and will be kept informed about the suspension. Suspension will continue only for so long as it is justified having regard to the interests of the Shareholders.

Examples of circumstances in which the ACD may consider that it is in the interests of Shareholders to suspend dealing in Shares include:

- a) any period when any stock exchange on which any of the Fund's investments for the time being are quoted is closed, otherwise than for ordinary holidays, or during which dealings are restricted or suspended;
- b) the existence of any state of affairs as a result of which disposals of an investment by a Fund cannot, in the opinion of the ACD, be affected normally without seriously prejudicing the interests of Shareholders;
- c) any breakdown of the means of communication normally employed in determining the value of any of the Fund's investments or for any reason of value of the investments owned by a Fund cannot be promptly and accurately ascertained;
- d) any period when the realisation of investments or the transfer of funds involved in such realisation cannot, in the opinion of the ACD, be affected at normal prices or rates of exchange respectively; and/or
- e) any period during which the ACD is unable to repatriate funds required for making payments due on realisation of Shares

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the relevant Fund is offered for sale.

The ACD shall notify Shareholders as soon as is practicable after the commencement of the suspension, including giving details of the exceptional circumstances which led to the suspension in a clear, fair and not misleading way and details of how Shareholders may find out further information about the suspension. In the event of suspension, the ACD shall publish sufficient details on its website or by other general means to keep Shareholders appropriately informed about the suspension including, if known, its possible duration.

The ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of such review and any change to the information supplied to Shareholders.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. On a resumption of dealings following suspension, it is anticipated that Share pricing and dealing will take place at the Dealing Days and times stated in this Prospectus.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing and is received before the end of the suspension. Any notice not withdrawn will be dealt with on the Dealing Day next following the end of the suspension.

Dilution Adjustment

The Fund operates on a single, as opposed to bid and offer (dual), pricing basis. The Funds may suffer a reduction or dilution in value as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments.

In order to mitigate this, the ACD has the ability to apply a dilution adjustment ("dilution adjustment") as defined in the COLL Sourcebook, on the subscription and redemption of Shares. A dilution adjustment is an adjustment to the price of a Share to reduce the effect of dilution where in the ACD's opinion it is sufficiently material for the interests of Shareholders to require it.

The ACD shall comply with these rules in their application of any such dilution adjustment.

The ACD may make a dilution adjustment in the following circumstances:

1. where the Net Asset Value of a Fund is in continuing decline and/or;
2. where a Fund is experiencing large levels of net purchases or net sales relative to its size. The factors we may take into account in this case include any provision for market spreads (bid/offer spread of underlying

securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the acquisition or disposal of investments. The ACD would normally seek to adjust, or swing, the price in this way when the effect of a net inflow or outflow on any one day or on a recurring basis is regarded as material for the Fund, and/or;

3. where in any case where the ACD is of the opinion that the interests of the Shareholders require the imposition of a dilution adjustment.

In the above circumstances dilution adjustments may be made by moving, or 'swinging', the price of a fund away from a middle-market based price, i.e. representing the average of the buying and selling value of the investments the Fund holds, either up to a value representing the buying value of these investments when the net asset value of the Fund is increasing or down to a value representing the selling value where the net asset value of the Fund is in decline.

On the occasions when dilution adjustment is not applied this may restrict the future growth of a Fund.

As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict the amount of or whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict the amount of or how frequently the ACD will need to apply a dilution adjustment. The ACD will however only make such adjustments when it is in Shareholders interests to do so, for the purpose of treating customers fairly.

If a dilution adjustment is required then, based on historical data and future projections, the estimated amount of the adjustment is likely to be up to 1% of the price of a Share. A pricing committee is responsible for reviewing the pricing calculation methodology. In addition, this committee reviews and signs off all dilution adjustments made by a Fund on a quarterly basis. We have set out below how often a dilution adjustment was imposed over the last year from the date of this Prospectus.

The ACD may alter its current policy on dilution by giving Shareholders notice and amending the Prospectus at least 60 days before the change to the dilution policy is to take effect.

Fund	Number of times that Dilution Adjustment has been applied in the last 12 months*
Barings Multi Asset Fund	1

* Data as of 31 July 2020

Distribution Policy

General

The distribution dates (referred to as interim and annual allocation dates) in respect of each Fund are shown in Appendix A of this document.

The income available for each Fund is calculated by taking the aggregate of income received or receivable by such Fund in respect of the period, deducting charges and expenses paid or payable by such Fund out of income in respect of the period, adding the ACD's best estimate of any relief from tax on such charges and expenses, and making other adjustments permitted by the FCA Rules that the ACD considers appropriate in relation to both income and expenses (including taxation), after consulting the Auditor when required to do so.

Except where an average income payment to holders in a Fund would be less than £5, all available income must be allocated at the end of each annual accounting period but an interim allocation may involve less than the whole amount considered available for allocation.

All available income will be allocated at the end of each annual accounting period but an interim allocation may involve less than the whole amount considered available for allocation.

The ACD may make an additional allocation of income during an accounting period in accordance with the COLL Sourcebook and subject to the Instrument of Incorporation.

Any distribution unclaimed after a period of six years from the date of declaration of such distribution shall be forfeited and shall revert to the relevant Fund.

All notices or documents required to be served on Shareholders shall be served by post to the address of such Shareholder as evidenced on the Register. All documents and remittances are sent at the risk of the Shareholder.

Income Shares

Holders of Income Shares will be entitled to annual and, where prescribed, interim income distributions in respect of each annual accounting period. The distribution dates (referred to as interim and annual allocation dates) in respect of each Fund are shown in Appendix A. In the case of each interim distribution, holders of Shares will be entitled to that portion of the income of the Fund for the interim accounting period attributable to the holders of Shares. In the case of each annual distribution, holders of Shares will be entitled to the portion of the income of the Fund for the whole annual accounting period attributable to holders of Shares less the amount of any interim distribution. Income available for allocation in respect of the relevant accounting period will be distributed among holders and the ACD rateably in accordance with the number of Shares held or deemed to be held at the end of the relevant accounting period.

In relation to the Income Shares, payment will be made on or before the interim and/or annual income allocation date by electronic transfer. Arrangements may be made for the payment of distributions by cheque (at the risk of the persons entitled thereto) by contacting the Administrator.

Shareholders in these Funds may elect to have their net distribution of income automatically re-invested in further Shares. Where a Shareholder has requested income to be automatically reinvested to acquire further Shares of the same Class in the relevant Fund they must provide 30 days' notice prior to a distribution date, to receive all the income allocated to their Income Funds in cash, and in each case provides relevant bank account details. Where income is reinvested the price of such Shares is based on the creation price on the applicable date.

The ACD will automatically reinvest any distribution entitlements in further Shares of the same Class in the relevant Fund where the Shareholder's anti-money laundering documentation is incomplete or has not been completed to the satisfaction of the ACD or the Administrator.

Shareholders who have their income re-invested will receive a tax voucher in respect of each deemed income distribution and will be liable to United Kingdom taxation in the same manner, and to the same extent, as if they had received their distribution in cash. New investors who wish to re-invest their income entitlement should tick the appropriate box on the Account Opening Form.

Accumulation Shares

In the case of the Accumulation Shares, the income available for allocation in respect of the relevant accounting period will be transferred from the income property of the relevant Fund to the capital property of the Fund on or before the last day of the annual accounting period of the Fund. No distributions are made to Shareholders nor are additional Shares issued in lieu of distributions. The amount of income earned by a Fund since the end of the last annual accounting period (or the end of the last interim accounting period if more recent for the Fund) is reflected in the price of Shares.

The price of Shares therefore remains unchanged at the ex-accumulation date. Shareholders 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. An appropriate tax voucher will be issued to each Shareholder of Accumulation Shares in respect of the amount of income accumulated for his benefit in any accounting period.

Equalisation

On the first distribution following the issue of a Share in any of the Funds, the Shareholder may receive as part of that distribution a capital sum representing that part of the purchase price of the Share which represents the value of accrued income at the time of sale. The amount so paid, known as "income equalisation" will be an amount arrived at by taking the aggregate of the amounts of income included in the creation price in respect of Shares issued or reissued in a particular accounting period (the "grouping period") and dividing that aggregate by the number of those Shares and applying the resultant average to the Funds in question. Such grouping of income equalisation is permitted by the Instrument of Incorporation.

The Instrument of Incorporation permit the grouping of Shares in the same Class and the same Fund for equalisation; grouping will be operated in respect of each accounting period (including interim accounting periods) for which income is allocated. Shares purchased during each such period will carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per Share included in the price of the Shares purchased during the period.

Purchase of Shares

The minimum initial investment in respect of each Fund is contained in Appendix A – Details of the Funds.

Applications

Persons interested in buying Shares should inform themselves as to:

- a) The legal requirements within their own countries relating to the purchase of Shares;
- b) Any foreign exchange restrictions which may be encountered; and
- c) the income, estate and any other tax consequences of becoming a Shareholder

Applications to buy Shares should be made to the ACD between 9.00 a.m. and 5.00 p.m. on any Dealing Day either through a professional adviser or in writing, subject to the policy on pricing as set out in the section headed "Valuation of the Company".

Investors subscribing for Shares for the first time must complete the Account Opening Form in writing and submitted to the ACD at the address set out under "Application in Writing" below. The signed original Account Opening Form together with supporting documentation in relation to anti-money laundering requirements must be received before any subscription orders will be accepted. It is the Shareholder's responsibility to advise the ACD in writing of any changes that they wish to make to their account, such as changing address, contact details or bank account details. Instructions should be sent by letter or fax to the ACD via the contact details included in the Account Opening Form or the Subscription Form. These forms may be obtained from the ACD on request.

Purchase orders received and accepted by the ACD by 12:00 noon (London time) on a Dealing Day will be dealt with at the price calculated on that day. Orders received and accepted after 12:00 noon (London time) will be dealt with at the price calculated on the next Dealing Day. Payment may be made by electronic transfer directly to the bank account of the ACD, or in such other manner as the ACD shall inform the applicant.

Applications to purchase Shares will not be accepted unless the investor confirms that they have been provided with the latest key investor information document in respect of the Class of Shares to which the application relates. Initial or subsequent purchases of Shares may be made in the following ways:

a) **Application in Writing**

Investors should complete and sign a Subscription Form and send it to Baring Fund Managers Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG. Instructions by fax will be accepted, but duly completed and signed form of renunciation will be required. Instructions to sell via email are not accepted.

On acceptance of an application, Shares will be issued at the relevant price, and a contract note ("Contract Note") confirming the subscription price and the number of Shares subscribed will be despatched. No other acknowledgement of the application for Shares will be given. Investors will have no rights to cancel any application.

b) **Application by Telephone**

The ACD does not offer a facility to purchase Shares by telephone to direct investors. Telephone dealing requests are only accepted from regulated financial institutions, including investment advisers, Independent Financial Advisers (IFAs) and stockbrokers to the ACD's dealing department telephone + 44 (0) 333 300 0372.

On acceptance of telephone instructions Shares will be issued at the relevant price and a Contract Note will be despatched. On receipt of the Contract Note the name ticket giving full registration details should be returned to the ACD.

It should be noted that telephone calls may be recorded by the ACD and its for training purposes.

c) **Electronic Messaging Service**

Investors can, with the agreement of the ACD, subscribe via electronic messaging services such as EMX or swift.

A purchase of Shares in writing and/or by telephone is a legally binding contract. Fractions of a Share may be issued. The ACD reserves the right to limit deals without prior receipt of cleared funds or to reject deals where number or value of Shares sought to be issued would be less than the minimum subscription applicable to the Class of Shares concerned.

Without prejudice to all other rights of the ACD and the Depositary in respect of a default by a purchaser in payment of any monies under their application, any such default will entitle the Depositary to cancel any rights of the purchaser in the Shares.

Share certificates will not be issued. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held or accumulated by the Shareholder. Fractions of a Share may be issued, are rounded up to the nearest one-thousandth of a whole Share,

and shall have proportionate right. Individual statements of Shares (or, when Shares are jointly held, the first named holder's) will also be issued at any time on request by the registered holder.

