



# Annual Report & Audited Financial Statements

for the year ended 30 April 2010

The Baring  
International Umbrella  
Fund



|  |     |
|--|-----|
| Management and Administration  | 1   |
| Introduction   | 2   |
| Independent Auditors' Report   | 3   |
| Statement of Managers' Responsibilities  | 5   |
| Report of the Trustee to the Unitholders   | 5   |
| This section includes the following:   |     |
| Investment Manager's Report (Unaudited), Highest Issue and Lowest Redemption Prices, Statement of Movements in Portfolio Holdings, Significant Portfolio Movements (Unaudited), Portfolio Statement, Balance Sheet, Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units and Profit and Loss Account |     |
| Baring ASEAN Frontiers Fund  | 7   |
| Baring Asia Growth Fund  | 16  |
| Baring Australia Fund  | 25  |
| Baring Europa Fund   | 33  |
| Baring Hong Kong China Fund  | 43  |
| Baring International Bond Fund   | 52  |
| Baring Japan Fund (terminated 27 July 2009)  | 61  |
| Baring North America Fund  | 67  |
| Managers' Statement  | 76  |
| Notes to the Financial Statements  | 77  |
| Information for Investors in Switzerland - (Unaudited) including Total Expense Rate and Portfolio Turnover Rate  | 100 |
| Information for Investors in Germany - (Unaudited)   | 104 |
| General Information – (Unaudited)  | 105 |

## Management and Administration

### Managers

Baring International Fund Managers (Ireland) Limited  
Registered Office  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### Investment Manager

Baring Asset Management Limited  
155 Bishopsgate  
London EC2M 3XY  
United Kingdom

### Trustee

Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### Administrator and Registrar

Northern Trust International Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### Independent Auditors

PricewaterhouseCoopers  
Chartered Accountants & Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Directors of the Managers

Richard Bellis  
Anthony Cooney\*  
John Misselbrook (appointed 14 October 2009)  
Ian Pascal  
Paul Savage (resigned 16 September 2009)  
Mark Thorne\*

### Sponsoring Broker

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Legal Advisors

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

\*Non-executive directors independent of the Investment Manager

## Introduction

The Baring International Umbrella Fund (the “Trust”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited, (the “Managers”). The Trust was established pursuant to a trust deed dated 22 November, 1990 (as supplemented or amended from time to time), (the “Trust Deed”) made between the Managers and Northern Trust Fiduciary Services (Ireland) Limited as trustee, (the “Trustee”) and authorised by the Financial Regulator pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). The Trust received UCITS III status on 20 December 2006. It has been authorised by the Securities and Futures Commission in Hong Kong.

The Trust is organised in the form of an umbrella fund. The Trust Deed provides that the Trust may offer separate series of Unit each representing interest in a Fund comprised of a distinct portfolio of investments. A separate trust fund (a “Fund”) is maintained for each series of Units and is invested in accordance with the investment objective applicable to such Fund to date. Each Fund may create more than one class of Units in relation to a Fund and these separate classes of Units may be denominated in different currencies. A Unit represents a beneficial interest in a Fund (a “Unit”).

Units are available in the following Funds and in the following denominations and classes:-

| Fund  | Functional Currency | Unit Denominations     | Fund Launch Date             |
|---|---------------------|------------------------|------------------------------|
| <b>Baring ASEAN Frontiers Fund (formerly Baring Pacific Fund)</b> |                     |                        |                              |
| Class A   | US\$                | US\$, £ and Euro       | October 1978 (Class A US\$)  |
| Class I   | US\$                | US\$, £ and Euro       | Not yet launched             |
| <b>Baring Asia Growth Fund</b>                                    |                     |                        |                              |
| Class A   | US\$                | US\$, £ and Euro       | February 1987 (Class A US\$) |
| Class I   | US\$                | US\$, £ and Euro       | Not yet launched             |
| <b>Baring Australia Fund</b>                                      |                     |                        |                              |
| Class A   | US\$                | US\$, £, AU\$ and Euro | December 1981 (Class A US\$) |
| Class I   | US\$                | US\$, £, AU\$ and Euro | Not yet launched             |
| <b>Baring Europa Fund</b>   |                     |                        |                              |
| Class A   | US\$                | US\$ and Euro          | April 1987 (Class A US\$)    |
| Class C   | US\$                | US\$ and Euro          | January 2008                 |
| Class I   | US\$                | US\$ and Euro          | Not yet launched             |
| <b>Baring Hong Kong China Fund</b>                                |                     |                        |                              |
| Class A   | US\$                | US\$, £ and Euro       | December 1982 (Class A US\$) |
| Class C   | US\$                | US\$ and Euro          | January 2008                 |
| Class I   | US\$                | US\$, £ and Euro       | Not yet launched             |
| <b>Baring International Bond Fund</b>                             |                     |                        |                              |
| Class A   | US\$                | US\$, £ and Euro       | July 1978 (Class A US\$)     |
| Class I   | US\$                | US\$, £ and Euro       | Not yet launched             |
| <b>Baring Japan Fund*</b>   |                     |                        |                              |
| Class A   | US\$                | US\$ and Euro          | March 1976 (Class A US\$)    |
| Class I   | US\$                | US\$ and Euro          | Not yet launched             |
| <b>Baring North America Fund</b>                                  |                     |                        |                              |
| Class A   | US\$                | US\$, £ and Euro       | November 1957 (Class A US\$) |
| Class I   | US\$                | US\$, £ and Euro       | Not yet launched             |

\*The Baring Japan Fund terminated on 27 July 2009

## Independent Auditors' Report to the Unitholders of The Baring International Umbrella Fund (the "Trust")

We have audited the Trust's financial statements for the year ended 30 April 2010 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units, the Portfolio Statements and the related notes. These financial statements have been prepared under the accounting policies as set out in note 1. As further explained in note 1, Baring Japan Fund terminated during the year and therefore the financial statements in respect of this Fund have been prepared on a termination basis.

### Respective Responsibilities of the Managers and the Auditors

The Managers' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Managers' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Trust's Unitholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to whether proper books of account have been kept by the Managers for the Trust.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Managers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Independent Auditors' Report to the Unitholders of The Baring International Umbrella Fund (the "Trust") (continued)

### Opinion

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Trust's affairs at 30 April 2010 and of its results for the year then ended; and have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Managers for the Trust. The Trust's financial statements are in agreement with the books of account.

**PricewaterhouseCoopers,**

Chartered Accountants and Registered Auditors, Dublin

30 July 2010

## Statement of Managers' Responsibilities

The Managers are required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended), (the "UCITS Regulations") to prepare financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting principles to give a true and fair view of the state of affairs of the Trust at the year end and of the results and movements for the year then ended. In preparing these financial statements, the Managers

- select and consistently applies suitable accounting policies;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The financial statements must comply with the disclosure requirements of the UCITS Regulations (as amended). The Managers are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Trust Deed and the UCITS Regulations (as amended) and the provisions of the Hong Kong Code on Units Trusts and Mutual Funds. The Managers are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the Trustee to the Unitholders for the year ended 30 April 2010

We have enquired into the conduct of the Managers in respect of the Baring International Umbrella Fund ('the Trust') for the year ended 30 April 2010, in our capacity as Trustee to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust as a body, in accordance with the Financial Regulator's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Trustee

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Trust in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the UCITS Regulations. It is the overall responsibility of the Managers to comply with these provisions. If the Managers have not so complied, we as Trustee must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Trustee Opinion

The Trustee conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Trust has been managed, (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

## Report of the Trustee to the Unitholders for the year ended 30 April 2010 (continued)

### Opinion

In our opinion, The Baring International Umbrella Fund has been managed during the year, in all material respects:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Managers and Trustee by the Trust Deed and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

### **Northern Trust Fiduciary Services (Ireland) Limited,**

Georges Court, 54-62 Townsend Street,

Dublin 2

30 July 2010

## Baring ASEAN Frontiers Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

|                             | Net asset value as at 30/04/2010 (US\$ per unit) | Net asset value as at 30/04/2009 (US\$ per unit) | Net asset value % change |
|-----------------------------|--|--|--------------------------|
| Income units - (US\$ Class) | 138.75   | 78.95  | 75.74                    |

### Performance Record to 30 April 2010

| Calculated in US\$                             | 01/05/2009 - 30/04/2010<br>% | 01/08/2008 - 30/04/2009<br>% | 01/05/2008 - 31/07/2008<br>% | 01/05/2007 - 30/04/2008<br>% | 01/05/2006 - 30/04/2007<br>% |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Baring ASEAN Frontiers Fund - (Class A US\$)** | 78.49                        | (34.27)                      | (14.4)                       | 14.83                        | 13.55                        |
| MSCI All Countries Asia Pacific Index*         | N/A                          | N/A                          | (11.22)                      | 4.97                         | 8.90                         |
| MSCI South East Asia Total Net Return Index*   | 70.00                        | (31.23)                      | N/A                          | N/A                          | N/A                          |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

\* The comparative index changed from MSCI All Countries Asia Pacific Index to MSCI South East Asia Total Net Return Index on 1 August 2008.

\*\* Effective 1 August 2008, the name of the Baring Pacific Fund was changed to the Baring ASEAN Frontiers Fund and the investment objective has also changed. The performance data prior to 1 August 2008 should be disregarded when considering how the fund has previously performed.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

### Investment Objective and Policy

The objective of the manager for the Baring ASEAN Frontiers Fund is to achieve long-term capital growth in the value of assets by investing in companies in Asia which the Managers believe will benefit from the economic growth and development of the region. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in countries which are members of the Association of South-East Asian Nations (ASEAN), or in companies exercising the predominant part of their economic activity in those countries. The members of ASEAN include Singapore, Thailand, the Philippines, Malaysia, Indonesia and Vietnam. Please refer to the Prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

The Baring ASEAN Frontiers Fund is invested primarily in the South East Asian equity markets, using a “bottom up” investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a “Growth at a Reasonable Price”, or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Invest Manager of the Umbrella Fund. In turn, BAML has appointed Baring Asset Management (Asia) Limited as sub-Investment Manager to the Baring ASEAN Frontiers Fund.

The manager of the Baring ASEAN Frontiers Fund is Mr Soo-Hai Lim. Soo-Hai has eleven years of investment experience and has specific responsibility for research and investing in the Australian and New Zealand markets. He is also responsible for our research into the smaller markets of South East Asia. Soo-Hai is a CFA Charterholder and graduated from Nanyang Technological University in Singapore in 1994 with a First Class Honours degree in Accountancy.

## Risk Profile

The Baring ASEAN Frontiers Fund is invested primarily in equities listed in countries which are members of the Association of South-East Asian Nations (ASEAN) and as such is exposed to the volatility that can characterise equity share prices from time-to-time. Many of these countries are emerging equity markets, and as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets. In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors. Please see the Prospectus for the full risk profile.

## Key Changes Since the Last Report

The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

Market valuations are fairly attractive in the region with earnings growth continuing to surprise on the upside, particularly from Indonesia where growth is secular and thus more sustainable. Our core holdings are stocks with dominant market position in industries that are underpenetrated and have solid long term growth prospects. We remain overweight Indonesia as we see GDP growth to be superior the other Asean markets on a sustained basis. We have also increased exposure to Sri Lanka where we believe the cessation of the civil war last year will unleash the country’s potential and create a conducive environment for corporate earnings. The Fund is also overweight Industrials particularly in Singapore, where the sector will benefit from a recovery in global oil & gas capital expenditure spending as well as a revival in tourism due to the opening of the two massive integrated resorts.

The Fund outperformed the benchmark in the period under review due mainly to strong stock selection. Asset allocation benefited from overweighting Indonesia and underweighting Malaysia. Stock selection was particularly strong in Singapore, Indonesia and Philippines.

## Review of the Market

Buoyed by aggressive fiscal and monetary stimuli both domestically and globally, the Asean markets bottomed in March 2009 and staged a massive rally all the way till April 2010. Indonesia led the charge after the re-election of the President into his second term with a stronger mandate gave optimism that the reform process would continue. Also, Indonesia proved its economic resilience with a 4.5% GDP growth in 2009. Thailand likewise regained favour due to a more stable political environment and attractive valuations. Malaysia lagged as a result of its outperformance in 2008 and perceived defensive status. Overall, the ASEAN region outperformed the broader pan Asian region.

## Market Outlook

The period under review was ideal for stock market performance – extremely supportive fiscal and monetary policies coupled with depressed valuations. With the economic recovery gaining traction, delivery of earnings growth should continue to help sustain the gains going forward. Valuations are not demanding in the context of strong earnings recovery. At the time of writing, the rising headwinds from European sovereign debt concerns and Chinese policy tightening measures are a risk to a favourable market outlook. While policy makers in ASEAN generally have also embarked on tightening, the moves are likely to be more measured and gradual, and hence less of a headwind for these markets. The strong domestic ASEAN economies coupled with the global economic recovery will provide a favourable backdrop for robust corporate earnings. Local political development will be one important differentiator for individual market performance within ASEAN. The 2010 political calendar has a busy schedule with elections to be held in the in Philippines and potentially Thailand and Singapore. Meanwhile, the resignation of Indonesia's respected Finance Minister is a short term set back but investor concerns can be allayed should a credible reformer be appointed.

## Portfolio Information

| Top Ten                      | % of NAV |
|------------------------------|----------|
| United Overseas Bank         | 6.02     |
| DBS Group Holdings           | 4.93     |
| Baring China A-Share Fund    | 4.35     |
| CIMB Group Holdings          | 3.32     |
| Astra International          | 3.09     |
| Keppel                       | 2.74     |
| PTT                          | 2.46     |
| Sembcorp Marine              | 2.34     |
| Singapore Telecommunications | 2.29     |
| Bangkok Bank                 | 2.26     |

Baring Asset Management Limited

May 2010

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 140.30        | 143.79        | 168.82        | 124.43        | 109.57        | 80.96         | 75.58         | 60.67         | 69.23         |
| Class A - €    | 105.33        | 92.31         | 117.16        | 92.36         | 88.88         | 60.84         | 63.10         | 66.21         | 80.08         |
| Class A - £    | 91.64         | 60.41         | -             | -             | -             | -             | -             | -             | -             |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 77.68         | 58.51         | 121.14        | 89.58         | 72.81         | 61.46         | 43.95         | 42.05         | 49.03         |
| Class A - €    | 58.36         | 46.24         | 80.40         | 71.19         | 57.62         | 51.13         | 38.72         | 38.24         | 53.17         |
| Class A - £    | 52.04         | 38.28         | -             | -             | -             | -             | -             | -             | -             |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Australia                      | 0.34                    | -                       | 10.71                   | 11.85                   |
| Bermuda                        | 1.87                    | -                       | -                       | -                       |
| Canada                         | -                       | -                       | 0.48                    | -                       |
| Cayman Islands                 | 0.86                    | 1.54                    | -                       | -                       |
| China                          | -                       | 0.41                    | 10.99                   | -                       |
| Hong Kong                      | -                       | -                       | 11.31                   | 28.21                   |
| India                          | 0.62                    | 1.30                    | 1.92                    | 1.01                    |
| Indonesia                      | 22.15                   | 16.82                   | 0.49                    | 3.88                    |
| Japan                          | -                       | -                       | 30.84                   | 22.03                   |
| Jersey, C.I                    | 1.80                    | 1.17                    | -                       | -                       |
| Malaysia                       | 12.10                   | 17.99                   | 2.53                    | 7.18                    |
| Mauritius                      | 1.22                    | -                       | -                       | -                       |
| Philippines                    | 3.38                    | 3.96                    | 2.46                    | -                       |
| Singapore                      | 35.88                   | 43.52                   | 6.22                    | 7.58                    |
| South Korea                    | -                       | -                       | 6.01                    | 10.06                   |
| Sri Lanka                      | 1.00                    | -                       | -                       | -                       |
| Switzerland                    | -                       | -                       | 2.65                    | -                       |
| Taiwan                         | -                       | -                       | 9.65                    | 4.69                    |
| Thailand                       | 12.61                   | 8.63                    | 1.58                    | -                       |
| Collective Investment Schemes  | 4.35                    | 2.25                    | 1.42                    | -                       |
| <b>Total Investments</b>       | <b>98.18</b>            | <b>97.59</b>            | <b>99.26</b>            | <b>96.49</b>            |
| Cash                           | 2.50                    | 2.38                    | (0.03)                  | (0.48)                  |
| Other Net (Liabilities)/Assets | (0.68)                  | 0.03                    | 0.77                    | 3.99                    |
| <b>Total Net Assets</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each geographic location. The movement in each countries position between years has to be inferred.

## Significant Portfolio Movements – (Unaudited)

| <b>Purchases</b>             | <b>Cost</b>     | <b>Sales</b>                         | <b>Proceeds</b> |
|------------------------------|-----------------|--------------------------------------|-----------------|
|                              | <b>US\$'000</b> |                                      | <b>US\$'000</b> |
| Indofood Agri Resources      | 4,035           | Telekomunikasi Indonesia             | 4,968           |
| Keppel                       | 3,828           | Overseas Chinese Banking Corporation | 4,967           |
| Noble Group                  | 3,612           | Singapore Telecommunications         | 4,905           |
| Genting Berhad               | 3,605           | Genting Berhad                       | 4,227           |
| Sembcorp Marine              | 3,231           | Singapore Press Holdings             | 3,973           |
| Maxis                        | 3,043           | Public Bank                          | 3,410           |
| United Overseas Bank         | 2,935           | Maxis                                | 3,173           |
| AirAsia                      | 2,845           | Baring China Select Fund             | 3,092           |
| Kasikornbank                 | 2,771           | Genting Singapore                    | 2,998           |
| Genting Singapore            | 2,546           | Keppel                               | 2,892           |
| Golden Agri-Resources        | 2,499           | Singapore Exchange                   | 2,881           |
| Public Bank                  | 2,302           | Singapore Airlines                   | 2,699           |
| Semen                        | 2,282           | Indofood Agri Resources              | 2,642           |
| Jardine Cycle & Carriage     | 2,269           | Bumi Resources                       | 2,545           |
| Singapore Telecommunications | 2,263           | Indo Tambangraya Megah               | 2,479           |
| Malayan Banking              | 2,214           | IOI BHD                              | 2,373           |
| Top Glove                    | 2,188           | Megaworld                            | 2,252           |
| Neptune Orient               | 2,156           | Malayan Banking                      | 2,232           |
| Bumi Resources               | 2,085           | Capitaland                           | 2,224           |
| Capitaland                   | 2,051           | Mphasis                              | 2,016           |

## Portfolio Statement

As at 30 April 2010

| Financial assets at fair value through profit or loss |                             |   |                 |                 |            |      |
|---|-----------------------------|---|-----------------|-----------------|------------|------|
| Country of Incorporation                              | Equities & Convertibles     | Currency  | Nominal Holding | Fair value US\$ | % of NAV   |      |
| Australia   | Pan Australian Resources    | AUD   | 1,374,392       | 652,225         | 0.34       |      |
| Bermuda   | Noble Group                 | SGD   | 1,613,000       | 3,572,915       | 1.87       |      |
| Cayman Island   | Green Dragon Gas            | USD   | 240,000         | 1,644,000       | 0.86       |      |
| India   | HCL Technologies            | INR   | 134,470         | 1,189,968       | 0.62       |      |
| Indonesia   | Astra Agro Lestari          | IDR   | 408,500         | 1,006,068       | 0.53       |      |
|   | Astra International         | IDR   | 1,130,500       | 5,894,553       | 3.09       |      |
|   | Bank Central Asia           | IDR   | 6,101,500       | 3,689,059       | 1.93       |      |
|   | Bank Mandiri                | IDR   | 5,159,000       | 3,290,909       | 1.73       |      |
|   | Bank Pan Indonesia          | IDR   | 14,383,500      | 1,994,606       | 1.05       |      |
|   | Bank Rakyat Indonesia       | IDR   | 3,982,500       | 3,954,224       | 2.07       |      |
|   | Bank Tabungan Negara        | IDR   | 8,206,500       | 1,402,042       | 0.74       |      |
|   | Delta Dunia Makmur          | IDR   | 7,638,500       | 881,300         | 0.46       |      |
|   | Hexindo Adiperkasa          | IDR   | 2,638,000       | 1,390,115       | 0.73       |      |
|   | Indo Tambangraya Megah      | IDR   | 381,000         | 1,650,549       | 0.87       |      |
|   | Indocement Tunggul Prakarsa | IDR   | 1,094,000       | 1,917,594       | 1.01       |      |
|   | Perusahaan Gas Negara       | IDR   | 9,315,500       | 4,211,300       | 2.21       |      |
|   | Semen Gresik                | IDR   | 2,765,500       | 2,515,764       | 1.32       |      |
|   | Summarecon Agung            | IDR   | 31,698,832      | 3,411,123       | 1.79       |      |
|   | Tambang Batubara Bukit Asam | IDR   | 1,476,000       | 3,037,475       | 1.59       |      |
|   | United Tractors             | IDR   | 912,500         | 1,968,951       | 42,215,632 | 1.03 |
|   | Jersey, C.I.                | JP Morgan International Derivatives - Petro Vietnam | USD             | 186,220         | 541,900    | 0.29 |
| JP Morgan International Derivatives - Vietnam Dairy   |                             | USD   | 274,740         | 1,354,468       | 0.71       |      |
| JP Morgan International Derivatives - Warrants        |                             | USD   | 274,740         | 1,354,468       | 0.71       |      |
| JP Morgan International Structure - Petro Vietnam     |                             | USD   | 62,073          | 180,632         | 3,431,468  | 0.09 |
| Malaysia  | Adventa                     | MYR   | 859,400         | 917,557         | 0.48       |      |
|   | AirAsia                     | MYR   | 6,540,000       | 2,772,492       | 1.45       |      |
|   | CIMB Group Holdings         | MYR   | 1,425,000       | 6,336,317       | 3.32       |      |
|   | Gamuda                      | MYR   | 1,961,600       | 1,829,472       | 0.96       |      |
|   | Gamuda Rights               | MYR   | 245,200         | 16,170          | 0.01       |      |
|   | IJM                         | MYR   | 2,014,860       | 3,119,253       | 1.64       |      |
|   | JCY International           | MYR   | 3,868,200       | 2,307,923       | 1.21       |      |
|   | Malaysia Airports Holdings  | MYR   | 854,100         | 1,327,617       | 0.70       |      |
|   | Top Glove                   | MYR   | 617,700         | 2,447,911       | 1.28       |      |
| WCT Berhad  | MYR                         | 2,161,600   | 1,995,636       | 23,070,348      | 1.05       |      |
| Mauritius   | Golden Agri-Resources       | SGD   | 5,395,000       | 2,326,961       | 1.22       |      |
| Philippines   | Alliance Global             | PHP   | 19,070,000      | 2,401,979       | 1.26       |      |
|   | Ayala                       | PHP   | 148,760         | 1,137,616       | 0.60       |      |
|   | Metropolitan Bank & Trust   | PHP   | 1,751,800       | 2,068,590       | 1.08       |      |
|   | Vista Land & Lifescapes     | PHP   | 19,746,000      | 834,964         | 6,443,149  | 0.44 |
| Singapore   | Allgreen Properties         | SGD   | 1,899,000       | 1,763,089       | 0.92       |      |
|   | Capitaland                  | SGD   | 1,114,000       | 3,062,095       | 1.61       |      |
|   | City Developments           | SGD   | 376,000         | 2,930,156       | 1.55       |      |
|   | DBS Group Holdings          | SGD   | 840,000         | 9,395,424       | 4.93       |      |
|   | Ezra Holdings               | SGD   | 1,021,000       | 1,559,975       | 0.82       |      |
|   | Indofood Agri Resources     | SGD   | 2,209,000       | 3,875,722       | 2.03       |      |
|   | Jardine Cycle & Carriage    | SGD   | 114,000         | 2,540,186       | 1.33       |      |
|   | Keppel                      | SGD   | 728,000         | 5,231,552       | 2.74       |      |
|   | Keppel Land                 | SGD   | 650,000         | 1,781,929       | 0.93       |      |
|   | Neptune Orient              | SGD   | 1,233,000       | 1,974,026       | 1.04       |      |

## Portfolio Statement (continued)

As at 30 April 2010

| Financial assets at fair value through profit or loss                             |                                      |          |                 |                    |               |
|---|--------------------------------------|----------|-----------------|--------------------|---------------|
| Country of Incorporation  | Equities & Convertibles              | Currency | Nominal Holding | Fair value US\$    | % of NAV      |
| Singapore<br>(continued)  | Olam International                   | SGD      | 1,575,000       | 3,016,667          | 1.58          |
|   | Sembcorp Marine                      | SGD      | 1,434,000       | 4,465,853          | 2.34          |
|   | SIA Engineering                      | SGD      | 792,000         | 2,136,472          | 1.12          |
|   | Singapore Airport                    | SGD      | 1,124,790       | 2,318,816          | 1.22          |
|   | Singapore Telecommunications SMRT    | SGD      | 1,968,000       | 4,373,653          | 2.29          |
|   | United Overseas Bank                 | SGD      | 1,460,000       | 2,433,511          | 1.28          |
|   | Wilmar International                 | SGD      | 774,000         | 11,486,366         | 6.02          |
|   |                                      |          |                 | 802,000            | 4,080,649     |
| Sri Lanka   | John Keells Holdings                 | LKR      | 1,180,200       | 1,916,077          | 1.00          |
| Thailand  | Bangkok Bank                         | THB      | 1,170,300       | 4,304,302          | 2.26          |
|   | Banpu                                | THB      | 59,200          | 1,185,647          | 0.62          |
|   | Home Product Center                  | THB      | 6,353,600       | 1,060,406          | 0.56          |
|   | Kasikornbank                         | THB      | 859,200         | 2,489,569          | 1.31          |
|   | Krung Thai Bank                      | THB      | 4,562,100       | 1,804,817          | 0.95          |
|   | LPN Development                      | THB      | 5,707,400       | 1,146,596          | 0.60          |
|   | PTT                                  | THB      | 592,700         | 4,689,575          | 2.46          |
|   | PTT Exploration & Production         | THB      | 314,200         | 1,471,219          | 0.77          |
|   | Quality Houses                       | THB      | 16,973,900      | 1,112,183          | 0.58          |
|   | Siam Commercial Bank                 | THB      | 812,000         | 2,051,646          | 1.08          |
|   | Sino Thai Engineering & Construction | THB      | 7,049,500       | 1,132,975          | 0.59          |
|   | Thai Oil                             | THB      | 1,086,400       | 1,578,142          | 24,027,077    |
| <b>Collective Investment Scheme</b>   |                                      |          |                 |                    |               |
| Ireland   | Baring China A-Share Fund            | USD      | 910,000         | 8,299,200          | 4.35          |
| <b>Total Investments at fair value through profit or loss</b>                     |                                      |          |                 | 187,215,161        | 98.18         |
| Cash  |                                      |          |                 | 4,760,632          | 2.50          |
| Other Net Liabilities   |                                      |          |                 | (1,288,937)        | (0.68)        |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |                                      |          |                 | <b>190,686,856</b> | <b>100.00</b> |

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

| Portfolio Classification | % of Total Asset Value |
|--------------------------|------------------------|
| Transferable securities  | 100.00                 |
|                          | <b>100.00</b>          |

## Balance Sheet

As at 30 April 2010

|  |                | Baring ASEAN<br>Frontiers Fund<br>30/04/2010 | Baring ASEAN<br>Frontiers Fund<br>30/04/2009 |
|--|----------------|--|--|
|  | Notes          | US\$   | US\$   |
| <b>Assets</b>  |                |  |  |
| Financial assets at fair value through profit or loss  | 1              | 187,215,161                                  | 87,361,230                                   |
| Receivable for securities sold   | 1              | -  | 859,395                                      |
| Receivable for units sold  | 1              | 703,759                                      | -  |
| Dividends and interest receivable  | 1              | 147,898                                      | 428,698                                      |
| Other assets   |                | 428,372                                      | 2,925  |
| Cash   | 1              | 4,760,632                                    | 2,127,120                                    |
| <b>Total Current Assets</b>  |                | <b>193,255,822</b>                           | <b>90,779,368</b>                            |
| <b>Liabilities</b>   |                |  |  |
| Management fee payable   | 2              | 186,953                                      | 78,831                                       |
| Payable for securities purchased   | 1              | 1,246,861                                    | 1,639,558                                    |
| Payable for units redeemed   | 1              | 1,527,399                                    | 145,949                                      |
| Administration fee payable   | 2              | 69,676                                       | 30,186                                       |
| Trustee fee payable  | 2              | 3,844  | 1,764  |
| Accrued expenses   | 2              | 46,308                                       | 6,422  |
| Other Liabilities  |                | 15,003                                       | 1,141  |
| <b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |                | <b>3,096,044</b>                             | <b>1,903,851</b>                             |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |                | <b>190,159,778</b>                           | <b>88,875,517</b>                            |
| Adjustments from bid market prices to last traded market prices  | 1              | 527,078                                      | 641,609                                      |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |                | <b>190,686,856</b>                           | <b>89,517,126</b>                            |
| <b>Units In Issue (Note 5)</b>   |                |  |  |
|  | Class A - US\$ | 1,182,598                                    | 1,069,702                                    |
|  | Class A - €    | 189,245                                      | 64,053                                       |
|  | Class A - £    | 2,432  | 10   |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |                |  |  |
|  | Class A - US\$ | 138.75                                       | 78.95  |
|  | Class A - €    | 104.22                                       | 59.45  |
|  | Class A - £    | 90.51  | 53.26  |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  |       | Baring ASEAN<br>Frontiers Fund<br>30/04/2010 | Baring ASEAN<br>Frontiers Fund<br>30/04/2010 |
|--|-------|--|--|
|  | Notes | US\$   | US\$   |
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the year  |       | 89,517,126                                   | 221,338,489                                  |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units |       | 71,221,334                                   | (87,469,606)                                 |
| Issue of redeemable participating units for the year   | 5     | 122,318,782                                  | 30,676,111                                   |
| Redemption of redeemable participating units for the year  | 5     | (92,370,386)                                 | (75,027,868)                                 |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>       |       | <b>190,686,856</b>                           | <b>89,517,126</b>                            |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   |              | <b>Baring<br/>ASEAN<br/>Frontiers<br/>Fund<br/>30/04/2010</b> | <b>Baring<br/>ASEAN<br/>Frontiers<br/>Fund<br/>30/04/2009</b> |
|---|--------------|---|---|
|   | <b>Notes</b> | <b>US\$</b>   | <b>US\$</b>   |
| <b>Investment Income</b>  |              |   |   |
| Bank deposit interest   | 1            | 808   | 33,245  |
| Dividend income   | 1            | 3,556,184   | 3,799,936   |
| Stocklending fee income   | 1,14         | -   | 67,290  |
| Net fair value gains/(losses) on financial assets at fair value through profit or loss                            |              | 71,782,573  | (87,837,858)  |
| <b>Total investment income</b>  |              | <u>75,339,565</u>   | <u>(83,937,387)</u>   |
| <b>Expenses</b>   |              |   |   |
| Management fees   | 2            | 1,773,916   | 1,440,532   |
| Administration fees   | 2            | 638,610   | 520,484   |
| Trustee fees  | 2            | 35,478  | 29,000  |
| General expenses  | 2            | 49,598  | 63,928  |
| Audit fees  |              | 3,395   | 1,430   |
| <b>Total operating expenses</b>   |              | <u>2,500,997</u>  | <u>2,055,374</u>  |
| <b>Net income/(expense) before finance costs</b>  |              | <u>72,838,568</u>   | <u>(85,992,761)</u>   |
| <b>Finance Costs</b>  |              |   |   |
| Net income equalisation   | 1            | 126,177   | (132,482)   |
| Distributions   | 4            | (1,379,760)   | (1,212,780)   |
| <b>Total Finance costs</b>  |              | <u>(1,253,583)</u>  | <u>(1,345,262)</u>  |
| <b>Profit/(Loss) for the financial period</b>   |              | <u>71,584,985</u>   | <u>(87,338,023)</u>   |
| Withholding tax on dividends and other investment income  |              | (249,120)   | (310,143)   |
| <b>Operating profit/(loss)</b>  |              | <u>71,335,865</u>   | <u>(87,648,166)</u>   |
| Adjustments from bid market prices to last traded market prices   |              | (114,531)   | 178,560   |
| <b>Increase/(decrease) in net assets for the period attributable to holders of redeemable participating units</b> |              | <u><u>71,221,334</u></u>                                      | <u><u>(87,469,606)</u></u>                                    |