The ACD reserves the right subject to the FCA Rules to reject any application for Shares in whole or in part. In the event of such rejection, the application money or any balance thereof will be returned to the applicant.

A purchaser of Shares who returns the application form accompanying the Prospectus will not generally have any right to cancel the contract under the FCA Cancellation Rules.

A purchaser of Shares who has received advice has rights to cancel the contract under Chapter 15 of the FCA's Conduct of Business Sourcebook.

Any money which is received by the ACD prior to investment in a Fund or following a redemption of Shares will be held in accordance with the FCA's client money rules in a client money account. The bank will hold the cash on the ACD's behalf in an account separate from any money the bank holds for the ACD. If the bank becomes insolvent the ACD will have a claim on behalf of its clients against the bank.

No interest is payable by the ACD on monies credited to a client money bank account.

In Specie Applications

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of Shares in exchange for assets other than cash but will only do so where the Depositary has taken reasonable care to determine that the acquisition of those assets in exchange for the Shares concerned by the Company is not likely to result in any material prejudice to the interests of Shareholders

Settlement

Settlement of purchase orders is due by the settlement date. Payment may be made by electronic transfer, or in such other manner as the ACD shall inform the applicant.

If subscription monies are not received by the ACD by the Settlement Date the Shares may be cancelled and investors may be liable for any loss incurred by such a cancellation.

Market Timing

Repeatedly purchasing and selling Shares in a Fund in response to short-term market fluctuations - known as 'market timing' - can disrupt the Investment Manager's investment strategy and increase the Funds' expenses to the prejudice of all Shareholders. The Funds are not intended for market timing or excessive trading. To deter these activities, the ACD may refuse to accept an application for Shares from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive to the Fund.

The ACD also reserves the right to redeem Shares which they reasonably believe have been purchased by Shareholders engaged in market timing.

Anti-Money Laundering

The ACD is bound by law to abide by anti-money laundering legislation to verify the identity of investors. This verification usually happens when an investment is made or Shares are transferred. It may also be required at other times whilst the investment is held. Verification will also be required for any third party making payments. If you are investing through an intermediary, part of their duty will be to provide us with verification of your identity. Verification of identity may be achieved through the use of a credit reference agency however this is only to verify your identity and will not affect your credit record. In some circumstances the ACD may require independent evidence of your identity and permanent address. If the ACD does not receive acceptable verification evidence it reserves the right to delay or reject your application or withhold payment of the proceeds of redemption and income on Shares until verification has satisfactorily been completed.

Data Protection Notice

The ACD's Privacy Notice details the collection, use and sharing of Shareholders' personal information in connection with their investment in the Company. The Privacy Notice can be found on the ACD's website at www.barings.com.

This notice may be updated from time to time and Shareholders should confirm that they hold the latest version. Shareholders who access the Company through an intermediary such as a wealth manager, platform service or ISA plan manager, should also contact that organisation for information about its treatment of their personal information.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor) must also show the Privacy Notice to those individuals.

Redemption of Shares

Shareholders can sell (redeem) Shares in a Fund by selling them back to the ACD. Redeeming Shares by selling them back to the ACD amounts to a transfer of the Shares to the ACD in exchange for the cash proceeds of the sale.

Instructions to sell Shares can be made between 9.00 a.m. and 5.00 p.m. on any Dealing Day. Sale requests received and accepted by the ACD by 12:00 noon (London time) on a Dealing Day will be dealt with at the price calculated on that day. Any sale requests received and accepted after 12:00 noon (London time) will be dealt with at the price calculated on the next Dealing Day.

No valid instruction to sell Shares will be accepted where, following the sale by the Shareholder, the balance of Shares held would fall below the minimum holding amounts as stated in Appendix A.

An instruction to sell Shares is irrevocable.

The ACD will accept requests to sell/redeem Shares as follows;

Redemption requests will not be acknowledged but the amount due to the Shareholder on redemption will be shown on a contract note which will be sent out to the selling Shareholder (or the first-named on the Register, in the case of joint Shareholders) within one Business Day following the Valuation Point by reference to which the redemption price is determined. Fractions of a Share may be redeemed and are rounded down to the nearest three decimal places. Redemption of Shares in writing is a legally binding contract. The Shares may be compulsorily redeemed or cancelled in accordance with the Instrument of Incorporation if the holding of any Shares by a Shareholder is, or is reasonably considered by the ACD to be, an infringement of any law or governmental regulations. The ACD will accept requests to sell/redeem Shares as follows;

The ACD may accept instructions given by telephone or by electronic messaging (as described below) to effect a transfer or renunciation of title to Shares on the basis of an authority communicated by electronic means where there is:

- (a) a prior agreement between the ACD and the person making the communication as to:
 - (i) the electronic media by which such communications may be delivered; and
 - (ii) how such communications will be identified as conveying the necessary authority; and
- (b) an assurance from any person who may give such authority on behalf of the Shareholder that they will have obtained the required appointment in writing from the Shareholder.

1. Notice in Writing

Requests to redeem Shares are to be made to the ACD in writing and sent to Baring Fund Managers Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG. Shareholders should complete and sign a form of renunciation or a letter of instruction and return it to the ACD with their instructions, including bank details of where they would like payment to be made. Once the instruction has been received and accepted a contract note confirming the transaction will be sent to the Shareholder (or the first-named on the Register, in the case of joint Shareholders) and a copy to the Shareholder's intermediary (where applicable). Proceeds from the sale will be paid by electronic transfer; not later than three Business Days following receipt of a duly completed and signed form of renunciation and any other required identity verification.

Instructions by fax will be accepted, but a duly completed and signed form of renunciation will be required.

Instructions to sell via email are not accepted.

2. Notice by Telephone

Telephone requests from individual Shareholders will not be accepted. Telephone dealing requests are only accepted from regulated financial institutions, including investment advisers, Independent Financial Advisers (IFAs) and stockbrokers to the ACD's dealing department telephone + 44 (0) 333 300 0372.

On acceptance of telephone instructions, Shares will be redeemed at the relevant price and a contract note confirming the transaction will be sent to the Shareholder (or the first-named on the Register, in the case of joint Shareholders) and a copy to the Shareholder's intermediary (where applicable), along with a form of renunciation which must be completed and signed and returned to the ACD. Proceeds from the sale of Shares will be paid not later than the close of business on the third Business Day following receipt of the duly completed and signed form of renunciation and any other required identity verification.

3. Notice via Electronic Messaging Service

Regulated financial institutions, including investment advisers, IFAs and Stockbrokers can, with the agreement of the ACD, sell Shares to the ACD via electronic messaging services such as EMX or SWIFT. Instructions to redeem Shares via such electronic methods constitute renunciation of Shares.

Once an order has been received and acknowledged, Shares will be redeemed at the relevant price and a contract note confirming the transaction will be sent to the Shareholder (or the first-named on the Register, in the case of joint Shareholders) and a copy to the Shareholder's intermediary (where applicable). Proceeds from the sale of the Shares will be paid to the Shareholder not later than the close of business on the third Business Day after the Dealing Day and any other required identity verification.

Arrangements can be made for Shareholders wishing to realise their Shares to receive payment in currencies other than the relevant Base Currency. Where proceeds are to be remitted abroad, the cost of making such overseas remittance will be deducted from the proceeds payable. Please contact the ACD in advance to ascertain the cost.

Deferral Policy

The ACD is entitled, with the approval of the Depositary, to limit the net number of Shares which may be redeemed at a particular Valuation Point (whether by sale to the ACD or by cancellation by the Depositary) to 10% of the Net Asset Value of the Fund. In this event, the limitation will apply pro rata to each Shareholder wishing to redeem Shares at that Valuation Point. Where the ACD elects to invoke the deferral policy, the excess of shares above 10% of the Net Asset Value for which redemption requests have been received will be carried forward for redemption to the next Valuation Point. Where redemption requests received on the next Valuation Point again exceed 10% of the Net Asset Value, the deferral policy will again operate, any deferral applying both to new redemption requests and also to deferrals brought forward. The ACD will also ensure that all redemptions relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered. Whenever redemption requests are carried forward, the ACD will inform all affected Shareholders.

Where a redeeming Shareholder is to receive settlement by in specie transfer of stock (see the paragraph headed In Specie Redemptions), the Shares being settled in this way will not be included in the calculation of the percentage of the Shares for which redemption requests have been received for the purpose of determining whether the deferral policy may be invoked. The ACD may therefore alert a redeemer of Shares representing 5% or more of the Net Asset Value of any Class of Shares in issue to the possibility of receiving the redemption by an in specie transfer of stock, and also to the possible deferral of a proportion of the redemption if cash settlement is required. An in specie transfer of stock in settlement may reduce the total net redemption for the Valuation Point to less than 10% of the Net Asset Value, and cause the ACD to revoke deferral.

In Specie Redemptions

The normal course of action would be to settle any redemption or cancellation of Shares in cash, however, the ACD may, where it considers the redemption to be substantial in relation to the total size of the Fund concerned or in some way advantageous or detrimental to the Fund or otherwise at its discretion, arrange that in place of payment of the price of the Shares in cash, the Company cancels the Shares and transfers Scheme Property or, if required by the Shareholder, the net proceeds of sale of relevant Scheme Property, to the Shareholder.

Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can require the net proceeds of redemption rather than the relevant property if he so desires.

The ACD will select the property to be transferred or sold in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

Settlement for Redeemed Shares

Settlement of redemption requests is due within three Business Days of the Dealing Day on which the request was effected following receipt of properly completed and signed renunciation documents (in such form as the ACD agrees).

Payment of redemption proceeds will be made by electronic transfer, or in such other manner as the ACD shall inform the applicant in accordance with the instruction received or, if this is not practicable or no instructions are given, by cheque posted to the applicant (at his risk). Instructions to make payments to a third party may not be accepted.

Restrictions and Compulsory Transfers and Redemptions

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer and switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares"):

- are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;
- the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will be effected in the same manner as provided for in the COLL Sourcebook.

The ACD Dealing as Principal

Where the ACD deals as principal in the Shares of the Company, any profits or losses arising from such transactions shall accrue to the ACD and not to the relevant Fund of the Company.

The ACD is under no obligation to account to the Depository, or to Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed.

Liquidity Risk Management

The ACD maintains a liquidity risk management process which enables it to identify, monitor and manage the liquidity risks of a Fund and to ensure the liquidity profile of the Scheme Property will facilitate compliance with its underlying obligations. The liquidity management process takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Fund and include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Fund.

In summary, the liquidity management policy monitors the profile of the Scheme Property and ensures that such investments are appropriate to the redemption policy outlined in the section headed "Redemption of Shares", and will facilitate the Fund's underlying obligations. Further the policy includes details on periodic stress testing undertaken to manage the liquidity risk of the Fund in exceptional and extraordinary circumstances.

The ACD seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of the Fund are consistent. The investment strategy, liquidity profile and redemption policy of the Fund will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the ACD's redemption policy and its obligations. In assessing the ACD

alignment of the investment strategy, liquidity profile and redemption policy, the ACD shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of the Fund.

Details of the redemption rights of shareholders, including redemption rights of shareholders in normal and exceptional circumstances and existing redemption arrangements are set above in this section.

Transfer of Shares

Shareholders can transfer Shares to another person. A request to transfer title to Shares must be made in writing and sent to Baring Fund Managers Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG. Transfer requests made over the telephone or via electronic messaging services such as EMX or SWIFT will not be accepted.

The transferee must complete and sign a stock transfer form, which can be obtained from your Intermediary or by contacting the ACD. Completed stock transfer forms must be returned to the ACD in order for the transfer to be registered by the ACD.

An instruction to transfer Shares is irrevocable.

The ACD will require verification of the identity of all transferees. Please refer to the section headed "Anti-Money Laundering" for more details.

Switching of Shares

Shareholders in a Fund may on any Dealing Day instruct the ACD to (i) Convert all or part of their Shares in one Class of a Fund for another Class of Shares in the same Fund or (ii) Switch all or some of their Shares of a Class in a Fund (the "Original Shares") for Shares in another Fund (the "New Shares"), provided they are eligible to hold Shares in that Class or that Fund. The ACD may impose restrictions on Conversions and Switches, but any restriction related to Conversions or Switches of Shares must be on reasonable grounds relating to the circumstances of the Shareholder concerned.