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

The accompanying notes form an integral part of these financial statements

# Baring Asia Growth Fund - Investment Manager's Report - Unaudited

## Summary of Fund Performance

|                               | Net asset value as at 30/04/2010 (US\$ per unit) | Net asset value as at 30/04/2009 (US\$ per unit) | Net asset value % change |
|-------------------------------|--|--|--------------------------|
| Income units - (Class A US\$) | 57.58  | 40.45  | 42.35                    |

## Performance Record to 30 April 2010

| Calculated in US\$                       | 01/05/2009 - 30/04/2010 % | 01/05/2008 - 30/04/2009 % | 01/05/2007 - 30/04/2008 % | 01/05/2006 - 30/04/2007 % | 01/05/2005 - 30/04/2006 % |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Baring Asia Growth Fund - (Class A US\$) | 44.00                     | (42.52)                   | 20.02                     | 26.78                     | 41.47                     |
| MSCI All Country Far East ex Japan Index | 48.47                     | (38.12)                   | 22.66                     | 19.91                     | 35.96                     |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

## Investment Objective and Policy

The objective of the Managers for the Fund is to provide long-term capital growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in Asia including Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand, or in companies exercising the predominant part of their economic activity in those countries.. Please refer to the Prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

The Baring Asia Growth Fund is invested in the Asia Pacific equity markets, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a "Growth at a Reasonable Price", or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Umbrella Fund. In turn, BAML have appointed Baring Asset Management (Asia) Limited as sub-Investment Manager to the Baring Asia Growth Fund.

## Risk Profile

The Baring Asia Growth Fund is invested primarily in equities listed in the Asia Pacific region excluding Japan. As such, the Fund is exposed to the volatility that can characterise equity share prices from time to time. Many of these countries are emerging equity markets and, as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

Our overall strategy has been to increase the cyclical and growth bias in the portfolio. Over the period, the Fund added to China, Indonesia and Korea, funded by underweighting Hong Kong, Taiwan and Malaysia. Cash balances were maintained at low levels. In terms of sector activity, we increased the Fund's exposure to Consumer Discretionary, Industrials and Information Technology sectors, funded by reductions in Financials, Telecoms and Energy sectors.

The Fund underperformed the benchmark during the period under review, largely coming in first half of 2009 when the Fund was more defensively positioned, aimed at preserving capital in the midst of the global financial crisis. Stock selection detracted from performance in China. Asset allocation also contributed negatively given our overweight position in China, which has been in consolidation since November. On the positive side, stock selection in Singapore and asset allocation in Indonesia added value to the relative performance.

We continue to believe that the medium to long-term prospects for China are highly attractive despite the recent policy headwinds targeting to cool-off credit growth and real estate market. Consumption remains robust, supported by wage and income growth. Even the weak export sector saw an emerging return to growth. In terms of Asian equity markets' valuation, the weighted average price-to-earnings and price-to-book ratios of Asian markets are about their long-term average.

## Review of the Market

During the period, global investors were relieved that the state of the US banking system was not as dire as feared, based on better-than-expected first- and second-quarter earnings and relatively favourable stress test results conducted by the US Treasury. In addition, at the macro-economic level, signs of 'green shoots' started to emerge in the US and other developed countries. In Asia, the Chinese economy continued to lead, with visible signs of strong recovery observed in infrastructure and construction, domestic consumption and real estate. Upgrades in world economies and corporate earnings in 2010, combined with still dormant inflation and ultra-low interest rates helped to create a 'sweet spot' environment for economic-sensitive assets, including Asian equities.

At the start of 2010, a succession of better-than-expected economic data releases in China, India and the US, together with emerging signs of rising headline inflation, raised concern among investors about the possibility of an earlier-than-expected start of monetary tightening in 2010. This led to a sharp correction in Asian equities during the first month of the year.

## Market Outlook

The outlook for Asian equity remains positive in the midst of global uncertainties. Recent correction provides opportunities as valuation has become more attractive. The reporting season has been strong with upgrades in current year earnings. This positive trend is likely to continue and supported by solid end demand. The key risks are any renewed concerns over the health of several European economies and the reversal of the loose monetary policy stance by central banks.

## Portfolio Information

| Top Ten                    | % of NAV |
|----------------------------|----------|
| Samsung Electronics        | 5.22     |
| Baring China A-Share Fund  | 3.76     |
| China Construction Bank    | 3.35     |
| HON HAI Precision Industry | 2.66     |
| Largan Precision           | 2.42     |
| Hyundai Heavy Industries   | 2.22     |
| Hyundai Mobis              | 2.21     |
| China Life Insurance       | 2.19     |
| Hynix Semiconductor        | 2.07     |
| China Citic Bank           | 1.97     |

Baring Asset Management Limited  
May 2010

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 59.76         | 71.33         | 91.79         | 59.67         | 47.07         | 35.85         | 32.81         | 28.16         | 27.88         | 35.62         |
| Class A - €    | 44.08         | 46.13         | 63.63         | 43.98         | 38.21         | 27.11         | 27.39         | 30.79         | 31.41         | 37.99         |
| Class A - £    | 38.83         | 36.46         | 44.29         | 29.87         | 26.45         | 18.66         | 18.10         | 19.32         | 19.23         | N/A           |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 40.15         | 29.86         | 58.71         | 38.75         | 32.14         | 25.95         | 20.34         | 19.61         | 17.70         | 22.64         |
| Class A - €    | 30.16         | 23.74         | 39.00         | 30.79         | 25.62         | 21.58         | 17.93         | 17.78         | 19.19         | 25.12         |
| Class A - £    | 26.89         | 19.64         | 29.29         | 21.04         | 17.43         | 14.67         | 12.68         | 12.21         | 13.62         | N/A           |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bermuda                        | -                       | 0.32                    | -                       | -                       |
| Cayman Islands                 | 1.38                    | 0.71                    | -                       | -                       |
| China                          | 15.11                   | 17.23                   | 17.28                   | -                       |
| Hong Kong                      | 22.01                   | 24.49                   | 21.33                   | 37.22                   |
| India                          | -                       | -                       | 0.38                    | -                       |
| Indonesia                      | 6.33                    | 3.25                    | 1.27                    | 3.85                    |
| Ireland                        | 3.76                    | -                       | 0.65                    | -                       |
| Malaysia                       | 2.54                    | 2.55                    | 1.93                    | 9.01                    |
| Philippines                    | 1.05                    | -                       | 0.30                    | 1.16                    |
| Singapore                      | 8.46                    | 8.83                    | 4.50                    | 10.23                   |
| South Korea                    | 21.88                   | 20.15                   | 23.76                   | 23.69                   |
| Taiwan                         | 15.05                   | 19.85                   | 21.07                   | 13.24                   |
| Thailand                       | 2.24                    | 1.66                    | 3.67                    | -                       |
| <b>Total Investments</b>       | <b>99.81</b>            | <b>99.04</b>            | <b>96.14</b>            | <b>98.40</b>            |
| Cash                           | 0.66                    | 2.43                    | 3.78                    | 0.21                    |
| Other Net (Liabilities)/Assets | (0.47)                  | (1.47)                  | 0.08                    | 1.39                    |
| <b>Total Net Assets</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each geographic location. The movement in each country's position between years has to be inferred.

## Significant Portfolio Movements – Unaudited

| Purchases                                 | Cost<br>US\$'000 | Sales                                     | Proceeds<br>US\$'000 |
|---|------------------|---|----------------------|
| China Construction Bank                   | 20,966           | China Mobile                              | 30,170               |
| Baring China A-Share Fund                 | 17,910           | Industrial & Commercial Bank of China     | 21,094               |
| Samsung Electronics                       | 15,394           | Samsung Electronics                       | 19,808               |
| United States Treasury Bill 0% 11.03.2010 | 13,200           | Hyundai Motor                             | 17,368               |
| Chimei Innolux                            | 13,066           | MediaTek                                  | 15,817               |
| China Citic Bank                          | 12,782           | China Life Insurance                      | 15,733               |
| Hynix Semiconductor                       | 12,050           | HON HAI Precision Industry                | 14,719               |
| CNOOC                                     | 11,956           | CNOOC                                     | 13,625               |
| HON HAI Precision Industry                | 11,826           | China Merchants Bank                      | 13,302               |
| Taiwan Fertilizer                         | 11,817           | Ping An Insurance of China                | 13,301               |
| Largan Precision                          | 11,614           | United States Treasury Bill 0% 11.03.2010 | 13,200               |
| China Life Insurance                      | 10,937           | Zijin Mining                              | 12,427               |
| Aluminium Corporation of China            | 10,868           | Angang Steel                              | 12,313               |
| Zijin Mining                              | 10,438           | Taiwan Fertilizer                         | 11,998               |
| China Merchants Holdings International    | 10,434           | Anhui Conch Cement                        | 10,272               |
| China Resources Land                      | 10,198           | United Microelectronics                   | 9,909                |
| Neptune Orient Lines                      | 10,184           | Fubon Financial Holdings                  | 9,879                |
| Yanzhou Coal Mining                       | 10,121           | KB Financial                              | 9,823                |
| Dongfeng Motor Group                      | 9,332            | Aluminium Corporation of China            | 9,739                |
| China Mengniu Dairy                       | 9,202            | Cathay Financial Holding                  | 9,625                |

## Portfolio Statement

As at 30 April 2010

| Country of Incorporation | Financial assets at fair value through profit or loss | Currency | Nominal Holdings | Fair Value US\$   | % of NAV    |      |
|--------------------------|---|----------|------------------|-------------------|-------------|------|
| Ireland                  | <b>Collective Investment Schemes</b>                  |          |                  |                   |             |      |
|                          | Baring China A-Share Fund                             | USD      | 1,791,000        | 16,333,920        | 3.76        |      |
|                          | <b>Total Value of Collective Investment Schemes</b>   |          |                  | <b>16,333,920</b> | <b>3.76</b> |      |
|                          | <b>Equities &amp; Convertibles</b>                    |          |                  |                   |             |      |
| Cayman Islands           | Tencent Holdings                                      | HKD      | 284,900          | 5,989,049         | 5,989,049   | 1.38 |
| China                    | China Citic Bank                                      | HKD      | 12,882,000       | 8,578,653         |             | 1.97 |
|                          | China Construction Bank                               | HKD      | 17,559,000       | 14,543,067        |             | 3.35 |
|                          | China Life Insurance                                  | HKD      | 2,073,000        | 9,532,631         |             | 2.19 |
|                          | China Pacific Insurance Group                         | HKD      | 415,400          | 1,725,605         |             | 0.40 |
|                          | China Resources Land                                  | HKD      | 2,218,000        | 4,131,189         |             | 0.95 |
|                          | Dongfang Electric                                     | HKD      | 673,000          | 4,438,439         |             | 1.02 |
|                          | Dongfeng Motor Group                                  | HKD      | 3,334,000        | 4,844,176         |             | 1.11 |
|                          | Lenovo Group  | HKD      | 7,250,000        | 5,472,438         |             | 1.26 |
|                          | Longfor Properties                                    | HKD      | 1,578,500        | 1,561,533         |             | 0.36 |
|                          | Sany Heavy Equipment International Holdings           | HKD      | 4,770,000        | 5,855,399         |             | 1.35 |
|                          | Yanzhou Coal Mining                                   | HKD      | 1,732,000        | 4,975,056         | 65,658,186  | 1.15 |
| Hong Kong                | Bank of China   | HKD      | 3,998,000        | 2,101,107         |             | 0.48 |
|                          | Belle International Holdings                          | HKD      | 3,740,000        | 5,212,476         |             | 1.20 |
|                          | BOC Hong Kong Holdings                                | HKD      | 2,625,000        | 6,404,047         |             | 1.47 |
|                          | China Mengniu Dairy                                   | HKD      | 1,976,000        | 6,019,540         |             | 1.39 |
|                          | China Merchants Bank                                  | HKD      | 2,181,069        | 5,467,106         |             | 1.26 |
|                          | China Merchants Holdings International                | HKD      | 2,100,000        | 7,452,228         |             | 1.71 |
|                          | China Overseas Land & Investment                      | HKD      | 3,189,120        | 6,309,680         |             | 1.45 |
|                          | China Shenhua Energy                                  | HKD      | 1,571,500        | 6,872,257         |             | 1.58 |
|                          | CNOOC   | HKD      | 4,481,000        | 7,976,791         |             | 1.84 |
|                          | Fushan International Energy Group                     | HKD      | 5,492,000        | 3,933,241         |             | 0.91 |
|                          | GOME Electrical Appliances Holdings                   | HKD      | 21,244,000       | 6,977,851         |             | 1.61 |
|                          | Kunlun Energy   | HKD      | 4,890,000        | 6,575,891         |             | 1.51 |
|                          | Nine Dragons Paper Holdings                           | HKD      | 2,275,000        | 3,932,595         |             | 0.91 |
|                          | Noble Group   | SGD      | 907,000          | 2,009,072         |             | 0.46 |
|                          | Orient Overseas International                         | HKD      | 332,000          | 2,555,178         |             | 0.59 |
|                          | Pacific Basin Shipping                                | HKD      | 5,465,000        | 4,237,717         |             | 0.98 |
|                          | Skyworth Digital Holdings                             | HKD      | 2,608,000        | 2,385,125         |             | 0.55 |
|                          | Sun Hung Kai Properties                               | HKD      | 260,000          | 3,670,533         |             | 0.84 |
|                          | Techtronic Industries                                 | HKD      | 2,478,000        | 2,620,533         |             | 0.60 |
|                          | Tianjin Port Development Holdings                     | HKD      | 10,238,000       | 2,914,423         | 95,627,391  | 0.67 |
| Indonesia                | Astra International                                   | IDR      | 930,000          | 4,849,124         |             | 1.12 |
|                          | Bank Mandiri  | IDR      | 5,229,500        | 3,335,880         |             | 0.77 |
|                          | Bank Rakyat Indonesia                                 | IDR      | 3,767,000        | 3,740,254         |             | 0.86 |
|                          | Delta Dunia Makmur                                    | IDR      | 29,722,000       | 3,429,208         |             | 0.79 |
|                          | Indocement Tunggul Prakarsa                           | IDR      | 1,634,500        | 2,864,999         |             | 0.66 |
|                          | Perusahaan Gas Negara                                 | IDR      | 8,523,000        | 3,853,031         |             | 0.89 |
|                          | Semen Gresik Persero                                  | IDR      | 2,078,500        | 1,890,803         |             | 0.44 |
|                          | Tambang Batubara Bukit Asam                           | IDR      | 1,697,500        | 3,493,302         | 27,456,601  | 0.80 |
| Malaysia                 | AirAsia   | MYR      | 11,657,800       | 4,942,073         |             | 1.14 |
|                          | IJM   | MYR      | 2,192,700        | 3,394,571         |             | 0.78 |
|                          | JCY International                                     | MYR      | 4,510,700        | 2,691,264         | 11,027,908  | 0.62 |
| Philippines              | Alliance Global Group                                 | PHP      | 19,974,000       | 2,515,844         |             | 0.58 |
|                          | Metropolitan Bank & Trust                             | PHP      | 1,745,500        | 2,061,150         | 4,576,994   | 0.47 |

## Portfolio Statement (continued)

As at 30 April 2010

| Country of Incorporation | Financial assets at fair value through profit or loss                             | Nominal           | Fair Value US\$    | % of NAV      |
|--------------------------|---|-------------------|--------------------|---------------|
|                          | Collective Investment Schemes   | Currency Holdings |                    |               |
| Singapore                | City Developments   | SGD 626,000       | 4,878,398          | 1.12          |
|                          | DBS Holdings  | SGD 506,000       | 5,659,624          | 1.30          |
|                          | Ezra Holdings   | SGD 2,317,000     | 3,540,120          | 0.81          |
|                          | Neptune Orient Lines  | SGD 4,328,000     | 6,929,103          | 1.60          |
|                          | Olam International  | SGD 1,760,000     | 3,371,007          | 0.78          |
|                          | Otto Marine   | SGD 10,908,000    | 3,827,648          | 0.88          |
|                          | Singapore Press Holdings  | SGD 938,000       | 2,825,177          | 0.65          |
|                          | Wilmar International  | SGD 1,126,000     | 5,729,191          | 1.32          |
| South Korea              | Daewoo Shipbuilding & Marine Engineering  | KRW 136,620       | 2,619,367          | 0.60          |
|                          | Hana Financial  | KRW 140,360       | 4,413,359          | 1.02          |
|                          | Hanjin Shipping   | KRW 129,990       | 3,799,951          | 0.87          |
|                          | Hynix Semiconductor   | KRW 350,560       | 8,982,635          | 2.07          |
|                          | Hyundai Heavy Industries  | KRW 42,118        | 9,633,160          | 2.22          |
|                          | Hyundai Mobis   | KRW 57,408        | 9,608,142          | 2.21          |
|                          | KB Financial Group  | KRW 97,544        | 4,796,452          | 1.10          |
|                          | Korea Investment Holdings   | KRW 77,640        | 2,294,140          | 0.53          |
|                          | LG Chemicals  | KRW 11,820        | 3,018,054          | 0.70          |
|                          | LG Electronics  | KRW 67,444        | 7,423,799          | 1.71          |
|                          | Lotte Shopping  | KRW 10,570        | 3,013,597          | 0.69          |
|                          | NHN   | KRW 18,870        | 3,158,195          | 0.73          |
|                          | POSCO   | KRW 10,764        | 4,846,155          | 1.12          |
|                          | Samsung C&T   | KRW 71,209        | 3,398,706          | 0.78          |
|                          | Samsung Electronics   | KRW 29,634        | 22,673,011         | 5.22          |
|                          | Woori Finance Holdings  | KRW 84,370        | 1,358,781          | 0.31          |
| Taiwan                   | AU Optronics  | TWD 4,012,000     | 4,679,259          | 1.08          |
|                          | Cathay Financial Holding  | TWD 3,145,000     | 5,058,013          | 1.16          |
|                          | Chimei Innolux  | TWD 1,985,000     | 2,923,216          | 0.67          |
|                          | Far Eastern Textile   | TWD 4,567,620     | 5,013,917          | 1.16          |
|                          | Foxconn Technology  | TWD 1,541,000     | 6,441,732          | 1.47          |
|                          | HON HAI Precision Industry  | TWD 2,444,000     | 11,542,281         | 2.66          |
|                          | Kinsus Interconnect Technology  | TWD 1,191,000     | 3,120,209          | 0.72          |
|                          | Largan Precision  | TWD 635,320       | 10,521,765         | 2.42          |
|                          | Silitech Technology   | TWD 895,000       | 3,170,113          | 0.73          |
|                          | Synnex Technology International   | TWD 3,061,000     | 7,345,306          | 1.69          |
|                          | Taiwan Fertilizer   | TWD 1,744,000     | 5,592,954          | 1.29          |
| Thailand                 | LPN Development   | THB 12,589,900    | 2,529,264          | 0.58          |
|                          | PTT   | THB 907,800       | 7,182,717          | 1.66          |
|                          | <b>Total Value of Equities &amp; Convertibles</b>                                 |                   | <b>417,254,647</b> | <b>96.05</b>  |
|                          | <b>Total Investments at fair value through profit or loss</b>                     |                   | 433,588,567        | 99.81         |
|                          | Cash  |                   | 2,878,839          | 0.66          |
|                          | Other Net Liabilities   |                   | (2,037,244)        | (0.47)        |
|                          | <b>Total Net Assets attributable to holders of redeemable participating units</b> |                   | <b>434,430,162</b> | <b>100.00</b> |

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

**Portfolio Classification**  
Transferable securities

**% of Total  
Asset Value**  
100.00  
100.00

## Balance Sheet

As at 30 April 2010

|  | Notes       | Baring<br>Asia<br>Growth Fund<br>30/04/2010<br>US\$ | Baring<br>Asia<br>Growth Fund<br>30/04/2009<br>US\$ |
|--|-------------|---|---|
| <b>Assets</b>  |             |   |   |
| Financial assets at fair value through profit or loss  | 1           | 433,588,567   | 379,609,073   |
| Receivable for securities sold   | 1           | 3,238,686   | 8,465,529   |
| Receivable for units sold  | 1           | 766,671   | 31,880  |
| Dividends and interest receivable  | 1           | 310,540   | 693,527   |
| Other assets   |             | 5,474   | 50,657  |
| Cash   | 1           | 2,878,839   | 9,311,909   |
| <b>Total Current Assets</b>  |             | <b>440,788,777</b>                                  | <b>398,162,575</b>                                  |
| <b>Liabilities</b>   |             |   |   |
| Management fee payable   | 2           | 465,819   | 392,186   |
| Payable for securities purchased   | 1           | 5,023,169   | 11,490,928  |
| Payable for units redeemed   | 1           | 1,200,585   | 3,154,891   |
| Administration fee payable   | 2           | 159,424   | 131,466   |
| Trustee fee payable  | 2           | 9,014   | 7,940   |
| Accrued expenses   | 2           | 82,100  | 27,553  |
| Other Liabilities  |             | 6,422   | 88,957  |
| <b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |             | <b>6,946,533</b>                                    | <b>15,293,921</b>                                   |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |             | <b>433,842,244</b>                                  | <b>382,868,654</b>                                  |
| Adjustments from bid market prices to last traded market prices  | 1           | 587,918   | 415,724   |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |             | <b>434,430,162</b>                                  | <b>383,284,378</b>                                  |
| <b>Units In Issue (Note 5)</b>   |             |   |   |
|  | Class A -   |   |   |
|  | US\$        | 6,845,712   | 8,956,541   |
|  | Class A - € | 573,207   | 448,728   |
|  | Class A - £ | 125,482   | 68,612  |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |             |   |   |
|  | Class A -   |   |   |
|  | US\$        | 57.58   | 40.45   |
|  | Class A - € | 43.25   | 30.46   |
|  | Class A - £ | 37.56   | 27.29   |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  | Notes | Baring<br>Asia<br>Growth Fund<br>30/04/2010<br>US\$ | Baring<br>Asia<br>Growth Fund<br>30/04/2009<br>US\$ |
|--|-------|---|---|
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the year                  |       | 383,284,378   | 649,819,647   |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units from operations |       | 160,590,760   | (247,861,717)                                       |
| Issue of redeemable participating units for the year   | 5     | 170,070,977   | 215,416,320   |
| Redemption of redeemable participating units for the year  | 5     | (279,515,953)                                       | (234,089,872)                                       |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>                       |       | <b>434,430,162</b>                                  | <b>383,284,378</b>                                  |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   |              | <b>Baring<br/>Asia<br/>Growth Fund<br/>30/04/2010</b> | <b>Baring<br/>Asia<br/>Growth Fund<br/>30/04/2009</b> |
|---|--------------|---|---|
|   | <b>Notes</b> | <b>US\$</b>   | <b>US\$</b>   |
| <b>Investment Income</b>  |              |   |   |
| Bond Interest Income  | 1            | 1,344   | 66  |
| Bank deposit interest   | 1            | 1,720   | 162,510   |
| Dividend income   | 1            | 8,391,388   | 11,580,435  |
| Stock Lending fee income  | 1,14         | -   | 212,140   |
| Net fair value gains/(losses) on financial assets at fair value through profit or loss                          |              | <u>165,984,196</u>                                    | <u>(250,578,252)</u>                                  |
| <b>Total investment income/(expense)</b>  |              | <u>174,378,648</u>                                    | <u>(238,623,101)</u>                                  |
| <b>Expenses</b>   |              |   |   |
| Management fees   | 2            | 5,913,479   | 4,889,501   |
| Administration fees   | 2            | 2,128,852   | 1,760,220   |
| Trustee fees  | 2            | 117,828   | 96,290  |
| General expenses  | 2            | 166,703   | 150,846   |
| Audit fees  |              | <u>7,735</u>  | <u>6,124</u>  |
| <b>Total operating expenses</b>   |              | 8,334,597   | 6,902,981   |
| <b>Net income/(expense) before finance costs</b>  |              | 166,044,051   | (245,526,082)   |
| <b>Finance Costs</b>  |              |   |   |
| Net income equalisation   | 1            | (71,105)  | 454,670   |
| Distributions   | 4            | <u>(4,469,602)</u>                                    | <u>(1,097,424)</u>                                    |
| <b>Total Finance Costs</b>  |              | <u>(4,540,707)</u>                                    | <u>(642,754)</u>                                      |
| <b>Profit/(Loss) for the financial year</b>   |              | 161,503,344   | (246,168,836)   |
| Withholding tax on dividends and other investment income  |              | <u>(1,084,778)</u>                                    | <u>(1,076,470)</u>                                    |
| <b>Operating profit/(loss)</b>  |              | 160,418,566   | (247,245,306)   |
| Adjustments from bid market prices to last traded market prices   |              | <u>172,194</u>  | <u>(616,411)</u>                                      |
| <b>Increase/(Decrease) in net assets for the year attributable to holders of redeemable participating units</b> |              | <u>160,590,760</u>                                    | <u>(247,861,717)</u>                                  |

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

The accompanying notes form an integral part of these financial statements

## Baring Australia Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

|                             | Net asset value as at<br>30/04/2010<br>(US\$ per unit) | Net asset value as at<br>30/04/2009<br>(US\$ per unit) | Net asset value<br>% change |
|-----------------------------|--|--|-----------------------------|
| Income units - (US\$ Class) | 114.12   | 69.22  | 64.87                       |

### Performance Record to 30 April 2010

| Calculated in US\$                     | 01/05/2009 -<br>30/04/2010<br>% | 01/05/2008 -<br>30/04/2009<br>% | 01/05/2007 -<br>30/04/2008<br>% | 01/05/2006 -<br>30/04/2007<br>% | 01/05/2005 -<br>30/04/2006<br>% |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Baring Australia Fund - (Class A US\$) | 70.00                           | (47.20)                         | 16.62                           | 27.72                           | 34.61                           |
| MSCI Australia 10/40 Index*            | 67.12                           | (44.81)                         | 6.60                            | 34.39                           | 28.41                           |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only

\* The comparative index changed from ASX300 Index to the MSCI Australia 10/40 Index on 31 March 2009.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

## Investment Objective and Policy

The objective of the Managers for the Fund is to achieve long-term capital growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in Australia, or in companies exercising the predominant part of their economic activity in Australia. Please refer to the Prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

The Baring Australia Fund is invested in the Australian equity markets, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a "Growth at a Reasonable Price", or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Umbrella Fund. In turn, BAML have appointed Baring Asset Management (Asia) Limited as sub-Investment Manager to the Baring Australia Fund.

The manager of the Baring Australia Fund is Mr Soo-Hai Lim. Soo-Hai has eleven years of investment experience and has specific responsibility for research and investing in the Australian and New Zealand markets. He is also responsible for our research into the smaller markets of South East Asia. Soo-Hai is a CFA Charterholder and graduated from Nanyang Technological University in Singapore in 1994 with a First Class Honours degree in Accountancy.

## Risk Profile

The Baring Australia Fund is a country-specific fund. A country-specific fund is generally more risky than funds which invest more broadly across a range of global equity markets. As the Baring Australia Fund is invested in equities it is exposed to the volatility which can characterise company share prices from time-to-time. In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors.

## Key Changes Since the Last Report

New retail and institutional Units denominated in Australian Dollars and Pounds Sterling have been made available for the Baring Australia Fund with effect from 19 August 2009. The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

Economic recovery remains on track. As such, earnings growth should continue to drive share price performance. The strategy continues to be focused on stocks that will deliver superior earnings growth like Resmed, Amcor and Asciano. Further, stocks that will benefit from cyclical recovery, particularly those exposed to the strong domestic economy such as media stocks Ten, Seek and carsales.com, also feature in the portfolio. The draconian proposed resources super tax coming at a time of heightened risk aversion has created bargain hunting opportunities in the resources sector.

The Fund outperformed the benchmark in the period under review. Strong stock selection, particularly in the Materials and Consumer Discretionary sectors was the main contribution to outperformance.

## Review of the Market

After bottoming in March 2009, the market staged a massive rally in the second half of 2009, buoyed by aggressive fiscal and monetary stimuli both domestically and globally. Concerns over China tightening concerns as well as Greek sovereign debt downgrade saw the market consolidate over the last few months. Financials was by far the best performing sector in the period under review as investors re-rated the Australian banks post recapitalisation. The swifter than expected economic recovery in Australia also alleviated bad debt concerns. Materials stocks also outperformed as Chinese demand for commodities helped commodities prices recover rapidly off crisis levels. In addition, Chinese companies took advantage of distressed valuations for strategic acquisitions in Australia, which helped boosted sentiment dramatically.

## Market Outlook

The period under review was ideal for stock market performance – extremely supportive fiscal and monetary policies coupled with depressed valuations. With the economic recovery gaining traction, delivery of earnings growth should continue to help sustain the gains going forward. Valuations are not demanding in the context of strong earnings recovery. At the time of writing, the rising headwinds from European sovereign debt concerns and Chinese policy tightening measures are a risk to a favourable market outlook. Added to this, the Rudd Government's resources 'super' profits tax, poses serious risk to mining investments, jeopardizing the economic recovery as well as destroying shareholder value. On the other hand, corporate earnings in US and Asia are generally coming in better than expected and likely to continue so over the course of the year. As such, markets should climb the proverbial wall of worry after a period of consolidation in the lull summer months, provided that the European sovereign debt situation is contained.