A Conversion or Switch request should be made in writing. In general the procedures relating to a redemption of Shares will apply equally to a Conversion or Switch of Shares and the switch will be dealt with at the next Valuation Point after receipt of such instructions or at such other Valuation Point as the ACD, at the request of the Shareholder, may agree. If Converting or Switching to a different Fund / Fund Shareholders should ensure they have read and understood the relevant KIID document and confirm this in their written instruction.

Conversions will be effected at the next Valuation Point following the receipt of instructions to Convert from a Shareholder.

Conversions will be effected by the ACD recording the change of Class on the Register.

The process for Switches is detailed below.

Upon receipt by the ACD of an instruction to Switch (the "Instruction"), the ACD shall arrange for the Depositary to cancel (or, at its discretion, the ACD shall itself redeem) the Original Shares and issue (or, at its discretion, the ACD shall itself sell to the Shareholder) such number of New Shares as is arrived at according to the following formula:

$$N = O \times \frac{CP \times ER}{SP}$$

where:

- N is the number of New Shares to be issued or sold (rounded to the nearest three decimal places);
- O is the number of Original Shares specified (or deemed to be specified) in the Switch notice which the holder has requested to Switch;
- CP is the price at which a single Original Share may be cancelled or redeemed as at the Valuation Point applicable to the cancellation or redemption as the case may be;
- ER is where the Original Shares and the New Shares are designated in the same currency and, in any other case, is the exchange rate determined by the ACD in their absolute discretion (subject to the FCA Rules) as

representing the effective rate of exchange between the two relevant currencies as at the date the Switch notice is received (or deemed to have been received) by the ACD having adjusted such rate as may be necessary to reflect any costs incurred by the Fund in making any transfer of assets as may be required as a consequence of such a Switch being effected; and

SP is the price at which a single New Share may be issued or sold as at the Valuation Point applicable to the subscription or redemption as the case may be.

The Instrument of Incorporation allows the ACD to adjust the number of New Shares to reflect the effect of the dilution adjustment (if applicable) and any Stamp Duty Reserve Tax provision (if appropriate) or other charges permitted upon the issue or sale of New Shares or the cancellation or redemption of Original Shares. There is currently no Switch or Conversion fee on a Switch or Conversion. The ACD may recover from the Shareholder the amount of any tax charge incurred by the manager or for which the ACD may be held liable as result of an exchange, and may do so by adjusting the number of New Shares to be issued.

The Switch of the Original Shares as specified in an instruction will take place at the next Valuation Point after receipt of such instruction or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree.

Shareholders subject to UK tax should note that a Switch of Shares between Funds is treated as a redemption of Shares for the purpose of capital gains taxation. Shareholders in any doubt as to their tax position should consult with their tax advisers. Conversions between Classes within a Fund will not generally be treated as a disposal for capital gains tax purposes, but may do so where one of the classes is hedged.

A switch of Shares in one Fund for Shares in another Fund will be treated as a redemption of Shares and a simultaneous purchase of Shares in the other Fund and will, for converting Shareholders subject to United Kingdom taxation, be a realisation for the purpose of capital gains taxation.

Instructions will be irrevocable and in no circumstances will a Shareholder who Converts or Switches Shares be given the right to withdraw from or cancel the transaction. Shares cannot be Converted or Switched during a period when dealings in Shares of the relevant Fund or Funds are suspended by the ACD pursuant to the COLL Sourcebook and the right of a Shareholder to Switch or Convert during a period of suspension is similarly suspended.

Winding Up of the Company or a Fund

Winding Up of the Company

The Company is to be wound up:

- if an extraordinary resolution is passed to that effect; or
- on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company, albeit that such agreement is subject to there being no material change in any relevant factor prior to the date of the revocation; or
- on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property.

The Company may also be wound up under Part V of the Insolvency Act 1986.

Termination of a Fund

A Fund may be terminated:

- if an extraordinary resolution of the Shareholders of such Fund is passed to that effect; or
- on the date of effect stated in any agreement by the FCA to a request by the ACD for the termination of such Fund; or
- on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or

- by the ACD in its absolute discretion if one year from the date of the first issue of Shares relating to that Fund or at any date thereafter, the Net Asset Value of the Fund is less than a threshold as stated in the Instrument of Incorporation.

A Fund may also be wound up under Part V of the Insolvency Act 1986.

Winding Up Procedure

On a winding-up (otherwise than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound-up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds.

Liabilities of the Company attributable or allocated to a particular Fund shall only be met out of the property attributable or allocated to such Fund.

After making adequate provision for the expenses of the winding-up and the discharge of any outstanding liabilities, the ACD may arrange for the Depositary to make interim distributions and then a final distribution of the proceeds of the realisation of the property attributable or allocated to each Fund to the holders in each Fund proportionately to the right to participate in the property attached to their respective Shares.

If the Company is to be wound-up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind-up the Company in accordance with the resolution of holders approving such scheme.

Where the Company and one or more holders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those holder(s), and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those holder(s) bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution the ACD shall arrange for the Depositary to pay or lodge such sum within one month after that date in accordance with the OEIC Regulations.

On the termination of a Fund (otherwise than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Fund falls to be terminated to realise the property of the Fund and pay the liabilities of the Fund out of the proceeds.

After making adequate provision for the expenses of the termination and the discharge of any outstanding liabilities, the ACD may arrange for the Depositary to make interim distributions and then a final distribution of the proceeds of the realisation of the property of the Fund to the holders of the Fund proportionately to the right to participate in the property attached to their respective Shares.

If the Fund is to be terminated in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to terminate the Fund in accordance with the resolution of holders approving such scheme.

Where the Company and one or more holders (other than the ACD) agree, the requirement to realise the property of the Fund shall not apply to that part of the property which is proportionate to the right of that or those holders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that those holders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the property of the Fund, the ACD shall instruct the Depositary to retain such sum in an account separate from any other part of the property of the Company in accordance with the FCA Rules. On the dissolution of the Company the Depositary shall cease to hold those amounts as part of that account and they shall be paid or lodged by the Depositary in accordance with the OEIC Regulations.

Authorised Corporate Director

The ACD is Baring Fund Managers Limited which was incorporated with limited liability on 29 October 1968 in England and Wales under the Companies Act 1948. Baring Fund Managers Limited is authorised and regulated by the Financial Conduct Authority and is entered on the FCA register with the Firm Reference Number: 119187. Baring Fund Managers Limited is a subsidiary of Baring Asset Management Limited ("Barings") which is incorporated in England and Wales. The ACD's ultimate holding company is Massachusetts Mutual Life Insurance Company which is established in the United States of America.

It has an issued share capital of £1,650,000 comprising 1,650,000 ordinary shares of £1 each fully paid.

The ACD is authorised and regulated in the United Kingdom by the FCA whose address is 12 Endeavour Square, London E20 1JN.

The ACD is responsible for the overall corporate management and investment decisions of the Company. The registered office of the ACD is set out in the Directory at the back of this Prospectus. The ACD has been appointed under an ACD Agreement dated 9 March 2009 between the Company and the ACD. Pursuant to such ACD Agreement the ACD shall manage and administer the Company in accordance with the FCA Rules, the Instrument of Incorporation and the Prospectus. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part.

In the event that the fees of an investment adviser are paid directly by the Company rather than the ACD, the fees payable by the Company to the ACD will accordingly be reduced by the amount of such fees.

The ACD Agreement may be terminated by the ACD with immediate effect on written notice. The Company may terminate the agreement on not less than two years' written notice, or earlier upon certain breaches or the insolvency of a party. Under the ACD Agreement, the ACD is free to render similar services to others and both the ACD and the Company are subject to a duty not to disclose confidential information. The powers, duties, rights and obligations of the ACD and the Company under the ACD Agreement shall, to the extent of any conflict, be overridden by the FCA Rules, including, where applicable, the FCA Rules.

The ACD is the AIFM for the purposes of the AIFM Directive and the AIFM Regulations. The ACD has appointed the Investment Manager to carry out certain portfolio management functions on its behalf. The ACD has also delegated certain administration functions such as the preparation of accounts, executing redemption of Shares, making distributions and calculating the Net Asset Value per Share to the Administrator. The liability of the ACD shall not be affected by the fact that it has delegated certain portfolio and management functions to the Investment Manager or delegated fund administration services to the Administrator.

Directors:

E. Browning
J. Swayne
R. Kent
K. Troup
J. Armstrong

The Company has no other directors.

The above individuals hold other directorships within the Barings' group of companies, in which capacity they may engage in investment business.

Registered Office

20 Old Bailey
London
EC4M 7BF

The ACD is aware of its duty to act in the best interests of investors, the integrity of the market and to ensure fair treatment of investors. In this regard the ACD has various policies and procedures in place in respect of due diligence and market malpractices.

Other regulated collective investment schemes

The names of the collective investment schemes, common investment funds and investment companies with variable capital in relation to which the ACD acts, in each case in the capacity of Manager or ACD, are as follows:

Unit Trusts

Barings Eastern Trust
Barings Europe Select Trust
Barings European Growth Trust
Barings German Growth Trust
Barings Japan Growth Trust
Barings Korea Trust
Barings Strategic Bond Fund

Investment Companies with Variable capital

Baring UK Umbrella Fund (OEIC)*

Barings Investment Umbrella Fund (OEIC)

Charity Fund

Barings Targeted Return Fund (CAIF)

*This Fund is closed and no longer available for investment

The Investment Manager

The Investment Manager is Baring Asset Management Limited, authorised and regulated by the FCA. The Investment Manager was appointed by the ACD under a Delegation Agreement dated 8 December 2003 between the ACD and the Investment Manager to exercise the ACD's duties, obligations and functions in making decisions as to the investment of assets for the time being constituting the property of the Company in accordance with its investment objectives and policy. In the exercise of the ACD's investment functions the Investment Manager will be allowed complete discretion, subject only to compliance with the FCA Rules and supervision by the ACD. The Investment Manager may also direct the exercise of rights (including voting rights) attaching to the ownership of Scheme Property. The Investment Manager is not a broker fund adviser in relation to the Company. Baring Fund Managers Limited (the ACD) is a subsidiary of Baring Asset Management Limited.

The Investment Manager is paid a fee by the ACD out of which it will bear all its own expenses related to its provision of services to the Company. In addition any third party research received in connection with investment advisory services that the Investment Manager provides to the Fund will be paid for by the Investment Manager out of this periodic fee (which it receives for its discretionary investment management and investment advisory services from the ACD under the Delegation Agreement). The Delegation Agreement may be terminated by the Investment Manager or the ACD giving notice in writing to the other. The Delegation Agreement contains provisions for the ACD to indemnify the Investment Manager against liabilities and actions not resulting from fraud, wilful default, bad faith or negligence on the part of the Investment Manager.

The Baring Asset Management Group manages investments on behalf of clients, which include the pension funds of major international and national corporations, central and local government bodies, charitable foundations, investment and unit trusts and private individuals.

The Administrator and Registrar

The Administrator is Northern Trust Global Services SE. The ACD is responsible for the administration of the Company and has appointed the Administrator to exercise its duties, obligations and functions in connection with the general operation and administration of the Company. The Administrator's registered office is at 6 rue Lou Hemmer, L-1748 Senningerberg, Grand-Duché de Luxembourg and its principal place of business in the United Kingdom is at 50 Bank Street, London E14 5NT.

The Administrator's principal business is the provision of investment administration services to external clients. The Administrator is a subsidiary of Northern Trust Holdings Limited, which is wholly owned by the Northern Trust Company, which is established in the United States of America. The main terms of the contract between the ACD and the Administrator provide for the Administrator to exercise the ACD's administration powers including as follows:

1. To effect the issue and cancellation of Shares on behalf of the Company.
2. To prepare accounts on behalf of the Company.
3. To maintain the Company's Register and plan register.

Subject to certain conditions, the Administrator shall be entitled to delegate to any person the performance of any duty hereunder.

The Administrator is paid a fee by the ACD out of which it will bear all its own expenses related to its provision of services to the Company

The Registrar

The ACD has appointed Northern Trust Global Services SE as Registrar of the Funds. The Company's Register may be inspected at the Registrar's principal place of business in the United Kingdom at the following address:

Northern Trust Global Services SE, UK Branch

50 Bank Street
London
E14 5NT

Telephone: +44 (0) 333 300 0372

The Register is conclusive evidence as to the persons respectively entitled to the Shares entered in the Register. No notice of any trust, express, implied or constructive which may be entered on the Register in respect of any Share shall be binding on the ACD and the Depositary of the Company.

The Depositary

The Company's Depositary is NatWest Trustee and Depositary Services Limited. The Depositary is incorporated in England and Wales as a private limited company and holds its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is a company limited by shares authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA & PRA and incorporated in England & Wales on 18 March 1968, with the registered number 121878.

The Depositary was appointed pursuant to the Depositary Agreement between the ACD and NatWest Trustee and Depositary Services Limited.

The Depositary is required to carry out the duties specified in the FCA Rules and the AIFM Regulations, including having responsibility for the safekeeping, oversight and asset verification services in respect of all the Scheme Property of the Company entrusted to it. The Depositary will also provide cash monitoring services in respect of the Fund's cash flows and subscriptions.

Subject to the relevant FCA Rules and AIFM Regulations, the Depositary has full power to sub-delegate its duties. As such, the Depositary Agreement provides that the Depositary may use other financial institutions, sub-custodians and nominees for the safekeeping of assets of the Fund (each a "Sub-Custodian") provided however that the liability of the Depositary will not be affected by the fact that it has entrusted to any such Sub-Custodian some or all of such assets in its safekeeping.

In order to discharge this liability under the AIFM Regulations, the Depositary must satisfy specific criteria for the appointment and selection of the Sub-Custodian and must exercise due care, skill and diligence in its periodic review and ongoing monitoring of the Sub-Custodian. Further, the Depositary must demonstrate that it has established objective reasons for the appointment of Sub-Custodians for such discharge of liability.

As of the date of this Prospectus, the Depositary has established in the Depositary Agreement the objective reasons for the discharge of its liability including (i) that the Fund invests in assets in jurisdictions where such assets are required to be held by a local Sub-Custodian and, (ii) where the Investment Manager or ACD insist on maintaining assets in a particular jurisdiction despite risk warnings given by the Depositary.

Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

The Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default or failure to exercise due care and diligence in the performance or non-performance of its obligations. It provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on 90 days' notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, the Depositary may not retire voluntarily except upon the appointment of a new Depositary.

Details of the fees payable to the Depositary are given in the section headed "Fees and Expenses".

Conflicts of Interest

The FCA Rules contain provisions on conflict of interest governing any transaction concerning the Company which is carried out by or with any "affected person", an expression which covers the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary, an associate of the Depositary, any investment

adviser and any associate of any investment adviser.

These provisions, among other things, enable an affected person to sell or deal in the sale of property to the Company or the Depositary for the account of the Company; vest property in the Company or the Depositary against the issue of Shares in the Company; purchase property from the Company (or the Depositary acting for the account of the Company); enter into a stock lending transaction or other efficient portfolio management transactions in relation to the Company; or provide services for the Company. Any such transactions with or for the Company are subject to best execution on exchange, independent valuation or arm's length and conflicts of interest requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived. Where transactions with an affected person involve a conflict of interest between the ACD or its associate and the Company, the ACD will have regard to its obligations to act in the best interest of the Company. The ACD will ensure that the Company and its shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Company and its shareholders than if the potential conflict had not existed.

Investment of the property of the Company may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the ACD. Neither the ACD nor any such affected person will be liable to account for any profit out of such dealings.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the UCITS or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

The Administrator may, from time to time, act as the administrator of other open-ended investment companies with variable capital.

The Investment Manager as part of providing investment management and advisory services to the Funds, may from time to time, enter into arrangements under which they will receive services that relate to execution or research which meet the criteria specified by the FCA and can be reasonably expected to assist in the provision of investment services. Such services will be paid for out of dealing commission. These costs are not directly charged to the client, but form part of the normal dealing costs incurred by the Funds.

Cash forming part of the property of the scheme may be placed as deposits with the Depositary or with any connected persons of this company (being an institution licensed to accept deposits) so long as that institution pays interest thereon at no lower rate than is, in accordance with normal banking practice, the commercial rate for deposits of the size of the deposit in question negotiated at arm's length.

Money can be borrowed from the Depositary or any of its connected persons (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with normal banking practice, the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length.

Any transactions between the Fund and the ACD, the Investment Manager, or any of their connected persons as principal may only be made with the prior written consent of the Depositary.

All transactions carried out by or on behalf of a Fund must be at arm's length and executed on the best available terms. Transactions with persons connected to the ACD or Investment Manager may not account for more than 50% of the Fund's transactions in value in any one financial year of the Fund.

The directors of the ACD, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and Shareholders, employees and agents (collectively "the Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund.

The activities noted above may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Fund may invest. In particular, the Investment Manager may advise or manage other funds and other collective investment schemes in which the Fund may invest or which have similar or overlapping investment objectives to or with the Fund.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly. The Parties are further subject to a duty under their relevant agreements not to disclose confidential information.

The ACD has a policy in relation to the identification, prevention, management and monitoring of conflicts which is available at www.barings.com. The policy is subject to on-going updates as new possible conflicts arise and is subject to a formal review by the ACD on at least an annual basis.

Meetings of and Reports to Shareholders

The Company does not hold annual general meetings. A copy of the contract of service between the Company and the ACD is available to Shareholders on request.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Funds as they apply to general meetings of the Company but by reference to Shares of the Class or Fund concerned and the Shareholders and value and prices of such Shares.

The ACD may convene a general meeting of the Company at any time. Holders representing not less than one-tenth in value of all Shares in the Company then in issue may requisition a general meeting. The quorum at a meeting of Shareholders shall be two Shareholders, present in person or by proxy or, in the case of a corporation, by a duly authorised representative. The quorum for an adjourned meeting is one Shareholder, present in person or by proxy.

In certain circumstances, the FCA Rules require that a resolution is passed as an extraordinary resolution (which is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution). In other cases, a resolution may be passed by a simple majority of the votes validly cast for and against the resolution. Where a resolution is to be passed by simple majority, in the case of an equality of, or an absence of votes cast, the Chairman is entitled to a casting vote. Where a resolution (including an extraordinary resolution) is required to conduct business at a meeting of Shareholders, and every Shareholder is prohibited from voting under COLL 4.4.8R (4) (which states that no director of an ICVC can be counted in the quorum of, and no such director or an associate may vote at, any meeting of the authorised fund), it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary to the process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in the Fund in issue.

A resolution put to the vote of a general meeting shall be determined on a show of hands unless a poll is demanded by the chairman, at least two Shareholders or the Depositary. On a show of hands, every Shareholder who, being an individual, is present in person or, being a corporation, is present by its representative, has one vote. On a poll, every Shareholder has the voting rights which attached to his Shares seven days before the notice of the relevant meeting was deemed to be given. The voting rights of any Share are such proportion of the voting rights attached to all of the Shares in issue as the price of the Share in question bears to the aggregate price of all Shares in issue at the relevant date. In effect, voting rights are related to the value of Shares held. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all his votes in the same way.

A Shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint another person to attend and vote in his place (whether a Shareholder or not). A Shareholder shall be entitled to appoint more than one proxy to attend on the same occasion but a proxy shall be entitled to vote only on a poll. An instrument appointing a proxy must be received by the Company no later than 48 hours before the meeting in order that the appointment be effective.

A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined

by the order in which the names stand in the Register.

The ACD and its associates may hold Shares in the Company and shall be entitled to receive notice of and attend any meeting. The ACD shall not be entitled to be counted in the quorum (but its associates may be so counted) and, except as provided below, the ACD's Shares are not regarded as being in issue in relation to the meeting. Neither the ACD nor its associates are entitled to vote at a meeting. None of these limitations apply if the ACD or the associate holds Shares on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote and from whom the ACD or its associate (as the case may be) has received voting instructions.

The record date for a meeting is the date seven days before the notice of the relevant meeting is deemed to have been given, but persons known not to be holders at the time of the meeting are excluded.

Certain material changes to the Prospectus and Instrument of Incorporation require the prior approval of Shareholders.

Report and Financial Statements

The Company will prepare report and accounts in relation to each annual and half-yearly accounting period. Annual reports will be published within four months after the end of each annual accounting period and half-yearly accounts within two months after the end of each half-yearly accounting period. Accounts for each Fund shall show all Classes of Share in that Fund.

Copies of the reports will be on the website at www.barings.com and will be available for inspection by the general public at the offices of the ACD.

Taxation

General

The information below is a general guide based on UK law and UK HM Revenue & Customs (HMRC) practice which are subject to change as are the levels of taxation. It outlines the UK tax position of the Funds (including distributions from the Funds) and of Shareholders who are UK residents and who hold Shares as investments.

Prospective investors who are in any doubt about their tax position, or may be subject to tax in a jurisdiction other than the UK or Ireland are recommended to take professional advice before investing in Shares in the Funds.

Taxation of the Funds

Each of the Funds is for tax purposes treated as a separate open-ended investment company and they do not suffer any liability to UK taxation in respect of any capital gains accruing to them on the disposal of their investments (including interest-bearing securities and derivatives). They are, however, liable to UK corporation tax at the rate specified below on the excess of their taxable income for any accounting period over their deductible expenses of management and interest costs for that period. Any distributions paid by a Fund to its Shareholders will not be deductible in computing the Fund's taxable income, except in the case of an "interest distribution", as explained below.

The taxable income of a Fund does not include any dividends or other distributions received by the Fund from UK resident companies or from most overseas companies, which are exempt from corporation tax. The tax treatment of any distributions received by a Fund from any other UK open-ended investment company or authorised unit trust in which it has acquired units will follow the same principles as apply to distributions paid by the Fund to a Shareholder that is itself a UK open-ended investment company or authorised unit trust, as explained below. Any other income derived by a Fund from UK sources, such as interest paid on UK bonds or cash deposits, will be included in the AIF's taxable income. In computing the Fund's liability to corporation tax on any such income, credit will generally be available for any non-recoverable foreign withholding taxes that the income has borne.

The rate of corporation tax payable by each of the Funds for each of their accounting periods will be equivalent to the basic rate of income tax in the financial year or years in which that period falls, which is currently 20% for 2019/2020.

Taxation of Distributions – General

Each of the Funds will be treated, for tax purposes, as distributing to its Shareholders (in one of the ways specified below) the whole of the income shown in its accounts for each of its distribution periods as being available for distribution to Shareholders or for investment. Each Fund will have an interim income allocation date and as a result each of the Fund's interim accounting periods will normally constitute a separate "distribution period".

The making of a distribution, for tax purposes, includes both paying an amount in respect of a holding of income Shares to the Shareholder concerned (or reinvesting that amount in further Shares on behalf of a Shareholder who has elected for such reinvestment) and also investing an amount within a Fund in respect of a holding of accumulation Shares on behalf of the Shareholder concerned. Any reference in this section to the "payment" of a "distribution" should be construed accordingly.

The distribution accounts of each of the Funds for each distribution period may show the relevant Fund's income as being available for distribution in either the form of a dividend or interest distribution. The type of distribution selected will depend on the source and composition of the income of the Fund concerned for the distribution period in question (as explained further below) but it is envisaged that any distributions will only be made in the form of dividend distributions (as explained under "Dividend Distributions" below).

Dividend Distributions

Any dividend distribution paid (or accumulated) by any of the Funds for any distribution period will be treated as if it were a dividend paid to the Shareholders in that Fund. No tax is deducted from dividend distributions.