## Portfolio Information

| Top Ten                         | % of NAV |
|---------------------------------|----------|
| Commonwealth Bank of Australia  | 9.51     |
| BHP Billiton                    | 8.75     |
| Westpac Banking                 | 7.29     |
| Rio Tinto                       | 5.70     |
| National Australia Bank         | 4.37     |
| Australia & New Zealand Banking | 3.94     |
| Wesfarmers                      | 3.91     |
| Woodside Petroleum              | 3.24     |
| Woolworths                      | 3.06     |
| Ancor                           | 2.89     |

Baring Asset Management Limited

May 2010

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 120.15        | 147.21        | 155.07        | 118.23        | 93.74         | 77.32         | 60.24         | 43.51         | 42.07         | 44.80         |
| Class A - €    | 88.75         | 94.35         | 107.51        | 86.91         | 75.53         | 58.27         | 49.23         | 46.66         | 48.12         | 49.03         |
| Class A - AU\$ | 128.87        | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |
| Class A - £    | 77.96         | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 67.04         | 51.60         | 96.69         | 81.36         | 66.79         | 50.81         | 41.57         | 35.31         | 31.98         | 34.93         |
| Class A - €    | 50.01         | 40.88         | 71.90         | 64.64         | 52.84         | 42.50         | 36.56         | 33.44         | 34.93         | 39.39         |
| Class A - AU\$ | 112.27        | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |
| Class A - £    | 62.06         | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           | N/A           |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010    | 30/04/2009    | 30/04/2008    | 30/04/2007    |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | % of NAV*     | % of NAV*     | % of NAV*     | % of NAV*     |
| Banks                          | -             | -             | -             | 28.68         |
| Basic Materials                | 28.15         | 27.75         | 44.29         | -             |
| Commercial Services            | -             | -             | -             | 3.49          |
| Communications                 | 7.11          | 1.96          | 3.39          | -             |
| Consumer, Cyclical             | 6.17          | 3.94          | 0.55          | -             |
| Consumer, Non- Cyclical        | 8.25          | 13.61         | 7.80          | -             |
| Diversified Financial Services | -             | -             | 0.92          | 5.38          |
| Energy                         | 7.26          | 10.69         | 2.10          | -             |
| Engineering & Construction     | -             | -             | -             | 2.84          |
| Entertainment                  | -             | -             | -             | 1.93          |
| Financial                      | 30.17         | 34.51         | 25.00         | -             |
| Food                           | -             | -             | -             | 3.81          |
| Industrial                     | 8.78          | 5.17          | 11.72         | -             |
| Insurance                      | -             | -             | -             | 5.15          |
| Iron/Steel                     | -             | -             | -             | 2.42          |
| Media                          | -             | -             | -             | 3.33          |
| Mining                         | -             | -             | -             | 23.60         |
| Oil & Gas                      | -             | -             | -             | 2.96          |
| Real Estate                    | -             | -             | -             | 1.37          |
| Others                         | 2.45          | -             | -             | 10.90         |
| <b>Total Investments</b>       | <b>98.34</b>  | <b>97.63</b>  | <b>95.77</b>  | <b>95.86</b>  |
| Cash                           | 1.61          | 2.31          | 4.03          | (2.07)        |
| Other Net Assets               | 0.05          | 0.06          | 0.20          | 6.21          |
| <b>Total Net Assets</b>        | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| Purchases                       | Cost     | Sales                           | Proceeds |
|---------------------------------|----------|---------------------------------|----------|
|                                 | US\$'000 |                                 | US\$'000 |
| Commonwealth Bank Of Australia  | 6,454    | QBE Insurance                   | 6,677    |
| Wesfarmers                      | 5,927    | Westfield                       | 4,223    |
| BHP Billiton                    | 5,524    | Mirvac                          | 3,865    |
| Computershare                   | 4,601    | Mount Gibson Iron               | 3,573    |
| Westfield                       | 4,428    | CSL                             | 3,281    |
| Amcor                           | 4,237    | Boral                           | 3,215    |
| ResMed                          | 4,220    | Suncorp-Metway                  | 3,134    |
| Asciano                         | 4,075    | Woolworths                      | 3,086    |
| Woolworths                      | 3,905    | MacArthur Coal                  | 3,058    |
| Incitec Pivot                   | 3,767    | Oil Search                      | 2,981    |
| Fairfax Media                   | 3,374    | Toll Holdings                   | 2,951    |
| Seek                            | 3,368    | Santos                          | 2,804    |
| Downer EDI                      | 3,205    | WorleyParsons                   | 2,771    |
| Mirvac                          | 3,070    | Gindalbie Metals                | 2,667    |
| Boral                           | 2,844    | Myer Holdings                   | 2,666    |
| Atlas Iron                      | 2,834    | Australia & New Zealand Banking | 2,649    |
| Ten Network Holdings            | 2,810    | Atlas Iron                      | 2,548    |
| Australia & New Zealand Banking | 2,776    | Bluescope Steel                 | 2,476    |
| carsales.com.au                 | 2,750    | Wesfarmers                      | 2,374    |
| Mount Gibson Iron               | 2,566    | Origin Energy                   | 2,316    |

## Portfolio Statement

As at 30 April 2010

| Financial assets at fair value through profit or loss                             |                                 |          |                  |                    |               |       |
|---|---------------------------------|----------|------------------|--------------------|---------------|-------|
| Industry  | Equities & Convertibles         | Currency | Nominal Holdings | Fair Value US\$    | % of NAV      |       |
| Basic Materials   | Aquarius Platinum               | AUD      | 408,623          | 2,680,577          | 1.49          |       |
|   | Atlas Iron                      | AUD      | 468,688          | 1,099,008          | 0.61          |       |
|   | Ausenco                         | AUD      | 265,592          | 1,210,953          | 0.67          |       |
|   | BHP Billiton                    | AUD      | 416,813          | 15,785,271         | 8.75          |       |
|   | Equinox Minerals                | AUD      | 394,733          | 1,590,405          | 0.88          |       |
|   | Fortescue Metals                | AUD      | 467,243          | 1,991,245          | 1.10          |       |
|   | Incitec Pivot                   | AUD      | 1,373,783        | 4,128,925          | 2.30          |       |
|   | Murchison Metals                | AUD      | 1,819,512        | 3,894,029          | 2.16          |       |
|   | Newcrest Mining                 | AUD      | 94,892           | 2,913,801          | 1.61          |       |
|   | OZ Minerals                     | AUD      | 1,965,476        | 2,103,207          | 1.17          |       |
|   | Paladin Energy                  | AUD      | 265,375          | 982,787            | 0.54          |       |
|   | PanAust                         | AUD      | 4,446,504        | 2,110,111          | 1.17          |       |
| Rio Tinto   | AUD                             | 153,508  | 10,291,564       | 50,781,883         | 5.70          | 28.15 |
| Communications  | carsales.com.au                 | AUD      | 554,832          | 2,736,237          | 1.52          |       |
|   | Fairfax Media                   | AUD      | 2,445,068        | 3,913,234          | 2.18          |       |
|   | Seek                            | AUD      | 439,760          | 3,379,965          | 1.87          |       |
|   | Ten Network Holdings            | AUD      | 1,659,028        | 2,778,706          | 12,808,141    | 1.54  |
| Consumer, Cyclical  | Qantas Airways                  | AUD      | 1,551,773        | 4,086,307          | 2.26          |       |
|   | Wesfarmers                      | AUD      | 258,846          | 7,045,044          | 11,131,351    | 3.91  |
| Consumer, Non-Cyclical  | CSL Ltd/Australia               | AUD      | 154,962          | 4,667,500          | 2.59          |       |
|   | ResMed                          | AUD      | 720,418          | 4,699,146          | 2.60          |       |
|   | Woolworths                      | AUD      | 219,040          | 5,521,395          | 14,888,041    | 3.06  |
| Energy  | AWE                             | AUD      | 818,159          | 1,880,403          | 1.04          |       |
|   | Caltex Australia                | AUD      | 266,494          | 2,891,361          | 1.60          |       |
|   | MacArthur Coal                  | AUD      | 176,373          | 2,494,549          | 1.38          |       |
|   | Woodside Petroleum              | AUD      | 138,536          | 5,848,545          | 13,114,858    | 3.24  |
| Financial   | AMP                             | AUD      | 672,535          | 3,911,211          | 2.17          |       |
|   | Australia & New Zealand Banking | AUD      | 316,593          | 7,117,289          | 3.94          |       |
|   | Commonwealth Bank of Australia  | AUD      | 315,245          | 17,160,125         | 9.51          |       |
|   | National Australia Bank         | AUD      | 303,044          | 7,892,689          | 4.37          |       |
|   | Suncorp-Metway                  | AUD      | 159,902          | 1,343,563          | 0.74          |       |
|   | Westfield                       | AUD      | 322,342          | 3,875,215          | 2.15          |       |
|   | Westpac Banking                 | AUD      | 520,786          | 13,156,656         | 54,456,748    | 7.29  |
| Industrial  | Amcor                           | AUD      | 856,662          | 5,221,162          | 2.89          |       |
|   | Asciano                         | AUD      | 2,404,132        | 3,758,235          | 2.08          |       |
|   | Boral                           | AUD      | 344,439          | 1,894,158          | 1.05          |       |
|   | CSR                             | AUD      | 1,430,634        | 2,322,953          | 1.29          |       |
|   | Downer EDI                      | AUD      | 408,823          | 2,659,065          | 15,855,572    | 1.47  |
| Technology  | Computershare                   | AUD      | 403,283          | 4,428,007          | 2.45          |       |
| <b>Total Investments at fair value through profit or loss</b>                     |                                 |          |                  | 177,464,601        | 98.34         |       |
| Cash  |                                 |          |                  | 2,902,191          | 1.61          |       |
| Other Net Assets  |                                 |          |                  | 96,796             | 0.05          |       |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |                                 |          |                  | <b>180,463,588</b> | <b>100.00</b> |       |

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

### Portfolio Classification

|                         | % of Total Asset Value |
|-------------------------|------------------------|
| Transferable securities | 100.00                 |
|                         | <b>100.00</b>          |

## Balance Sheet

As at 30 April 2010

|  |                | Baring<br>Australia Fund | Baring<br>Australia Fund |
|--|----------------|--------------------------|--------------------------|
|  | Notes          | 30/04/2010 US\$          | 30/04/2010 US\$          |
| <b>Assets</b>  |                |                          |                          |
| Financial assets at fair value through profit or loss  | 1              | 177,464,601              | 82,225,837               |
| Receivable for securities sold   | 1              | -                        | 189,027                  |
| Receivable for units sold  | 1              | 2,830,033                | 676,617                  |
| Dividends and interest receivable  | 1              | 49,896                   | 48,023                   |
| Other assets   |                | 5,319                    | 1,258                    |
| Cash   | 1              | 2,902,191                | 1,944,627                |
| <b>Total Assets</b>  |                | <b>183,252,040</b>       | <b>85,085,389</b>        |
| <b>Liabilities</b>   |                |                          |                          |
| Management fee payable   | 2              | 196,198                  | 78,950                   |
| Payable for securities purchased   | 1              | -                        | 946,746                  |
| Payable for units redeemed   | 1              | 3,009,007                | 69,461                   |
| Administration fee payable   | 2              | 68,429                   | 28,424                   |
| Trustee fee payable  | 2              | 3,898                    | 1,675                    |
| Accrued expenses   | 2              | 17,853                   | 5,973                    |
| Other Liabilities  |                | 8,806                    | -                        |
| <b>Total Liabilities (Excluding Net Assets Attributable To Holders of Redeemable Participating Units)</b>  |                | <b>3,304,191</b>         | <b>1,131,229</b>         |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |                | <b>179,947,849</b>       | <b>83,954,160</b>        |
| Adjustments from bid market prices to last traded market prices  | 1              | 515,739                  | 267,037                  |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |                | <b>180,463,588</b>       | <b>84,221,197</b>        |
| Units In Issue (Note 5)  |                |                          |                          |
|  | Class A - US\$ | 1,356,689                | 1,082,697                |
|  | Class A - €    | 168,661                  | 133,861                  |
|  | Class A - AU\$ | 54,870                   | -                        |
|  | Class A - £    | 1,021                    | -                        |
| NAV per Redeemable Participating Unit (Note 7)   |                |                          |                          |
|  | Class A - US\$ | 114.12                   | 69.22                    |
|  | Class A - €    | 85.72                    | 52.12                    |
|  | Class A - AU\$ | 122.65                   | 0.00                     |
|  | Class A - £    | 74.45                    | 0.00                     |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  |       | Baring<br>Australia Fund | Baring<br>Australia Fund |
|--|-------|--------------------------|--------------------------|
|  | Notes | 30/04/2010 US\$          | 30/04/2010 US\$          |
| Net assets attributable to holders of redeemable participating units at the beginning of the year                        |       | 84,221,197               | 207,765,572              |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units from operations |       | 61,273,205               | (93,231,827)             |
| Issue of redeemable participating units for the year   | 5     | 220,265,275              | 130,823,500              |
| Redemption of redeemable participating units for the year  | 5     | (185,296,089)            | (161,136,048)            |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>                       |       | <b>180,463,588</b>       | <b>84,221,197</b>        |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   | Notes | Baring<br>Australia Fund<br>30/04/2010 US\$ | Baring<br>Australia Fund<br>30/04/2010 US\$ |
|---|-------|---|---|
| <b>Investment Income</b>  |       |   |   |
| Bank deposit interest   | 1     | 11,797                                      | 31,100                                      |
| Dividend income   | 1     | 5,578,791                                   | 6,117,170                                   |
| Stocklending fee income   | 1,14  | -   | 104,102                                     |
| Net fair value gains/(losses) on financial assets at fair value through profit or loss  |       | 61,605,838                                  | (92,308,499)                                |
| <b>Total investment income/(expense)</b>  |       | <b>67,196,426</b>                           | <b>(86,056,127)</b>                         |
| <b>Expenses</b>   |       |   |   |
| Management fees   | 2     | 1,795,842                                   | 1,524,397                                   |
| Administration fees   | 2     | 646,503                                     | 548,215                                     |
| Audit fees  |       | 3,213                                       | 1,346                                       |
| Trustee fees  | 2     | 35,917                                      | 26,512                                      |
| General expenses  | 2     | 48,573                                      | 38,554                                      |
| <b>Total operating expenses</b>   |       | <b>2,530,048</b>                            | <b>2,139,024</b>                            |
| <b>Net income/(expense) before finance costs</b>  |       | <b>64,666,378</b>                           | <b>(88,195,151)</b>                         |
| <b>Finance Costs</b>  |       |   |   |
| Net income equalisation   | 1     | 257,043                                     | (157,384)                                   |
| Distributions   | 4     | (2,538,316)                                 | (3,257,610)                                 |
| <b>Total Finance Costs</b>  |       | <b>(2,281,273)</b>                          | <b>(3,414,994)</b>                          |
| <b>Profit/(Loss) for the financial year</b>   |       | <b>62,385,105</b>                           | <b>(91,610,145)</b>                         |
| Withholding tax on dividends and other investment income  |       | (1,360,602)                                 | (1,396,864)                                 |
| <b>Operating profit/(loss)</b>  |       | <b>61,024,503</b>                           | <b>(93,007,009)</b>                         |
| Adjustments from bid market prices to last traded market prices   |       | 248,702                                     | (224,818)                                   |
| <b>Increase/(Decrease) in net assets for the year attributable to holders of redeemable participating units from operations</b> |       | <b>61,273,205</b>                           | <b>(93,231,827)</b>                         |

The accompanying notes form an integral part of these financial statements

## Baring Europa Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

|                             | Net asset value as at<br>30/04/2010<br>(US\$ per unit) | Net asset value as at<br>30/04/2009<br>(US\$ per unit) | Net asset value<br>% change |
|-----------------------------|--|--|-----------------------------|
| Income units - (US\$ Class) | 39.26  | 29.83  | 31.61                       |

### Performance Record to 30 April 2010

| Calculated in US\$                  | 01/05/2009 -<br>30/04/2010<br>% | 01/05/2008 -<br>30/04/2009<br>% | 01/05/2007 -<br>30/04/2008<br>% | 01/05/2006 -<br>30/04/2007<br>% | 01/05/2005 -<br>30/04/2006<br>% |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Baring Europa Fund - (Class A US\$) | 32.96                           | (47.08)                         | (3.77)                          | 30.45                           | 43.13                           |
| MSCI Europe Index                   | 34.10                           | (44.99)                         | (1.11)                          | 27.62                           | 30.64                           |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

## Investment Objective and Policy

The objective of the Managers for the Fund is to achieve long-term capital growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in any European country (including the United Kingdom), or in companies exercising the predominant part of their economic activity in Europe. Please refer to the Prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

The Baring Europa Fund is invested in the European equity markets, including UK, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on a sector of the market or macroeconomic trends such as interest rate rises.