For individual Shareholders resident in the UK, the first £2,000 of dividends and dividend distributions received in each tax year will be free of income tax (the dividend allowance). Where dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates which depend upon the Shareholder's marginal rate of tax. Dividend tax rates are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Dividends received within the allowance will still count towards total taxable income and so may still affect the rate of tax paid on dividends received in excess of the allowance.

Corporate Shareholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing dividends received from a United Kingdom or non-United Kingdom company will be treated as dividend income and no further tax will generally be due on it. The remainder will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may be liable to tax on the grossed up amount. The 20% income tax credit may be set against their corporation tax liability or part of it refunded, as appropriate. The proportion of the tax credit which can be repaid or offset will be provided on the tax voucher. In as far as the Fund's liability to UK tax has been reduced by relief for foreign tax then that element of any income tax credit received may not be reclaimed but is treated as foreign tax suffered on the annual payment element of the distribution.

Taxation of Capital Gains arising in respect of Shares

Participants in a Fund who are resident in the UK for taxation purposes may, unless holding Shares in the relevant Fund as securities to be realised in the course of trade, when different rules apply, be liable to capital gains tax or corporation tax in respect of any gains arising from the redemption, sale or other disposal of Shares in the Fund. In the case of individuals, to the extent that their chargeable gains for the tax year in question exceed their annual allowance for tax-free gains (which, for the tax year 2019/2020, is set at £12,000), the remaining chargeable gains will be aggregated with that individual's taxable income and to the extent that the aggregate falls above the threshold for basic rate income tax will be taxed at 20%, taking the chargeable gains as being the highest part of the aggregate. If any part of the aggregate falls below the threshold, the capital gains rate will be 10%. For investors subject to corporation tax the mainstream rate of corporation tax for 2019/2020 is 19%.

It should be noted that, conversions between classes in the same Fund will not result in a realisation for UK tax purposes.

Equalisation

In the case of the first distribution of income received in respect of a Share purchased during a distribution period, the amount representing the income equalisation is a return of capital and is not taxable in the hands of the Shareholder concerned. That amount should, however, except in the case of equalisation in respect of accumulation Shares, be deducted from the cost of the Shares in computing any capital gain realised on a subsequent disposal of the Share.

Reporting Requirements

In order to comply with the UK legislation implementing the its obligations under various intergovernmental agreements relating to the automatic exchange of information (including the US provisions commonly known as FATCA and the OECD's Common Reporting Standards), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status. Therefore when requested to do so by the Company or its agent, Shareholders must provide them with information which may be passed on to HM Revenue & Customs, while further information in respect of income earned and gains realised by Shareholders will also be passed to HM Revenue & Customs, and they in turn to any relevant

overseas tax authorities.

General

Any person relying on the information contained in this Prospectus, which was current at the date shown, should check with the ACD that this document is the most current version and that no revisions have been made nor corrections published to the information contained in the Prospectus since the date shown.

Inspection of Documents

Copies of the Instrument of Incorporation (including details of all amendments thereto) and, as available, the Key Investor Information Documents, the Prospectus and the most recent annual and interim reports of the Company may be inspected, and may be obtained from the registered office of the ACD during normal business hours on Business Days.

The Company's Register may be inspected at the Registrar's principal place of business in the United Kingdom at the following address on any Business Day between 9.00 a.m. and 5.00 p.m:

Northern Trust Global Services SE, UK Branch
50 Bank Street
London
E14 5NT

Shareholders may obtain on request from the ACD information relating to the quantitative limits applying in the risk management of the Funds, the risk management methods which are used in relation to the Funds and any recent development of the risk and yields of the main categories of investment.

Shareholders' Rights

Shareholders are entitled to participate in the Company on the basis set out in this Prospectus (as amended from time to time). The sections headed 'Meetings of and Reports to Shareholders', 'Report and Financial Statements', 'Complaints', and 'Inspection of Documents' of this Prospectus set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the service providers set out in this Prospectus.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

Treating Investors Fairly

The fair treatment of investors is embedded throughout the ACD's policies and procedures to ensure compliance with the principles of Treating Customers Fairly ("TCF"). These principles include, but are not limited to:

1. acting in the best interests of the Funds and of the investors;
2. executing the investment decisions taken for the account of the Funds in accordance with the objectives, the investment policy and the risk profile of the Funds;
3. ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
4. ensuring that fair, correct and transparent pricing models and valuation systems are used for the Funds managed;
5. preventing undue costs being charged to the Funds and investors;
6. taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and,
7. recognising and dealing with complaints fairly.

The ACD may, in its sole and absolute discretion, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms outlined in the Account Opening Form or to otherwise agree specific terms or conditions with an investor (a "Side Letter"). Such investors

may include entities or persons who are affiliated with the ACD or Investment Manager. It is also possible that this may include investors who hold a majority or substantial interest in the Fund.

Any such Side Letter will be agreed in accordance with the FCA Rules and AIFM Regulations and its terms may cover (but are not limited to) the application of calculation of fees, "most favoured nation" provisions (i.e. the promise that more favourable terms would not be given to other comparable investors), indemnification obligations and/or additional representations, warranties and covenants.

For the avoidance of doubt, the Company will not agree any Side Letter which provides an investor with different rights of access to portfolio information, disclosure of market sensitive events, or which alters the liquidity provisions, redemption or voting rights of any investor and will ensure that investors are treated fairly. Neither a Fund nor the ACD are obliged to disclose specific terms of any Side Letter agreed with an investor to any other investors.

In certain cases these Side Letters may be governed by the laws of a different country. Elections in Side Letters to be governed by the laws of a country other than the United Kingdom and enforcement of foreign judgements related to such side letters will be made in accordance with the general principles of UK law. An investor who has obtained favourable judgement in a foreign court will have to be a new action to the UK courts.

Dealing by the ACD, the Depositary and the Investment Manager

The FCA Rules contain provisions on conflict of interest governing any transaction concerning the Company which is carried out by or with any "affected person", that is to say:

- i) the Company
- ii) an associate of the Company;
- iii) the ACD, an associate of the ACD
- iv) the Depositary, an associate of the Depositary
- v) any investment adviser and any associate of any investment adviser.

These provisions, among other things, enable an affected person to sell or deal in the sale of property to the Company or the Depositary for the account of the Company; vest property in the Company or the Depositary against the issue of Shares in the Company; purchase property from the Company (or the Depositary acting for the account of the Company); enter into a stock lending transaction or other efficient portfolio management transactions in relation to the Company; or provide services for the Company. Any such transactions with or for the Company are subject to best execution on exchange, independent valuation or arm's length and conflicts of interest requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived. Where transactions with an affected person involve a conflict of interest between the ACD or its associate and the Company, the ACD will have regard to its obligation to act in the best interests of the Company. The ACD will ensure that the Company and its Shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Company and its Shareholders than if the potential conflict had not existed.

Investment of the property of the Company may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the ACD. Neither the ACD nor any such affected person will be liable to account for any profit out of such dealings.

The ACD and the Investment Manager have a written policy in relation to the identification, prevention, management and monitoring of conflicts which is available at www.barings.com. The policy is subject to on-going updates as new possible conflicts arise and is subject to a formal review by the ACD on at least an annual basis. Details of the ACD's conflicts of interests policy are available on its website at www.barings.com.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a Fund or its Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, if the conflict cannot be avoided, disclose these to Shareholders.

Information Available to Shareholders

The following information will be made available to Shareholders in the annual report:

- the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- the current risk profile of each Fund, including:

- the measures used to assess the sensitivity of a Fund's portfolio to the most relevant risk to which that Fund is or could be exposed;
 - if risk limits set by the ACD have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; and,
 - the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and
- any material changes to the information above.

It is intended that Shareholders will be notified of any material changes to the liquidity management systems and procedures such as the suspension of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.

Genuine Diversity of Ownership

Shares in the Fund are and will continue to be widely available. The intended categories of investors are retail investors (who should seek independent financial advice before investing in a Fund) and institutional investors. Different Classes of a Fund are issued to different types of investors.

Shares in the Fund are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Class, and in a manner appropriate to attract those categories of investors.

Professional Liability Risks

The ACD covers potential professional liability risks arising from its activities as the Funds' ACD through a combination of professional liability insurance covering liability risks arising from professional negligence and additional own funds.

Client Assets

Any cash (except unclaimed distributions which may be returned to the relevant Fund) or assets due to Shareholders which are unclaimed for a period of six years (for cash) or twelve years (for assets) will cease to be client money or client assets and may be paid to a registered charity of the ACD's choice. The ACD will take reasonable steps to contact Shareholders regarding unclaimed cash or assets in accordance with the requirements set out in the FCA Rules before it makes any such payment to charity. Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

If the client money or client assets (except for unclaimed distributions) are equal to or below a de minimis amount set by the FCA (£25 or less for retail Shareholders and £100 or less for professional Shareholders) the steps the ACD must take to trace the relevant Shareholders before paying the money or assets to charity are fewer but the ACD will still make efforts to contact affected Shareholders.

If in the future, the ACD transfers its business to another authorised fund manager or third party, it may transfer any client money it holds at that time to that other authorised fund manager or third party without obtaining Shareholders specific consent at that time, provided that the ACD complies with its duties under the client money rules which are set out in the FCA Rules at the time of the transfer.

Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS if we cannot meet our obligations, investors in our funds may be entitled to compensation under the scheme. For this type of investment, the scheme currently covers 100% of the first £50,000. For further information please refer to www.fscs.org.uk or phone +44 (0) 800 678 1100.

Complaints

If you have a Complaint and it relates to advice you have received from your Financial Adviser please contact them. If your complaint relates to any other aspect please write to:

Complaints Officer
 Baring Fund Managers Limited
 PO Box 3733
 Royal Wootton Bassett
 Swindon
 SN14 4BG

Telephone: +44 (0) 333 300 0372

Email: BFMUK@ntrs.co.uk

Any complaint will be handled in accordance with our complaint handling procedures. Making a complaint will not prejudice your rights to commence legal proceedings. If we are unable to resolve your complaint satisfactorily, you may refer your complaint to the Financial Ombudsman Service by writing to them at the address below:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: +44 (0) 800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Further information regarding any compensation scheme or any other investor-compensation scheme of which the ACD or the Company is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, is available on request.

Proxy Voting Policy

The ACD will vote client proxies in accordance with the procedures of the ACD and the Investment Manager and for the benefit of the relevant Fund. The Investment Manager has established a proxy voting policy which is overseen by a proxy voting working group. The policy is designed to ensure that votes are exercised to the exclusive benefit of the Fund concerned. The ACD uses the services of an independent third party service provider to provide proxy analysis, information on events requiring voting, vote recommendations, and to execute the voting decisions of the ACD's investment teams. Proxies on all proposals are voted, except in those instances when the Investment Manager, with guidance from the proxy voting working group if desired, determines that the economic benefit to the Fund concerned of voting those proxies is outweighed by the cost.

The ACD's proxy voting policy is available on request from the ACD.

Best Execution Policy

The ACD must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The ACD relies on the Execution Policy of the Investment Manager. Best Execution is the term used to describe the objective of taking all reasonable steps to obtain the best possible result for each transaction carried out by the Investment Manager on the property of the Fund. In order to obtain the best possible result the Investment Manager takes into account a number of factors including price, both the explicit and implicit costs of trading, size and speed of execution and any other specific considerations relevant to that transaction.

The ACD and Investment Manager's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the ACD expects to consider when effecting transactions and placing orders in relation to the Funds. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible results for each Fund. The ACD's execution policy is available on request from the ACD. Full details of the order execution policy are available on our website at www.barings.com. If you have any questions regarding the policy please contact the ACD or your professional adviser.