We invest in companies which we believe offer potential for delivering better than expected earnings growth. We do this by carefully researching a company's corporate strategy and revenue sources. An important part of the investment process involves regular meetings with the management teams of companies in which we are considering investment. We then work to put a price on the shares of the company in the light of our assessment of its earnings prospects and compare this to its peers in the sector and globally. When we are satisfied that a company meets our criteria for investing, we purchase an appropriate number of shares.

In managing the Fund, we aim to keep the number of individual investments in the region of 55 – 65 holdings in the Fund at any given time. Within this, we keep the minimum weighting of a company in the Fund to around 1.5% and the maximum weighting to approximately 3%.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Baring Europa Fund.

The Baring Europa Fund is managed by James Buckley. James has 16 years' investment experience and holds an MBA from Cambridge University. He is responsible for analysing European companies operating in the automobile and financial sectors and managing many of our European portfolios.

## Risk Profile

The Baring Europa Fund is invested in European companies. It is therefore susceptible to a decline in the markets of the various European countries it invests within. In addition, the approach we take to managing the Fund means that the Fund is likely to prove more volatile in performance than more broadly-based equity funds. The Fund is also exposed to currency risks because the base currency is in US dollars and the underlying holdings are in a mix of European currencies such as the Euro or Swiss franc. As such, exchange rate fluctuations between the US dollar and the various European currencies held in the Fund can enhance or diminish returns for US dollar-based investors.

## Key Changes Since the Last Report

The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

Our stance of gaining exposure to the global economic recovery through the likes of the financial and industrial segments, rather than the consumer-facing sectors, has remained in place throughout the period. Nevertheless, with stock selection remaining the overriding consideration in the construction of the fund, performance has been aided by several well positioned investments in these underweight sectors, including Carlsberg and more recently, LVMH.

Looking back over the twelve months as a whole, following a very difficult 2008/09 financial year, the 2009/10 period has been far more favourable, with the benchmark index and fund performances aided in no small way by the timing of the broader market rebound which began in early March 2009. However, during a period when many lesser quality names drove the market higher – sometimes it seemed merely on the grounds that as they had fallen in value the most, they consequently had the most upside potential - the fund returned a slightly disappointing performance, underperforming the benchmark by around 100bps.

As one would expect given such a strong market rise, in absolute terms all areas performed well, with none of the benchmark sectors achieving less than a double-digit return. Unsurprisingly in view of the market's recovery mode, the macro-dependent Industrials and Materials were two of the sectors to stand out, with the fund consequently benefiting from strong performances in several stocks including Cargotec (a Finnish ports/shipbuilding/construction engineering company), Invensys (rail systems and automation) and the mining groups Vedanta and Xstrata. What was rather more surprising however, was that the relatively defensive Consumer Staples sector comfortably outperformed the typically higher beta Consumer Discretionary sector. As alluded to above with our positions in Carlsberg and LVMH, it is pleasing to note that the fund benefited from strong stock selections in both sectors.

Healthcare was another defensive sector that rather surprisingly performed well during the market's recovery. Performance at fund level was admittedly mixed however, with our smaller biotech holdings acting as a drag on the far stronger names of Shire (a diverse drugmaker with a strong position in hyperactivity treatment), Fresenius (kidney dialysis) and Novo-Nordisk (a world leader in diabetes treatment).

Elsewhere, stock selection was also strong in the Energy sector, providing three of the fund's best performers in the shape of Aker Solutions, Cairn Energy and Tullow Oil, thereby fully justifying the strategic decision at the intra-sector level to overweight oil services and pure E&P plays (Exploration & Production) and underweight the oil majors, with no representation in the sector heavyweights such as BP, Total and ENI. We also decided to move to an overweight position in the broader Financials sector, with well-timed acquisitions of Immoeast and Barclays – the latter through taking advantage of the weakness at the beginning of the year caused by fears that the share price would come under pressure from more stringent US banking regulations. Notwithstanding the transactions that have taken place over the year, the overall make-up of the fund has remained balanced across sectors, with most sector positions within 3% of the benchmark weights, as befitting our stock-driven based strategy. This strategy will remain in place moving through the next twelve months, though given our view that there may be an above average level of variance between individual country stockmarkets' performances in light of the current sovereign debt issues (see below), we may give more consideration to country allocation than is usually the case. However, it will remain important not to sell out stocks merely because they are domiciled in one of the weaker Eurozone countries should the long term investment case - which may include geographical diversity - remain in place.

## Review of the Market

The various policies that were used in the wake of the Lehmans collapse and AIG near-collapse have certainly worked well as far as stockmarket performance is concerned, with the benchmark index rising by around 34.10% over the year. Economic data across the globe has, for the most part, proved supportive to the gains, with more recent US Non-farm payroll readings and ISM data particularly so. Nevertheless, the market has on occasion been quick to retrench, with two prime examples being the correction seen last June following the over-extension in the rebound in equity prices during March, April and May, and perhaps more so the reaction to the economic situation in Greece, where sharp rises in bond yields during January quickly fed through to a sharp fall in the Greek and then Iberian stockmarkets in particular. This also had the effect of putting pressure on the Euro, which may have helped some central banks around the world come to the decision to maintain interest rates at low levels in order to keep their currencies competitive.

Corporate results have also been generally positive, particularly those relating to the fourth quarter of 2009 and first quarter of 2010 thus far. Furthermore, in keeping with the trend typically seen within the fund, there have been few disappointments at the individual group level, underlining the fundamental quality of the companies in which we are invested.

Nevertheless, at the broader market level, sovereign debt concerns continue to linger, with (at the time of writing) the market remaining unconvinced that the bail-out package agreed upon for Greece will do anything more than provide short term respite. Furthermore, the impact of the Greece situation pales in comparison to the potential effect of any similar travails in Spain – as evidenced by the sell-off in global stockmarkets at the beginning of May on rumours that the country was considering negotiating a financial rescue package, despite this being denied by the Prime Minister.

## Market Outlook

Following the drastic monetary easing as described above, one of the main discussion subjects at the end of the review period was one of “exit strategies”, on the view that whilst the stimuli had worked well, there was a danger that were it to remain in place for much longer, the global economy may see a return to the overheated conditions that caused the financial collapse in the first place (albeit the situation has become more complex owing to the sovereign debt repercussions). Whilst as also noted, economic data has largely justified the stockmarket gains, with a number of metrics still remaining below “normalised” levels – though above the trough levels seen at the height of the crisis – we are positioning the fund for a period of heightened uncertainty as investors try to keep track of numerous situations including any signs on the timing of the first rise in (US) interest rates, important upcoming elections in the UK and Germany and sovereign debt issues/contagion across Europe.

The immediate spring and summer months may thus be one of heightened volatility, interspersed with profit taking as some investors choose to cash in to the gains made during the market recovery.

Nevertheless, we are confident that such periods should provide good opportunities both on the buy- and sell-side of transactions, and individual stock movements and trends will thus continue to be monitored closely.

In turn, these uncertain conditions may also result in the typical peer group portfolio adopting more of a sector-neutral position rather than indiscriminate sector overweight/underweight calls, thereby providing the backdrop for our stock-driven portfolio to outperform further as the quality names come more to the fore.

## Portfolio Information

| Top Ten            | % of NAV |
|--------------------|----------|
| Tullow Oil         | 3.98     |
| Xstrata            | 3.95     |
| BG Group           | 3.48     |
| Imperial Tobacco   | 3.28     |
| Cairn Energy       | 2.79     |
| Barclays           | 2.76     |
| Standard Chartered | 2.61     |
| Telefonica         | 2.53     |
| Allianz            | 2.36     |
| Immofinanz         | 2.32     |

Baring Asset Management Limited  
May 2010

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 42.88         | 59.83         | 63.81         | 59.83         | 45.68         | 34.77         | 30.82         | 26.18         | 30.39         | 42.97         |
| Class A - €    | 31.19         | 38.41         | 45.01         | 43.94         | 36.87         | 26.03         | 24.43         | 28.68         | 34.97         | 47.16         |
| Class C – US\$ | 42.47         | 60.83         | 58.94         | -             | -             | -             | -             | -             | -             | -             |
| Class C - €    | 30.77         | 39.63         | 38.20         | -             | -             | -             | -             | -             | -             | -             |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 29.60         | 22.13         | 48.95         | 39.58         | 31.47         | 26.97         | 21.11         | 17.77         | 21.38         | 26.91         |
| Class A - €    | 22.06         | 17.59         | 33.58         | 31.45         | 24.76         | 22.10         | 18.38         | 16.10         | 23.34         | 30.45         |
| Class C - US\$ | 29.53         | 22.36         | 51.52         | -             | -             | -             | -             | -             | -             | -             |
| Class C - €    | 22.16         | 17.78         | 34.09         | -             | -             | -             | -             | -             | -             | -             |

## Statement of Movements in Portfolio Holdings

|                          | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Basic Materials          | 12.02                   | 9.61                    | 11.88                   | 7.81                    |
| Communications           | 9.23                    | 14.89                   | 7.95                    | 4.84                    |
| Consumer, cyclical       | 4.34                    | 3.87                    | 3.32                    | 3.25                    |
| Consumer, non-cyclical   | 14.75                   | 15.99                   | 16.14                   | 17.39                   |
| Diversified              | 1.59                    | -                       | -                       | 1.63                    |
| Energy                   | 10.25                   | 8.43                    | 7.01                    | 8.06                    |
| Financial                | 25.22                   | 20.71                   | 25.12                   | 33.70                   |
| Industrial               | 9.90                    | 12.77                   | 14.79                   | 10.19                   |
| Technology               | 5.50                    | 5.31                    | 4.69                    | 3.66                    |
| Utilities                | 7.04                    | 7.49                    | 8.43                    | 3.72                    |
| <b>Total Investments</b> | <b>99.84</b>            | <b>99.07</b>            | <b>99.33</b>            | <b>94.25</b>            |
| Cash                     | (0.91)                  | 0.13                    | 0.17                    | 4.97                    |
| Other Net Assets         | 1.07                    | 0.80                    | 0.50                    | 0.78                    |
| <b>Total Net Assets</b>  | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movements in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| <b>Purchases</b>                 | <b>Cost<br/>US\$'000</b> | <b>Sales</b>     | <b>Proceeds<br/>US\$'000</b> |
|----------------------------------|--------------------------|------------------|------------------------------|
| Barclays                         | 4,029                    | Banco Santander  | 3,177                        |
| BT Group                         | 2,809                    | Societe Generale | 3,112                        |
| Red Electrica                    | 2,590                    | Anheuser-Busch   | 3,028                        |
| Cairn Energy                     | 2,322                    | E.ON             | 2,917                        |
| Banco Santander                  | 2,138                    | Tullow Oil       | 2,607                        |
| Immoeast                         | 1,877                    | CRH              | 2,603                        |
| Vedanta Resources                | 1,612                    | Vodafone Group   | 2,590                        |
| LVMH Moet Hennessy Louis Vuitton | 1,572                    | ABB              | 2,388                        |
| Telefonica                       | 1,025                    | Xstrata          | 2,131                        |
| ST Modwen Properties             | 558                      | Hellenic Telecom | 1,885                        |
| Vivendi                          | 503                      | Lonza Group      | 1,723                        |
| ICAP                             | 445                      | Actelion         | 1,711                        |
| Standard Chartered               | 423                      | Nokia            | 1,709                        |
| Imperial Tobacco Group           | 416                      | Aker Solutions   | 1,701                        |
| Societe Generale                 | 345                      | Deutsche Post    | 1,692                        |
| Novo Nordisk                     | 335                      | Barclays         | 1,652                        |
| Autonomy                         | 278                      | Telefonica       | 1,557                        |
| Xstrata                          | 270                      | Deutsche Telekom | 1,521                        |
| TUI Travel                       | 239                      | Man Group        | 1,480                        |
| Yara International               | 193                      | Software         | 1,382                        |

## Portfolio Statement

As at 30 April 2010

| Financial assets at fair value through profit or loss |                                  |          |                  |                  |            |             |       |
|---|----------------------------------|----------|------------------|------------------|------------|-------------|-------|
| Industry  | Equities & Convertibles          | Currency | Nominal Holdings | Fair Value US\$  | % of NAV   |             |       |
| Basic Materials                                       | ArcelorMittal                    | EUR      | 49,727           | 1,969,901        |            | 1.90        |       |
|   | Bayer                            | EUR      | 34,769           | 2,233,478        |            | 2.16        |       |
|   | Vedanta Resources                | GBP      | 50,000           | 1,963,645        |            | 1.89        |       |
|   | Xstrata                          | GBP      | 240,022          | 4,098,737        |            | 3.95        |       |
|   | Yara International               | NOK      | 61,850           | <u>2,194,312</u> | 12,460,073 | <u>2.12</u> | 12.02 |
| Communications  | BT Group                         | GBP      | 1,103,008        | 2,154,080        |            | 2.08        |       |
|   | Koninklijke                      | EUR      | 132,539          | 1,969,247        |            | 1.90        |       |
|   | Sky Deutschland                  | EUR      | 442,445          | 973,109          |            | 0.94        |       |
|   | Telefonica                       | EUR      | 116,759          | 2,629,388        |            | 2.53        |       |
|   | Vivendi                          | EUR      | 69,620           | <u>1,844,966</u> | 9,570,790  | <u>1.78</u> | 9.23  |
| Consumer, Cyclical                                    | Aer Lingus                       | EUR      | 869,717          | 829,228          |            | 0.80        |       |
|   | Ryanair Holdings                 | EUR      | 358,142          | 1,792,815        |            | 1.73        |       |
|   | TUI Travel                       | GBP      | 443,353          | <u>1,875,740</u> | 4,497,783  | <u>1.81</u> | 4.34  |
| Consumer, Non-cyclical                                | Basilea Pharmaceutical           | CHF      | 13,381           | 981,249          |            | 0.95        |       |
|   | Carlsberg                        | DKK      | 25,496           | 2,073,283        |            | 2.00        |       |
|   | Forth Ports                      | GBP      | 85,094           | 1,747,904        |            | 1.69        |       |
|   | Fresenius                        | EUR      | 31,566           | 2,281,559        |            | 2.20        |       |
|   | Genmab                           | DKK      | 49,903           | 548,537          |            | 0.53        |       |
|   | Imperial Tobacco                 | GBP      | 117,865          | 3,400,308        |            | 3.28        |       |
|   | Novo Nordisk                     | DKK      | 25,740           | 2,117,988        |            | 2.04        |       |
|   | Shire                            | GBP      | 96,269           | <u>2,136,824</u> | 15,287,652 | <u>2.06</u> | 14.75 |
| Diversified   | LVMH Moet Hennessy Louis Vuitton | EUR      | 14,329           |                  | 1,643,285  |             | 1.59  |
| Energy  | BG Group                         | GBP      | 210,357          | 3,609,898        |            | 3.48        |       |
|   | Cairn Energy                     | GBP      | 471,567          | 2,892,183        |            | 2.79        |       |
|   | Tullow Oil                       | GBP      | 235,967          | <u>4,119,920</u> | 10,622,001 | <u>3.98</u> | 10.25 |
| Financial   | Allianz                          | EUR      | 21,127           | 2,445,961        |            | 2.36        |       |
|   | Amlin                            | GBP      | 289,241          | 1,681,731        |            | 1.62        |       |
|   | Anglo Irish Bank*                | EUR      | 334,211          | -                |            | 0.00        |       |
|   | AXA                              | EUR      | 106,676          | 2,185,025        |            | 2.11        |       |
|   | Barclays                         | GBP      | 545,902          | 2,861,483        |            | 2.76        |       |
|   | BNP Paribas                      | EUR      | 29,862           | 2,072,123        |            | 2.00        |       |
|   | Credit Suisse                    | CHF      | 50,978           | 2,382,570        |            | 2.30        |       |
|   | ICAP                             | GBP      | 279,682          | 1,622,294        |            | 1.56        |       |
|   | Immofinanz                       | EUR      | 569,501          | 2,403,508        |            | 2.32        |       |
|   | Muenchener Rueckversicherungs    | EUR      | 12,167           | 1,726,764        |            | 1.67        |       |
|   | ST Modwen Properties             | GBP      | 646,053          | 1,749,921        |            | 1.69        |       |
|   | Standard Chartered               | GBP      | 99,580           | 2,704,890        |            | 2.61        |       |
|   | UBS                              | CHF      | 146,531          | <u>2,295,965</u> | 26,132,235 | <u>2.22</u> | 25.22 |
| Industrial  | Aker Solutions                   | NOK      | 134,050          | 2,329,010        |            | 2.25        |       |
|   | Bouygues                         | EUR      | 39,961           | 1,992,684        |            | 1.92        |       |
|   | Cargotec                         | EUR      | 58,941           | 1,899,001        |            | 1.83        |       |
|   | Invensys                         | GBP      | 351,294          | 1,822,279        |            | 1.76        |       |
|   | Vinci                            | EUR      | 39,968           | <u>2,220,512</u> | 10,263,486 | <u>2.14</u> | 9.90  |

## Portfolio Statement

As at 30 April 2010

| Financial assets at fair value through profit or loss                             |                         |          |                  |                           |                      |
|---|-------------------------|----------|------------------|---------------------------|----------------------|
| Industry  | Equities & Convertibles | Currency | Nominal Holdings | Fair Value US\$           | % of NAV             |
| Technology  | Autonomy                | GBP      | 72,413           | 2,012,464                 | 1.94                 |
|   | Cap Gemini              | EUR      | 38,533           | 1,969,185                 | 1.90                 |
|   | Software                | EUR      | 15,102           | <u>1,719,670</u>          | 5,701,319            |
| Utilities   | GDF Suez                | EUR      | 46,805           | 1,668,141                 | 1.61                 |
|   | Iberdrola               | EUR      | 226,855          | 1,801,570                 | 1.74                 |
|   | International Power     | GBP      | 357,348          | 1,807,670                 | 1.74                 |
|   | Red Electrica           | EUR      | 42,774           | <u>2,018,208</u>          | <u>7,295,589</u>     |
| <b>Rights &amp; Warrants</b>  |                         |          |                  |                           |                      |
|   | Immoeast**              | EUR      |                  | 379,667                   | - 0.00               |
| <b>Total Investments at fair value through profit or loss</b>                     |                         |          |                  | <b>103,474,213</b>        | <b>99.84</b>         |
| Bank Overdraft  |                         |          |                  | (938,724)                 | (0.91)               |
| Other Net Assets  |                         |          |                  | <u>1,111,539</u>          | <u>1.07</u>          |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |                         |          |                  | <b><u>103,647,028</u></b> | <b><u>100.00</u></b> |

\*Anglo Irish Bank has been delisted from the stock exchange and written down to zero as at 19 January 2009 with agreement from the Board of Directors.

\*\*Due to a corporate action on Immoeast the security has been priced at zero as at 30 April 2010.

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market with the exception of Anglo Irish Bank and Immoeast.

| Portfolio Classification | % of Total Asset Value |
|--------------------------|------------------------|
| Transferable securities  | <u>100.00</u>          |
|                          | <u>100.00</u>          |

## Balance Sheet

As at 30 April 2010

|  |              | <b>Baring<br/>Europa<br/>Fund<br/>30/04/2010</b> | <b>Baring<br/>Europa<br/>Fund<br/>30/04/2009</b> |
|--|--------------|--|--|
|  | <b>Notes</b> | <b>US\$</b>                                      | <b>US\$</b>                                      |
| <b>Assets</b>  |              |  |  |
| Financial assets at fair value through profit or loss  | 1            | 103,474,213                                      | 105,674,498                                      |
| Receivable for securities sold   | 1            | 1,299,728  | -  |
| Receivable for units sold  | 1            | 43,722   | 671,790  |
| Dividends and interest receivable  | 1            | 124,884  | 368,237  |
| Other assets   |              | 389  | 14,042   |
| Cash   | 1            | -  | 138,227  |
| <b>Total assets</b>  |              | <b>104,942,936</b>                               | <b>106,866,794</b>                               |
| <b>Liabilities</b>   |              |  |  |
| Bank overdraft   | 1            | 938,724  | -  |
| Management fee payable   | 2            | 113,957  | 102,382  |
| Administration fee payable   | 2            | 42,879   | 38,675   |
| Trustee fee payable  | 2            | 2,227  | 1,850  |
| Payable for units redeemed   | 1            | 277,002  | 138,845  |
| Accrued expenses   | 2            | 15,624   | 9,566  |
| Other Liabilities  |              | 1,393  | 572  |
| <b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |              | <b>1,391,806</b>                                 | <b>291,890</b>                                   |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |              | <b>103,551,130</b>                               | <b>106,574,904</b>                               |
| Adjustments from bid market prices to last traded market prices  | 1            | 95,898   | 88,666   |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |              | <b>103,647,028</b>                               | <b>106,663,570</b>                               |
| <b>Units In Issue (Note 5)</b>   |              |  |  |
| Class A - US\$   |              | 1,669,655  | 1,884,645  |
| Class A - €  |              | 960,810  | 1,685,360  |
| Class C - US\$   |              | 3,928  | 1,604  |
| Class C - €  |              | 5,517  | 3,981  |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |              |  |  |
| Class A - US\$   |              | 39.26  | 29.83  |
| Class A - €  |              | 29.49  | 22.46  |
| Class C - US\$   |              | 38.77  | 30.08  |
| Class C - €  |              | 29.07  | 22.70  |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  |              | <b>Baring<br/>Europa<br/>Fund<br/>30/04/2010</b> | <b>Baring<br/>Europa<br/>Fund<br/>30/04/2009</b> |
|--|--------------|--|--|
|  | <b>Notes</b> | <b>US\$</b>                                      | <b>US\$</b>                                      |
| Net assets attributable to holders of redeemable participating units at the beginning of the year        |              | 106,663,570                                      | 274,242,911                                      |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units |              | 32,115,614                                       | (142,540,451)                                    |
| Issue of redeemable participating units for the year   | 5            | 36,108,354                                       | 130,611,210                                      |
| Redemption of redeemable participating units for the year  | 5            | (71,240,510)                                     | (155,650,100)                                    |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>       |              | <b>103,647,028</b>                               | <b>106,663,570</b>                               |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   | Notes | Baring<br>Europa<br>Fund<br>30/04/2010<br>US\$ | Baring<br>Europa<br>Fund<br>30/04/2009<br>US\$ |
|---|-------|--|--|
| <b>Investment Income</b>  |       |  |  |
| Bank deposit interest   | 1     | 4,193  | 53,641   |
| Dividend income   | 1     | 3,145,526                                      | 4,729,246                                      |
| Stock Lending fee income  | 1,14  | -  | 149,869  |
| Net fair value gains/(losses) on financial assets at fair value through profit or loss                          |       | 32,785,786                                     | (139,525,265)                                  |
| <b>Total investment income/(expense)</b>  |       | <u>35,935,505</u>                              | <u>(134,592,509)</u>                           |
| <b>Expenses</b>   |       |  |  |
| Management fees   | 2     | 1,469,718                                      | 2,153,962                                      |
| Administration fees   | 2     | 529,099  | 757,397  |
| Trustee fees  | 2     | 29,394   | 42,072   |
| Audit fees  |       | 1,845  | 1,704  |
| General expenses  | 2     | 52,402   | 57,082   |
| <b>Total operating expenses</b>   |       | <u>2,082,458</u>                               | <u>3,012,217</u>                               |
| <b>Net income/(expense) before finance costs</b>  |       | 33,853,047                                     | (137,604,726)                                  |
| <b>Finance Costs</b>  |       |  |  |
| Net income equalisation   | 1     | (154,360)                                      | (345,117)                                      |
| Distributions   | 4     | (1,092,606)                                    | (3,838,614)                                    |
| Bank interest expense   | 1     | (6,024)  | -  |
| <b>Total Finance Costs</b>  |       | <u>(1,252,990)</u>                             | <u>(4,183,731)</u>                             |
| <b>Profit/(Loss) for the financial year</b>   |       | 32,600,057                                     | (141,788,457)                                  |
| Withholding tax on dividends and other investment income  |       | (491,675)                                      | (543,843)                                      |
| <b>Operating profit/(loss)</b>  |       | <u>32,108,382</u>                              | <u>(142,332,300)</u>                           |
| Adjustments from bid market prices to last traded market prices   |       | 7,232  | (208,151)                                      |
| <b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units</b> |       | <u>32,115,614</u>                              | <u>(142,540,451)</u>                           |

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

The accompanying notes form an integral part of these financial statements

# Baring Hong Kong China Fund - Investment Manager's Report - Unaudited

## Summary of Fund Performance

|                             | Net asset value as at 30/04/2010 (US\$ per unit) | Net asset value as at 30/04/2009 (US\$ per unit) | Net asset value % change |
|-----------------------------|--|--|--------------------------|
| Income units - (US\$ Class) | 863.26   | 618.04   | 39.68                    |

## Performance Record to 30 April 2010

| Calculated in US\$                           | 01/05/2009 - 30/04/2010 % | 01/05/2008 - 30/04/2009 % | 01/05/2007 - 30/04/2008 % | 01/05/2006 - 30/04/2007 % | 01/05/2005 - 30/04/2006 % |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Baring Hong Kong China Fund - (Class A US\$) | 40.30                     | (34.83)                   | 25.26                     | 58.11                     | 54.82                     |
| MSCI China Index*                            | 41.70                     | (37.25)                   | 40.53                     | 38.25                     | 20.43                     |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only.

\*The comparative index changed from MSCI Zhong Hua Index to MSCI China Index on 01/02/2008. Previously the comparative index changed from Hong Kong Hang Seng Index to MSCI Zhong Hua Index on 01/09/2006. In the Manager's opinion, the MSCI China Index with its increased exposure to China stocks is now a more appropriate index to be used for comparative purposes.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

## Investment Objective and Policy

The objective of the Managers for the Fund is to achieve long-term capital growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in Hong Kong or China, or in companies exercising the predominant part of their economic activity in Hong Kong or China. Please refer to the prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

The Baring Hong Kong China Fund is invested in Hong Kong and China and, to a lesser extent, the Taiwanese equity market, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a "Growth at a Reasonable Price", or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Umbrella Fund. In turn, BAML have appointed Baring Asset Management (Asia) Limited as sub-Investment Manager to the Baring Hong Kong China Fund.

The Baring Hong Kong China Fund is managed by Agnes Deng. Agnes has ten years of investment experience and is responsible for several segregated institutional portfolios. She holds an MBA from the McGill University and was awarded the CFA designation in 2001.

## Risk Profile

The Baring Hong Kong China Fund is invested primarily in equities listed in the Hong Kong and China equity markets and as such is exposed to the volatility that can characterise equity share prices from time-to-time. Though Hong Kong is considered a developed market, China is regarded as an emerging equity market. As a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets. In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors. Please refer to the Prospectus for a full risk profile.

## Key Changes Since the Last Report

New retail and institutional Units denominated in Pounds Sterling have been made available within the Baring Hong Kong China Fund with effect from 19 August 2009. The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

With a deepening concern of China macro-tightening and European economy, the overall Hong Kong/China market has been sold off faster than we earlier expected. We also notice that the consensus view has come closer to our earlier cautious stance. While we maintain a generally cautious view on the market in the near term, we started to see value emerging in selective sectors. Compared with the beginning of this year, we see less downside in market level and are planning to rebuild some positions on further weakness.

We underweighted the Telecom services sector, which was a major underperformer during the period. Our overweight in Healthcare and Materials had contributed some outperformance for our fund. However, our underweight in Consumer Staples and overweight in Industrials was a drag on the fund's performance. On the stock level, our overweight on Kunlun energy and Lenovo contributed particularly well. Off-index name, Ctrip, is also an outperformer. Names like China National Materials and China Shanshui Cement did not performed well and cause some negative contribution to the fund.

## Review of the Market

In the past few months, The Chinese government has posted the hardest tightening policy targeting property sector in history, which caused market concerns about a positive hard landing of the overall economy. The credit tightening has also been implemented to general business with the raising reserve requirement.

With the rising uncertainty in Europe and other countries, as well as the impact of the credit tightening to the real economy, we think the peak of the Chinese policy risk has just passed us. Going forward, we are expecting to see more moderate policy to be reiterated by the policy makers at the local level rather than central government level.

## Market Outlook

We expect to see the momentum of the economic recovery continues in this year, The corporate earnings will not only driven by top line growth as we saw in 2009 but mostly driven by the overall pricing power gain. With the overall market pull back, the MSCI China is trading 12X forward PE with EPS growth for 2010 at +20% and 18% for 2011. With some of our favoured stocks now back to reasonable valuation, (even though still far from the bottom of the 2008) we think the market valuation is attractive for long term investors and we assume the double dip or hard landing scenario is likely for China.