Inducements

In the course of providing portfolio management services, the Investment Manager is prohibited from accepting and retaining any fees, commission or monetary benefits, or accepting any non-monetary benefits (other than acceptable minor non-monetary benefits and research which is permitted), where these are paid or provided by any third party or a person acting on their behalf. The Investment Manager considers that:

- (a) information or documentation relating to a financial instrument or investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
- (b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the issuer, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- (c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (d) hospitality of a reasonable de minimis value, including food and drink during a business meeting or a conference, seminar or other training event specified in this clause;

- (e) research relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, which is:
 - produced prior to the issue being completed, by a person that is providing underwriting or placing services to the issuer on that issue; and
 - made available to prospective investors in the issue; and
- (f) research that is received during a trial period so that the Investment Manager may evaluate the research provider's research service in accordance with FCA rules

are regarded as acceptable minor non-monetary benefits as they are capable of enhancing the quality of the service provided by the Investment Manager to the Shareholders; of a scale and nature that it could not be judged to impair the Investment Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Shareholders; and reasonable, proportionate and of a scale that is unlikely to influence the Investment Manager's behaviour in any way that is detrimental to the interests of the Shareholders.

If the Investment Manager receives any such fees, commissions or monetary benefits, it will transfer these for the benefit of the relevant Fund and will inform the relevant Fund within the standard reporting.

Collateral management

The ACD has a collateral management policy which defines "eligible" types of collateral which the Funds may receive to mitigate counterparty exposure (including any applicable haircuts) arising from the use of derivatives and EPM techniques. A haircut is a reduction to the market value of collateral received in order to allow for a cushion in case the market value of that collateral falls. Collateral received by the Company will generally be of high quality and liquid e.g. cash and government securities. The policy sets out the permitted types of collateral which will include cash, government securities, certificates of deposit; bonds or commercial paper issued by relevant institutions. All collateral received to reduce counterparty risk will comply with the following criteria:

- it will be highly liquid and traded on a regulated market;
- it must be valued at least daily;
- it must be of high quality;
- it will not be highly correlated with the performance of the counterparty;
- it will be sufficiently diversified in terms of country, markets and issuers;
- it will be held by the Depositary or a third party custodian subject to prudential supervision who is unrelated to the provider of the collateral; and
- it will be capable of being fully enforced by the Company at any time without reference or approval from the counterparty.

The collateral policy will set appropriate levels of collateral required to cover counterparty risk in respect of derivatives and other EPM transactions. The ACD, through the Investment Manager, will also employ a clear haircut policy (i.e. a policy in which a pre-determined percentage will be subtracted from the market value of an asset that is being used as collateral) for each Class of assets received as collateral taking account of the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy.

Where cash collateral, is received, if it is reinvested, it will be diversified in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Where cash collateral is reinvested in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. Non-cash collateral will not be sold, reinvested or pledged.

Leverage

Leverage is a way for a Fund to increase its exposure through borrowing of cash or securities and/or the use of financial derivative instruments. Each Fund is permitted to borrow and/or use derivatives within the guidelines set out in its Supplement.

AIFMD requires that the maximum leverage of a Fund be disclosed under two methodologies: (i) the Commitment Method and (ii) the Gross Method. These leverage limits are expressed as the ratio of the 'exposure' (calculated under either the Gross or Commitment Method as prescribed under AIFMD and summarised below) over the Net Asset Value of the Fund. Figures are expressed as a percentage (i.e. 100% or below implies no leverage).

Method	Exposure calculation methodology
Commitment Method	<p>The exposure calculated under the Commitment Method consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p>
Gross Method	<p>The exposure calculated under the Gross Method consists of (i) the sum of the absolute values of all positions, adjusted for cash, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Gross leverage is a conservative way of representing leverage as it does not:</p> <ul style="list-style-type: none"> i) make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of gross leverage for the Fund. ii) allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of gross leverage when they do not increase or only cause a moderate increase of the overall risk of the Fund. <p>As a result, a fund that exhibits a high level of gross leverage is not necessarily riskier than a fund that exhibits a low level of gross leverage.</p>

The maximum leverage limits applicable as at the date of this Prospectus are set out in Appendix A – Details of the Funds. Any changes to the maximum level of leverage of a Fund will be notified to investors without undue delay.

Changes to the Company or a Fund

Where any changes are proposed to be made to the Company or a Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. Some changes will not be fundamental, significant or notifiable, but those which do fall within these definitions will be submitted to the FCA for approval.

If the change is regarded as fundamental, Shareholder approval will be required.

If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders.

If the change is regarded as notifiable, Shareholders will receive suitable notice of the change.

Changes to a Fund's investment objectives, policy or strategy will usually be significant or fundamental.

Appendix A – Details of the Funds

Barings Multi Asset Fund

Investment Objective and Policy

The investment objective of the Fund is to generate a capital return in excess of UK inflation (RPI) over a three year period. There is no guarantee that this objective will be achieved over the three year period, or any other period, and the capital value of the Fund is at risk.

The Fund will hold a diversified portfolio of investments in a range of asset classes including equities, fixed interest securities, property, gold, commodities and cash. It may also invest in alternative asset classes (e.g. private equity, hedge funds), near cash, deposits and money market instruments. The maximum exposure to equity will be restricted to 60% of the Fund and at least 50% of the Fund's currency exposure will be in Sterling.

The Fund may gain exposure to asset classes by direct investment and/or indirectly through collective investment schemes (in-house and/or third party), transferable securities and derivatives. Investment in property, gold and commodities will be indirect.

The Fund may invest in derivative instruments for the purposes of investment and efficient portfolio management.

Performance Target

UK Retail Price Index (RPI) has been selected as the performance target because it is a key measure of consumer inflation in the United Kingdom. The Fund aims to deliver positive returns in excess of RPI, over a three year period. RPI is therefore an appropriate target for the Fund.

Leverage

The maximum levels of Leverage for Barings Multi Asset Fund are as follows:

- (a) Under the Gross Method: 450% of the Fund's Net Asset Value
- (b) Under the Commitment Method: 130% of the Fund's Net Asset Value.

Please see the section headed "Leverage" above for further information on how the levels of Leverage are calculated.

Available Share Classes

Share Class	A	I	B ²	X ³
Preliminary Charge	Up to 5%	Nil	Nil	Nil
Annual Management Fee ¹	1.50%	0.55%	0.75%	Nil
Base Currency	GBP	GBP	GBP	GBP
Dealing Frequency	Daily on each Business Day			
Accounting Dates	Annual: 31 August, Interim: last day of February			
Distribution Shares (Inc) Dividend Payment Dates	Paid semi-annually no later than 1 November and 1 May in each year			
Unhedged Classes Available	Class A GBP Acc	Class I GBP Acc	Class B GBP Acc	Class X GBP Acc ⁴
	Class A GBP Inc	Class I GBP Inc	Class B GBP Inc	Class X GBP Inc ⁴
Minimum Holding and Subscription Level	GBP 2,000	GBP 500,000	GBP 2,000	GBP 10,000,000
Subsequent Minimum Investment	GBP 500	GBP 500	GBP 500	GBP 500

¹ The current annual management fee is charged against the income of the Fund

² Class B Shares are only available for subscription by investors who have in place an agreement with the ACD or Investment Manager in relation to the collection of an investment management fee or a similar agreement.

³ Class X Shares are only available for subscription by investors who have in place an agreement with the ACD or Investment Manager in relation to the collection of an investment management fee or a similar agreement

⁴ This Share Class is not launched at the date of this prospectus

Appendix B – Eligible Securities and Derivatives Markets

With the exception of permitted investments in unlisted securities, the Funds will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which are listed below.

In addition, up to 20% in value of any Fund may be invested in transferable securities which are not approved securities. Please see paragraphs 6 and 10 of Appendix C below for further information on approved securities and eligible markets.

For the purpose of the Funds, a market shall be:

In relation to investment which constitutes a transferable security:

(i) Any country, stock exchange or market which is:

- Located in any member state of the EEA; or
- Located in any of the following countries:
 - Australia
 - Canada
 - Hong Kong
 - Japan
 - New Zealand
 - Switzerland
 - United Kingdom
 - United States of America; or

(ii) any stock exchange included in the following list:

Argentina	Mercado Abierto Electronico S.A. Bolsa de Comercio Buenos Aires
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange Ltd Chittagong Stock Exchange
Brazil	BM&F Bovespa S.A Sociedade Operadora de Mercado de Ativos
Chile	Bolsa de Comercio de Santiago Bolsa Electronica de Chile Bolsa de Corredores de Valparaiso
China	Shanghai Stock Exchange Shenzhen Stock Exchange Shanghai Futures Exchange
Colombia	Bolsa de Valores de Colombia
Croatia	The Zagreb Stock Exchange
Egypt	The Egyptian Exchange
Ghana	Ghana Stock Exchange
Hong Kong	The Stock Exchange of Hong Kong Ltd Hong Kong Futures Exchange
Iceland	NASDAQ OMX
India	Bombay Stock Exchange National Stock Exchange of India
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Kazakhstan Stock Exchange
Kenya	Nairobi Securities Exchange
Korea, Republic of	Korea Stock Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Berhad
Mauritius	The Stock Exchange of Mauritius Ltd
Mexico	Bolsa Mexicana de Valores (Mexican Stock Exchange)
Morocco	Casablanca Stock Exchange
Nigeria	Nigerian Stock Exchange, The
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange

	Lahore Stock Exchange
	Islamabad Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange, Inc.
Qatar	Qatar Exchange
Russia	Moscow Interbank Currency Exchange
	RTS Stock Exchange
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange
	Singapore Mercantile Exchange
	SGX Xtranet
South Africa	JSE Securities Exchange
	Bond Exchange of South Africa
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
	Taipei Exchange
Thailand	Stock Exchange of Thailand
Trinidad and Tobago	Trinidad and Tobago Stock Exchange
Turkey	Borsa Istanbul
United Arab Emirates	Abu Dhabi Securities Exchange
	Dubai Financial Market
Ukraine	PFTS Stock Exchange
Uruguay	Bolsa de Valores de Montevideo
Venezuela	Bolsa de Valores de Caracas
Vietnam	Hanoi Securities Trading Centre
	Ho Chi Minh Stock Exchange
Zambia	Lusaka Stock Exchange

(iii) any of the following markets:

1. the market organised by the International Capital Markets Association;
2. the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion" dated April 1988 (as amended from time to time);
3. the market in US government securities conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;
4. a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;
5. NASDAQ in the United States; and
6. the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
7. the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation));
8. the French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);
9. the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(iv) all derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

1. in an EU Member State;
2. in a Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein);
3. in the United States of America, on the:
 - Chicago Board of Trade;
 - Chicago Board Options Exchange;
 - Chicago Mercantile Exchange;
 - Eurex US;

- New York Futures Exchange;
 - New York Board of Trade;
 - New York Mercantile Exchange;
4. in China, on the Shanghai Futures Exchange;
 5. in Hong Kong on the Hong Kong Futures Exchange;
 6. in Japan on the:
 - Osaka Securities Exchange;
 - Tokyo International Financial Futures Exchange;
 - Tokyo Stock Exchange;
 7. in New Zealand, on the New Zealand Futures and Options Exchange;
 8. in Singapore on the Singapore Commodity Exchange.

Appendix C – Investment Management and Borrowing Powers of the Company

1. General Investment Powers

- 1.1 The property of the Company will be invested with the aim of achieving the investment objective of each Fund but subject to the limits on investment set out in Chapter 5 of the COLL Sourcebook (COLL 5.6) that are applicable to non-UCITS retail schemes. These limits apply to each Fund as summarised below.
- 1.2 The ACD's investment policy may mean that at times, where it is considered appropriate, the property of the Fund will not be fully invested and that prudent levels of liquidity will be maintained.

2. Prudent Spread of Risk

The ACD must ensure that, taking account of the investment objectives and policy of the Fund, the property of the Fund aims to provide a prudent spread of risk.

3. Treatment of Obligations

- 3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only if possible obligations arising out of the transaction or out of the retention would not cause the breach of any limits in Chapter 5 of the COLL Sourcebook, it must be assumed that the maximum possible liability of the authorised fund under any other of those rules has also to be provided for.
- 3.2 Where a rule in the COLL Sourcebook permits a transaction to be entered into or an investment to be retained only if that transaction, or the retention, or other similar transactions, are covered:
 - 3.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and
 - 3.2.2 no element of cover must be used more than once.

4. Non-UCITS Retail Schemes – Permitted Types of Scheme Property

- 4.1 The Scheme Property of the Fund must, subject to its investment objective and policy and except where otherwise provided in COLL 5, only consist of any or all of:
 - 4.1.1 transferable securities;
 - 4.1.2 money market instruments;
 - 4.1.3 deposits;
 - 4.1.4 units in collective investment schemes;
 - 4.1.5 derivatives and forward transactions;
 - 4.1.6 immovables; and
 - 4.1.7 gold up to 10% of Scheme Property.

- 4.2 The requirements on spread and investment in government and public securities do not apply during any period during which it is not reasonable to comply provided that the requirement to maintain prudent spread of risk is complied with.
- 4.3 It is not intended that the Fund will have a direct interest in any immovable property or tangible movable property.
- 4.4 In addition to the general restrictions set out above, the following limits apply to each Fund.

5. Transferable Securities

- 5.1 A transferable security is an investment which is any of the following:

- 5.1.1 a share;
 - 5.1.2 a debenture;
 - 5.1.3 an alternative debenture;
 - 5.1.4 a government and public security;
 - 5.1.5 a warrant; or
 - 5.1.6 a certificate representing certain securities.
- 5.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 5.3 In applying paragraph 5.2 to an investment which is issued by a body corporate, and which is a share or a debenture the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 5.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 5.5 No more than 5% of the value of the Scheme Property may be invested in warrants.
- 6. Transferable Securities and Money-Market Instruments Generally to be Admitted to or Dealt in on an Eligible Market**
- 6.1 Transferable securities held within the Fund must be (subject to paragraph 6.2):
- 6.1.1 admitted to or dealt on an eligible market (as described in paragraph 10); or
 - 6.1.2 recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue);
 - 6.1.3 be approved money-market instruments not admitted to or dealt in on an eligible market which satisfy the requirements for investment set out in paragraph 7.
- 6.2 Not more than 20% in value of the Scheme Property of a Portfolio is to consist of:
- 6.2.1 transferable securities, which are not within paragraph 6.1; or
 - 6.2.2 money market instruments which are liquid and have a value which can be determined accurately at any time.
- 7. Money Market Instruments with a Regulated Issuer**
- 7.1 A Fund may invest in money market instruments in accordance with the provisions of this Appendix.
- 7.2 In addition to instruments admitted to or dealt in on an eligible market the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 7.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 7.2.2 the instrument is issued or guaranteed in accordance with paragraph 8.
- 8. Issuers and Guarantors of Money-Market Instruments**
- 8.1 A Fund may invest in an approved money-market instrument if it is:
- 8.1.1 issued or guaranteed by any one of the following:

- 8.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - 8.1.1.2 a regional or local authority of an EEA State;
 - 8.1.1.3 the European Central Bank or a central bank of an EEA State;
 - 8.1.1.4 the European Union or the European Investment Bank;
 - 8.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - 8.1.1.6 a public international body to which one or more EEA States belong; or
 - 8.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
 - 8.1.3 issued or guaranteed by an establishment which is:
 - 8.1.3.1 subject to prudential supervision in accordance with criteria defined by European Union law; or
 - 8.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.
 - 8.2 An establishment shall be considered to satisfy the requirement in 8.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 8.2.1 it is located in the European Economic Area;
 - 8.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 8.2.3 it has at least investment grade rating;
 - 8.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Union law.
- 9. Appropriate Information for Money-Market Instruments**
- 9.1 In the case of an approved money-market instrument within paragraph 8.1.2 or which is issued by an authority within paragraph 8.1.1.2 or a public international body within paragraph 8.1.1.6 but is not guaranteed by a central authority within paragraph 8.1.1.1, the following information must be available:
 - 9.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 9.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 9.1.3 available and reliable statistics on the issue or the issuance programme.
 - 9.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 8.1.3, the following information must be available
 - 9.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument updates of that information on a regular basis and whenever a significant event occurs; and
 - 9.2.2 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
 - 9.3 In the case of an approved money-market instrument:

- 9.3.1 within paragraphs 8.1.1.1, 8.1.1.4 or 8.1.1.5; or
- 9.3.2 which is issued by an authority within paragraph 8.1.1.2 or a public international body within paragraph 8.1.1.6 and is guaranteed by a central authority within paragraph 8.1.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

10. Eligible Markets Requirements

- 10.1 A market is eligible for the purposes of the rules if it is:
 - 10.1.1 a regulated market; or
 - 10.1.2 a market in an EEA State which is regulated, operates regularly and is open to the public;
 - 10.1.3 any market within paragraph 10.2.
- 10.2 A market not falling within paragraph 10.1.1 or 10.1.2 is eligible for the purposes of the COLL Sourcebook if:
 - 10.2.1 the ACD, after consultation with and notification to the Depositary, decides that the market is appropriate for investment of, or dealing in, the Scheme Property;
 - 10.2.2 the market is included in a list in the Prospectus; and
 - 10.2.3 the Depositary has taken reasonable care to determine that:
 - 10.2.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 10.2.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 10.3 In paragraph 10.2.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 10.4 The eligible markets in which each Fund may invest are set out in Appendix B.
- 11. Spread: General**
- 11.1 This paragraph 11 on spread does not apply to government and public securities.
- 11.2 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- 11.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities or money market instruments issued by any single body subject to paragraph 34.
- 11.4 The limit of 10% in 11.3 is raised to 25% in value of the Scheme Property in respect of covered bonds.
- 11.5 In applying paragraph 11.3 certificates representing certain securities are treated as equivalent to the underlying security.
- 11.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property.
- 11.7 Not more than 35% in value of the Fund is to consist of the units of any one collective investment scheme.
- 11.8 For the purpose of calculating the limits in 11.6, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in 11.9.

- 11.9 The conditions referred to in 11.8 are that the collateral:
- 11.9.1 is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 11.9.2 is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 11.9.3 is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
 - 11.9.4 can be fully enforced by the Fund at any time.
- 11.10 For the purpose of calculating the limits in 11.6, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 11.10.1 comply with the conditions set out in section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to Directive 2000/12/EC; and
 - 11.10.2 are based on legally binding agreements.
- 11.11 In applying this section, all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 11.11.1 it is backed by an appropriate performance guarantee; and
 - 11.11.2 it is characterised by a daily mark-to-market valuation of the derivative positions and an at least daily margining.
- 11.12 For the purposes of this section, a single body is:
- 11.12.1 in relation to transferable securities and money market instruments, the person by whom they are issued; and
 - 11.12.2 in relation to deposits, the person with whom they are placed.

12. Spread: Government and Public Securities

- 12.1 The restrictions in paragraph 11 do not apply to Government and public securities ("such securities"). The restrictions in relation to such securities are set out below.
- 12.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 12.3 A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 12.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
 - 12.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
 - 12.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.
- 12.4 Barings Multi Asset Fund may in accordance with paragraph 12.3 invest more than 35% in value of its Scheme Property in the following in Government and public securities issued by, or on behalf of, or guaranteed by the Government of Austria, Belgium, Canada, Cayman Islands, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, Poland, Portugal, Singapore, Spain, Sweden, Turkey, United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), United States, the African Development Bank, Asian Development Bank, Central American Bank, Corp Andina de Fomento Council of Europe European Bank of Reconstruction & Development, Europe Coal & Steel European Community,

European Investment Bank, Eurofima, International Finance Corporation, Nordic Investment Bank, International American Development Bank and the International Bank for Reconstruction and Development (World Bank)

12.5 In relation to such securities:

12.5.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and

12.5.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

12.6 Notwithstanding paragraph 11.1 and subject to paragraphs 12.2 and 12.3, in applying the 20% limit in paragraph 11.12 with respect to a single body, government and public securities issued by that body shall be taken into account.

13. Investment in Collective Investment Schemes

13.1 The investment management and borrowing powers of the Company permits up to 100% of the Scheme Property of a Fund to be invested in units of collective investment schemes (a "Second Scheme") provided that the investment is permitted under paragraphs 13.2 to 13.5.

13.2 The Second Scheme is a scheme which:

13.2.1 complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

13.2.2 is a Non-UCITS Retail Scheme; or

13.2.3 is recognised under the provisions of section 264, 270 or 272 of the Financial Services and Markets Act 2000 (Schemes constituted in other EEA states, Schemes authorised in designated countries or territories and Individually Recognised Schemes);

13.2.4 is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or

13.2.5 is a scheme not falling within paragraphs 13.2.1 to 13.2.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

13.3 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk;

13.4 The Second Scheme is a scheme that is prohibited from having more than 15% in value of its scheme property consisting of units in collective investment schemes;

13.5 The participants in the Second Scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.

13.6 Where the Second Scheme is an umbrella, the provisions in paragraphs 13.3, 13.4 and 13.5 apply to each sub-fund as if it were a separate scheme, but no sub-fund of an umbrella scheme may invest in another sub-fund of that umbrella scheme.

13.7 A Fund may invest in units in collective investment schemes managed or operated by (or, if it is an open-ended investment company has as its authorised corporate director), the ACD or an associate of the ACD provided paragraph 13.8 is complied with.

13.8 A Fund must not invest in or dispose of units in a Second Scheme which is managed or operated by (or in the case of an open-ended investment company has as its authorised corporate director), the ACD, or an associate of the ACD, unless:

13.8.1 there is no charge in respect of the investment in or the disposal of units in the Second Scheme; or

13.8.2 the ACD is under a duty to pay to the Fund by the close of business on the third business

day next after the agreement to buy or to sell the amount referred to in paragraphs 13.8.3 and 13.8.4;

13.8.3 on investment, either:

13.8.3.1 any amount by which the consideration paid by the Fund for the units in the Second Scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or

13.8.3.2 if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the Second Scheme;

13.8.4 on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the Second Scheme or an associate of any of them in respect of the disposal.

13.9 In this paragraph:

13.9.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the Second Scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or SDRT provision, is to be treated as part of the price of the units and not as part of any charge; and

13.9.2 any switching charge made in respect of an exchange of units in one sub-fund or separate part of the Second Scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

13.10 The Scheme Property attributable to a Fund may include shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraph 13.11 below.

13.11 A Fund may invest in or dispose of shares of a Second Fund provided that:

13.11.1 the Second Fund does not hold shares in any other Fund of the Company;

13.11.2 the requirements set out at paragraph 13.8 are complied with.

14. Investment in Nil and Partly Paid Securities

A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in this Appendix.

15. Investment in Deposits

A Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

16. Leverage

16.1 Leverage when used in the Prospectus means the following sources of leverage can be used when managing a Fund:

16.1.1 Cash borrowing, subject to the restrictions set out in paragraph 29 ("Borrowing limits");

16.1.2 Financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to paragraphs 18 ("Derivatives general"), 19 ("Permitted transactions (derivatives and forwards)", 21 ("Transactions for the purchase of property"), 22 ("Requirements to cover sales"), 23 ("OTC transactions in Derivatives"), 25 ("Cover for transactions in derivatives and forward transactions") and 29 ("Borrowing limits").

16.2 The ACD is required to calculate and monitor the level of leverage of a Fund, expressed as a ratio

between the exposure of the Fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method.

16.3 Under the gross method, the exposure of a Fund is calculated as follows:

- 16.3.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
- 16.3.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- 16.3.3 derivative instruments are converted into the equivalent position in their underlying assets;
- 16.3.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- 16.3.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and,
- 16.3.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

16.4 Under the commitment method, the exposure of a Fund is calculated in the same way as under the gross method; however, where "hedging" offsets risk and "netting" eliminates risk, these values are not included.

16.5 Further information regarding these different leverage calculation methods can be found in the AIFMD or by writing to the ACD.

16.6 The maximum level of leverage which a Fund may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix A.

16.7 The total amount of leverage employed by a Fund will be disclosed in the Fund's annual report.

17. Use of Derivatives: General

Derivative transactions may be used for the purposes of EPM or meeting the investment objectives of a Fund or both. The use of these instruments may expose the Fund to volatile investment returns although it is the intention that use of these instruments should not increase the volatility of the Fund materially in excess of the situation where the Fund directly holds the underlying investments. The use of derivatives in this way is not expected to have a detrimental effect on the risk profile of the Fund.

18. Derivatives - General

18.1 A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 19 and is covered as set out in paragraph 25.

18.2 Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraphs 11 and 12 except for index based derivatives where paragraph 18.4 applies.

18.3 Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit set out in this Appendix.

18.4 Where the Fund invests in an index based derivative, provided the relevant index falls within paragraph 20 the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 11 and 12. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

19. Permitted Transactions (Derivatives and Forwards)

- 19.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 23.
- 19.2 A transaction in a derivative must have the underlying consisting of any or all of the following:
- 19.2.1 transferable securities permitted under paragraph 6.1;
 - 19.2.2 approved money market instruments;
 - 19.2.3 permitted deposits;
 - 19.2.4 permitted units in collective investment schemes;
 - 19.2.5 permitted derivatives and forward transactions;
 - 19.2.6 permitted immovables;
 - 19.2.7 gold;
 - 19.2.8 financial indices which satisfy the criteria set out in paragraph 20;
 - 19.2.9 interest rates;
 - 19.2.10 foreign exchange rates;
 - 19.2.11 currencies;

and the exposure to the underlying must not exceed the limits in paragraphs 11, 12 and 6.2.

- 19.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 19.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of this Prospectus.
- 19.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives.
- 19.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 19.7 The ACD must ensure compliance with paragraph 24.

20. Financial Indices Underlying Derivatives

- 20.1 The financial indices referred to in paragraph 19.2.8 are those which satisfy the following criteria:
- 20.1.1 the index is sufficiently diversified;
 - 20.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 20.1.3 the index is published in an appropriate manner.
- 20.2 A financial index is sufficiently diversified if:
- 20.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 20.2.2 where it is composed of assets in which the scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
 - 20.2.3 where it is composed of assets in which the scheme cannot invest, it is diversified in a way

which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

- 20.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 20.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 20.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 20.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 20.4 A financial index is published in an appropriate manner if:
- 20.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 20.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 20.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 19 be regarded as a combination of those underlyings.

21. Transactions for the Purchase of Property

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held for the account of the Company, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

22. Requirement to Cover Sales

No agreement by or on behalf of the Company to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Company at the time of the agreement. This requirement does not apply to a deposit.

23. OTC Transactions in Derivatives

- 23.1 Any transaction in an OTC derivative under paragraph 19.1 must be:
- 23.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
 - 23.1.2 on approved terms; the terms of the transaction in derivatives are approved only if the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and that it can enter into a further transaction to sell, liquidate or close out that transaction at any time, at its fair value; and
 - 23.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or, if that value is not available, on the

basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

23.1.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

23.2 For the purposes of paragraph 23.1.2, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

24. Risk Management

24.1 The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

24.2 Additional information on the risk management process can be obtained by writing to the ACD or the Investment Manager.

25. Cover for Transactions in Derivatives and Forward Transactions

A Fund may invest in derivatives and forward transactions as part of its investment policy provided its global exposure relating to derivatives and forward transactions held does not exceed the new value of the scheme property.

26. Continuing Nature of Limits and Requirements

26.1 The ACD must, (as frequently as necessary), re-calculate the amount of cover required in respect of derivatives and forward positions already in existence under this section.

26.2 Derivatives and rights under forward transactions may be retained in the Scheme Property only so long as they remain covered globally under paragraph 25.

27. Cash and Near Cash

27.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, this may reasonably be regarded as necessary in order to enable:

27.1.1 the pursuit of the Fund's investment objectives; or

27.1.2 redemption of shares; or

27.1.3 efficient management of the Fund in accordance with its investment objectives; or

27.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

27.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

28. General Power to Borrow

28.1 The Fund may, in accordance with this paragraph and paragraph 29, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the instrument constituting the Fund.

28.2 The Fund may borrow under paragraph 28.1 only from an Eligible Institution or an Approved Bank.

28.3 The Fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 28.1 and 28.2.

28.4 The intention to borrow will not form part of the investment objective of the Fund.

29. Borrowing Limits

29.1 The ACD must ensure that the Fund's borrowing does not, on any business day, exceed 10% of the value of the Scheme Property of the Fund.

29.2 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.

30. Restrictions on Lending of Money

30.1 None of the money in the Scheme Property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

30.2 Acquiring a debenture is not lending for the purposes of paragraph 30.1; nor is the placing of money on deposit or in a current account.

30.3 Paragraph 30.1 does not prevent the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

31. Restrictions on Lending of Property Other Than Money

31.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.

31.2 Transactions permitted by paragraph 35 are not lending for the purposes of paragraph 31.1.

31.3 Nothing in this paragraph prevents the Company or the Depositary at the request of the Company from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other of the provisions in the Appendix.

32. General Power to Accept or Underwrite Placings

32.1 Any power in Chapter 5 of the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

32.2 This section applies, subject to paragraph 32.3, to any agreement or understanding:

32.2.1 which is an underwriting or sub-underwriting agreement; or

32.2.2 which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

32.3 Paragraph 32.2 does not apply to:

32.3.1 an option; or

32.3.2 a purchase of a transferable security which confers a right:

(a) to subscribe for or acquire a transferable security; or

(b) to convert one transferable security into another.

32.3.3 The exposure of the Fund to agreements and understandings within paragraph 32.2 must, on any business day:

- (a) be covered in accordance with the requirements of rule 5.3.3R of the COLL Sourcebook; and
- (b) be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the COLL Sourcebook.

33. Guarantees and Indemnities

- 33.1 The Fund or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 33.2 None of the Scheme Property of the Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 33.3 Paragraphs 33.1 and 33.2 do not apply in respect of the Fund to:
- 33.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA rules;
 - 33.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the Treasury Regulations;
 - 33.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the Treasury Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
 - 33.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first shareholders in the Fund.

34. Schemes Replicating an Index

- 34.1 A Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the aim of the investment policy of the Fund as stated in its most recently published prospectus is to replicate the performance or composition of an index within 34.2.
- 34.2 The index must:
- 34.2.1 have a sufficiently diversified composition;
 - 34.2.2 be a representative benchmark for the market to which it refers; and
 - 34.2.3 be published in an appropriate manner.
 - 34.2.4 The limit in 34.1 may be raised for a particular scheme up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

35. Stock Lending

- 35.1 As an extension of efficient portfolio management techniques explained above, the Company or the Depositary at the request of the Company, may enter into certain stock lending arrangements or repo contracts.
- 35.2 Any stocklending arrangements or repo entered into must be of the kind described in section 263 B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263 C), but only if:
- 35.2.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;

- 35.2.2 the counterparty is:
 - 35.2.2.1 an authorised person; or
 - 35.2.2.2 a person authorised by a Home State regulator; or
 - 35.2.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - 35.2.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and
- 35.2.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in 36.3.1 and the collateral is:
 - 35.2.3.1 acceptable to the Depositary;
 - 35.2.3.2 adequate; and
 - 35.2.3.3 sufficiently immediate.
- 35.3 The counterparty for the purpose of paragraph 35.2 is the person who is obliged under the agreement referred to in paragraph 35.2.1 to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.
- 35.4 Paragraph 35.2.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 35.5 There is no limit on the value of the scheme property which may be the subject of stocklending transactions.
- 36. Treatment of Collateral**
- 36.1 Collateral is adequate for the purposes of this paragraph only if it is:
 - 36.1.1 transferred to the Depositary or its agent;
 - 36.1.2 at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary; and
 - 36.1.3 in the form of one or more of:
 - 36.1.3.1 cash; or
 - 36.1.3.2 a certificate of deposit; or
 - 36.1.3.3 a letter of credit; or
 - 36.1.3.4 a readily realisable security; or
 - 36.1.3.5 commercial paper with no embedded derivative content; or
 - 36.1.3.6 a qualifying money market fund.
- 36.2 Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 13.7 must be complied with.

- 36.3 Collateral is sufficiently immediate for the purposes of this paragraph if:
- 36.3.1 it is transferred before or at the time of the transfer of the securities by the Depositary; or
 - 36.3.2 the Depositary takes reasonable care to determine at the time referred to in paragraph 36.3.1 that it will be transferred at the latest by the close of business on the day of the transfer.
- 36.4 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.
- 36.5 The duty in paragraph 36.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 36.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the authorised fund.
- 36.7 Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the rules in the COLL Sourcebook, except in the following respects:
- 36.7.1 it does not fall to be included in any calculation of Net Asset Value or this Appendix, because it is offset under paragraph 36.6 by an obligation to transfer; and
 - 36.7.2 it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.
- 36.8 Paragraphs 36.6 and 36.7.1 not apply to any valuation of collateral itself for the purposes of this paragraph.

Appendix D – Historic Performance

The following details the past performance of the Funds. The past performance is shown in two formats.

- 1) Discrete annual performance over the last five years (or since the Fund's inception), including annual charges, but not entry or exit charges, shown as a percentage, on a NAV per share basis with net revenue reinvested.
- 2) Cumulative returns invested over five years (or since the Fund's inception) taking account of all charges, on a NAV per share basis with net revenue reinvested.

Warning: The information shown below is not a guide to how the Fund will perform in future. You may get back less money than you invest.

Barings Multi Asset Fund - Class A GBP Acc (Launched 20 March 2009)

Discrete annual performance

%	31/07/19 – 31/07/20	31/07/18 – 31/07/19	31/07/17 – 31/07/18	31/07/16 – 31/07/17	31/07/15 – 31/07/16
Barings Multi Asset Fund	-5.95	-1.40	2.64	12.19	-5.12
Performance target (UK RPI)	2.00	3.01	3.70	2.51	1.14

Cumulative returns to 31/07/2020

%	1 year	2 years	3 years	4 years	5 years
Barings Multi Asset Fund	-5.95	-4.44	-1.09	6.42	7.77
Performance target (UK RPI)	2.00	4.99	8.83	11.89	13.31

Fund launched 20 March 2009

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 shares.

Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed.

Source: Barings / Morningstar, as at 31 July 2020.

For more up-to-date performance, please refer to www.barings.com.

The value of any investments and any income generated may go down as well as up and is not guaranteed. Quoted yields are not guaranteed. We reasonably believe that the information contained herein from 3rd party sources, as quoted, is accurate as at the date of publication. Actual results could differ materially from those anticipated in the forward-looking statements. The information in this document does not constitute investment, tax, legal or other advice or recommendation or, an offer to sell or an invitation to apply for any product or service of Barings.

Appendix E – Valuation of Scheme Property

1. All the scheme property (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - 2.1 units or shares in a collective investment scheme:
 - 2.1.1. if a single price for buying and redeeming units or shares is quoted, at that price; or
 - 2.1.2. if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - 2.1.3. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares at a value which, in the opinion of the ACD, is fair and reasonable;
 - 2.2 exchange-traded derivative contracts:
 - 2.2.1. if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - 2.2.2. if separate buying and selling prices are quoted, at the average of the two prices;
 - 2.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
 - 2.4 any other investments:
 - 2.4.1. if a single price for buying and redeeming the security is quoted, at that price; or
 - 2.4.2. if separate buying and redemption prices are quoted, at the average of the two prices; or
 - 2.4.3. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares at a value which in the opinion of the ACD, is fair and reasonable;
 - 2.5 property other than that described in 2.1 to 2.4 above: at a value which, in the opinion of the ACD, is fair and reasonable.
3. Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
4. In determining the value of the property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any foreign taxes or duties.
9. Deduct an estimated amount for any liabilities payable out of the property and any tax thereon treating periodic items as accruing from day to day.
10. Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
12. Add any other credits or amounts due to be paid into the property.
13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

14. Currencies or values in currencies other than Sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.
15. Notwithstanding the foregoing the ACD may, in the event it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the above provisions of this Part 3, use other generally recognised valuation principles in order to reach a proper valuation of the total assets of the Company.

In the absence of bad faith, negligence or manifest error, every decision taken by the ACD or its delegate in calculating the Net Asset Value shall be final and binding on the Company and present, past and future holders of shares.

Address:

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Important information:

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

Disclosure:

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The logo for Barings, featuring the word "BARINGS" in a bold, blue, sans-serif font. A horizontal line is positioned below the text, with a green-to-blue gradient that tapers off to the right.