## Portfolio Information

| Top Ten                     | % of NAV |
|-----------------------------|----------|
| China Construction          | 8.59     |
| China Life Insurance        | 5.87     |
| Bank of China               | 5.15     |
| Tencent Holdings            | 4.74     |
| China Shenhua Energy        | 3.97     |
| Kunlun Energy               | 3.93     |
| China Mobile                | 3.71     |
| Ctrip.com International ADR | 2.53     |
| Lenovo                      | 2.47     |
| China Citic Bank Corp       | 2.34     |

Baring Asset Management Limited  
May 2010

## Highest Issue and Lowest Redemption Prices

### Highest issue prices during the year

|                | <b>April<br/>2010</b> | <b>April<br/>2009</b> | <b>April<br/>2008</b> | <b>April<br/>2007</b> | <b>April<br/>2006</b> | <b>April<br/>2005</b> | <b>April<br/>2004</b> | <b>April<br/>2003</b> | <b>April<br/>2002</b> | <b>April<br/>2001</b> |
|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Class A - US\$ | 927.44                | 982.15                | 1431.80               | 771.91                | 504.69                | 325.78                | 312.74                | 201.74                | 194.79                | 221.15                |
| Class A - €    | 682.83                | 632.93                | 994.82                | 569.97                | 409.45                | 246.58                | 251.33                | 220.52                | 227.97                | 251.41                |
| Class A - £    | 601.24                | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |
| Class C – US\$ | 915.58                | 981.10                | 1004.87               | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |
| Class C - €    | 676.34                | 633.48                | 682.50                | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |

### Lowest redemption prices during the year

|                | <b>April<br/>2010</b> | <b>April<br/>2009</b> | <b>April<br/>2008</b> | <b>April<br/>2007</b> | <b>April<br/>2006</b> | <b>April<br/>2005</b> | <b>April<br/>2004</b> | <b>April<br/>2003</b> | <b>April<br/>2002</b> | <b>April<br/>2001</b> |
|----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Class A - US\$ | 615.61                | 427.81                | 756.72                | 399.83                | 302.88                | 228.38                | 163.91                | 156.81                | 138.58                | 168.27                |
| Class A – €    | 462.52                | 340.59                | 491.08                | 318.01                | 239.80                | 190.00                | 146.62                | 147.30                | 150.28                | 186.80                |
| Class A - £    | 498.91                | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |
| Class C – US\$ | 611.57                | 426.16                | 767.67                | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |
| Class C - €    | 461.06                | 341.13                | 497.39                | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Basic Materials                | 1.39                    | 5.46                    | 5.27                    | 16.40                   |
| Collective Investment Schemes  | 0.99                    | -                       | 1.69                    | -                       |
| Communications                 | 15.03                   | 14.63                   | 18.46                   | 3.25                    |
| Consumer, Cyclical             | 8.46                    | 2.35                    | 6.32                    | -                       |
| Consumer Discretionary         | -                       | -                       | -                       | 18.87                   |
| Consumer, Non Cyclical         | 4.19                    | 2.66                    | 4.21                    | -                       |
| Consumer Staples               | -                       | -                       | -                       | 4.75                    |
| Diversified                    | 1.30                    | 0.65                    | 1.32                    | 1.04                    |
| Energy                         | 14.68                   | 17.27                   | 16.60                   | 2.99                    |
| Financial                      | 41.99                   | 38.09                   | 25.40                   | 29.25                   |
| Industrial                     | 8.32                    | 11.72                   | 14.60                   | 20.65                   |
| Technology                     | 2.47                    | 1.02                    | 0.50                    | 0.30                    |
| Utilities                      | -                       | 2.94                    | -                       | -                       |
| Bonds                          | -                       | 2.12                    | 0.51                    | 0.98                    |
| Warrants                       | -                       | -                       | -                       | 0.90                    |
| <b>Total Investments</b>       | <b>98.82</b>            | <b>98.91</b>            | <b>94.88</b>            | <b>99.38</b>            |
| Cash                           | 1.05                    | 2.66                    | 3.71                    | 1.18                    |
| Other Net Assets/(Liabilities) | 0.13                    | (1.57)                  | 1.41                    | (0.56)                  |
| <b>Total Net Assets</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| Purchases                                 | Cost<br>US\$'000 | Sales                                     | Proceeds<br>US\$'000 |
|---|------------------|---|----------------------|
| Bank Of China                             | 411,318          | China Mobile                              | 551,077              |
| China Mobile                              | 382,095          | Industrial & Commercial                   | 398,245              |
| China Construction Bank                   | 367,217          | United States Treasury Bill 0% 11.03.2010 | 352,993              |
| United States Treasury Bill 0% 11.03.2010 | 352,988          | China Life Insurance                      | 276,900              |
| China Life Insurance                      | 265,654          | Bank of China                             | 260,166              |
| Industrial & Commercial                   | 230,050          | Petrochina                                | 251,967              |
| Petrochina                                | 199,065          | China Petroleum & Chemical                | 234,118              |
| China Shenhua Energy                      | 189,342          | Ping An Insurance                         | 212,788              |
| United States Treasury Bill 0% 29.10.2009 | 166,979          | CNOOC                                     | 188,303              |
| Ping An Insurance                         | 165,413          | United States Treasury Bill 0% 29.10.2009 | 166,995              |
| China Citic Bank Corp                     | 149,583          | China Resources Land                      | 152,523              |
| CNOOC                                     | 135,450          | China Construction                        | 140,413              |
| Tencent Holdings                          | 109,109          | China Shenhua Energy                      | 136,779              |
| China Telecom                             | 106,879          | China Overseas Land & Investment          | 134,209              |
| ZTE Corp                                  | 102,207          | Shougang Concord International            | 127,215              |
| Dongfeng Motor Group                      | 99,757           | China Merchants                           | 124,466              |
| China Overseas Land & Investment          | 87,680           | China Telecom                             | 121,666              |
| Credit Suisse Wt                          | 84,838           | New Oriental Education & Technology ADR   | 101,054              |
| GOME Electrical Appliances Holdings       | 84,225           | Zijin Mining                              | 98,477               |
| Shougang Concord International            | 82,260           | China Communications Construction         | 92,727               |

## Portfolio Statement

As at 30 April 2010

| Industry               | Financial assets at fair value through profit or loss |  | Nominal Holdings | Fair Value US\$ | % of NAV    |            |
|------------------------|---|--|------------------|-----------------|-------------|------------|
|                        | Collective Investment Scheme                          | Currency                               |                  |                 |             |            |
|                        | Baring China A-Share Fund                             | USD                                    | 5,300,000        | 48,336,000      | 0.99        |            |
|                        | <b>Equities &amp; Convertibles</b>                    |  |                  |                 |             |            |
| Basic Materials        | Aluminum Corp of China                                | HKD                                    | 24,644,000       | 24,760,023      | 0.51        |            |
|                        | Angang Steel  | HKD                                    | 27,236,000       | 43,151,279      | 67,911,302  | 0.88 1.39  |
| Communications         | Alibaba.com   | HKD                                    | 11,575,000       | 22,424,051      | 0.46        |            |
|                        | China Mobile  | HKD                                    | 18,164,000       | 180,974,361     | 3.71        |            |
|                        | China Telecom   | HKD                                    | 153,914,000      | 71,569,926      | 1.47        |            |
|                        | Comba Telecom Systems Holdings                        | HKD                                    | 6,534,000        | 9,443,157       | 0.19        |            |
|                        | Ctrip.com International ADR                           | USD                                    | 3,277,100        | 122,924,021     | 2.53        |            |
|                        | Tencent Holdings                                      | HKD                                    | 10,981,900       | 230,856,910     | 4.74        |            |
|                        | ZTE Corp  | HKD                                    | 25,773,000       | 93,949,971      | 732,142,397 | 1.93 15.03 |
| Consumer, Cyclical     | Anta Sports Products                                  | HKD                                    | 9,072,000        | 16,359,737      | 0.34        |            |
|                        | Belle International Holdings                          | HKD                                    | 49,426,000       | 68,885,524      | 1.41        |            |
|                        | China Dongxiang Group                                 | HKD                                    | 60,885,000       | 41,722,198      | 0.86        |            |
|                        | Denway Motors   | HKD                                    | 41,832,000       | 24,570,767      | 0.50        |            |
|                        | Dongfeng Motor Group                                  | HKD                                    | 61,174,000       | 88,883,514      | 1.81        |            |
|                        | GOME Electrical Appliances Holdings                   | HKD                                    | 271,119,000      | 89,052,348      | 1.83        |            |
|                        | Li Ning   | HKD                                    | 6,101,500        | 23,734,976      | 0.49        |            |
| Consumer, Non-Cyclical | Parkson Retail Group                                  | HKD                                    | 36,429,000       | 59,311,590      | 412,520,654 | 1.22 8.46  |
|                        | China Mengniu Dairy                                   | HKD                                    | 18,339,000       | 55,866,574      | 1.15        |            |
|                        | Mindray Medical International ADR                     | USD                                    | 645,163          | 24,825,872      | 0.51        |            |
|                        | New Oriental Education & Technology ADR               | USD                                    | 323,900          | 30,278,172      | 0.62        |            |
|                        | Sino Biopharmaceutical                                | HKD                                    | 11,316,000       | 5,043,294       | 0.10        |            |
|                        | Sinopharm Group                                       | HKD                                    | 19,169,600       | 88,027,390      | 204,041,302 | 1.81 4.19  |
|                        | Diversified   | China Merchants Holdings International | HKD              | 13,586,000      | 48,212,367  | 0.99       |
| Goldin Properties      |   | HKD                                    | 36,770,000       | 15,156,148      | 63,368,515  | 0.31 1.30  |
| Energy                 | China Longyuan Power Group                            | HKD                                    | 59,692,000       | 63,279,233      | 1.30        |            |
|                        | China Shenhua Energy                                  | HKD                                    | 44,257,000       | 193,538,330     | 3.97        |            |
|                        | CNOOC   | HKD                                    | 57,342,000       | 102,076,582     | 2.09        |            |
|                        | Fushan International Energy Group                     | HKD                                    | 50,124,000       | 35,897,628      | 0.74        |            |
|                        | Kunlun Energy   | HKD                                    | 142,610,000      | 191,776,646     | 3.93        |            |
|                        | Petrochina  | HKD                                    | 55,504,000       | 64,988,035      | 1.33        |            |
| Financial              | Yanzhou Coal Mining                                   | HKD                                    | 22,408,000       | 64,365,508      | 1.32 14.68  |            |
|                        | Agile Property Holdings                               | HKD                                    | 14,980,000       | 17,732,606      | 0.36        |            |
|                        | Bank of China   | HKD                                    | 478,027,000      | 251,222,093     | 5.15        |            |
|                        | China Citic Bank Corp                                 | HKD                                    | 171,648,000      | 114,307,448     | 2.34        |            |
|                        | China Construction                                    | HKD                                    | 505,447,000      | 418,631,434     | 8.59        |            |
|                        | China Everbright                                      | HKD                                    | 9,710,000        | 24,464,330      | 0.50        |            |
|                        | China Life Insurance                                  | HKD                                    | 62,237,000       | 286,195,042     | 5.87        |            |
|                        | China Merchants                                       | HKD                                    | 39,594,149       | 99,247,389      | 2.04        |            |
|                        | China Minsheng Banking Corp                           | HKD                                    | 47,067,500       | 51,047,968      | 1.05        |            |
|                        | China Overseas Land & Investment                      | HKD                                    | 33,222,686       | 65,731,145      | 1.35        |            |
|                        | China Pacific Insurance Group                         | HKD                                    | 20,276,503       | 84,230,235      | 1.73        |            |
|                        | China Taiping Insurance Holdings                      | HKD                                    | 32,113,000       | 107,547,289     | 2.21        |            |
|                        | Credit Suisse Wt                                      | USD                                    | 11,148,200       | 47,268,368      | 0.97        |            |
|                        | Credit Suisse Wt                                      | USD                                    | 7,604,400        | 34,371,888      | 0.70        |            |
|                        | Franshion Properties China                            | HKD                                    | 29,508,000       | 8,513,988       | 0.17        |            |
|                        | Industrial & Commercial                               | HKD                                    | 133,847,000      | 99,478,607      | 2.04        |            |
|                        | Industrial & Commercial Bank of China Asia            | HKD                                    | 24,779,000       | 62,239,146      | 1.28        |            |
|                        | Inner Mongolia Yili Industrial Wt                     | USD                                    | 12,910,996       | 62,100,600      | 1.26        |            |
|                        | KWG Property Holding                                  | HKD                                    | 24,968,500       | 14,730,014      | 0.30        |            |

## Portfolio Statement (continued)

As at 30 April 2010

| Industry  | Financial assets at fair value through profit or loss |          | Nominal Holdings | Fair Value US\$      |               | %           |               |       |
|---|---|----------|------------------|----------------------|---------------|-------------|---------------|-------|
|   | Equities & Convertibles                               | Currency |                  |                      |               | of NAV      |               |       |
| Financial<br>(continued)  | Longfor Properties                                    | HKD      | 53,048,500       | 52,478,277           |               |             | 1.08          |       |
|   | Luzhou Laojiao Wt                                     | USD      | 3,037,816        | 13,593,619           |               |             | 0.28          |       |
|   | Ping An Insurance                                     | HKD      | 6,699,000        | 58,245,046           |               |             | 1.19          |       |
|   | Poly Hong Kong Investments                            | HKD      | 19,562,000       | 19,654,097           |               |             | 0.40          |       |
|   | Sino-Ocean Land                                       | HKD      | 21,631,000       | 16,856,881           |               |             | 0.35          |       |
|   | Yanlord Land Group                                    | SGD      | 30,273,000       | 38,065,326           | 2,763,874,798 |             | 0.78          | 41.99 |
| Industrial  | China COSCO   | HKD      | 38,090,000       | 49,651,998           |               |             | 1.02          |       |
|   | China Metal Recycling Holdings                        | HKD      | 31,268,400       | 32,060,033           |               |             | 0.66          |       |
|   | China National Building Material                      | HKD      | 13,618,000       | 22,733,357           |               |             | 0.47          |       |
|   | China National Materials                              | HKD      | 76,926,000       | 50,534,569           |               |             | 1.04          |       |
|   | China Shanshui Cement                                 | HKD      | 61,666,000       | 31,851,903           |               |             | 0.65          |       |
|   | China Shipping Development                            | HKD      | 27,782,000       | 42,513,336           |               |             | 0.87          |       |
|   | Dongfang Electric                                     | HKD      | 8,128,800        | 53,609,485           |               |             | 1.10          |       |
|   | Guangshen Railway                                     | HKD      | 62,328,000       | 24,406,304           |               |             | 0.51          |       |
|   | Sany Heavy Equipment International Holdings           | HKD      | 37,106,000       | 45,549,360           |               |             | 0.93          |       |
|   | Sinotrans Shipping                                    | HKD      | 69,740,000       | 32,069,737           |               |             | 0.66          |       |
|   | Tianjin Port Development Holdings                     | HKD      | 70,142,000       | 19,967,131           |               |             | 0.41          |       |
|   | Tungda Innovative Lighting*                           | HKD      | 46,050,000       | -                    | 404,947,213   |             |               | 8.32  |
|   | Technology  | Lenovo   | HKD              | 159,780,000          |               | 120,604,989 |               | 2.47  |
| <b>Total financial assets at fair value through profit or loss</b>                |   |          |                  | <b>4,817,747,170</b> |               |             | <b>98.82</b>  |       |
| Cash  |   |          |                  | 51,286,589           |               |             | 1.05          |       |
| Other Net Assets  |   |          |                  | 6,499,115            |               |             | 0.13          |       |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |   |          |                  | <b>4,875,532,874</b> |               |             | <b>100.00</b> |       |

\*Tungda Innovative Lighting has been suspended from the stock exchange and has been priced at zero as at 6 May 2008 following approval from the Board of Directors.

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market except Tungda Innovative Lighting.

### Portfolio Classification

|                         | % of Total Asset Value |
|-------------------------|------------------------|
| Transferable securities | 100.00                 |
|                         | <b>100.00</b>          |

## Balance Sheet

As at 30 April 2010

|  |              | <b>Baring<br/>Hong Kong<br/>China Fund<br/>30/04/2010</b> | <b>Baring<br/>Hong Kong<br/>China Fund<br/>30/04/2009</b> |
|--|--------------|---|---|
|  | <b>Notes</b> | <b>US\$</b>   | <b>US\$</b>   |
| <b>Assets</b>  |              |   |   |
| Financial assets at fair value through profit or loss  | 1            | 4,817,747,170   | 3,498,385,035   |
| Receivable for securities sold   | 1            | 65,755,898  | -   |
| Receivable for units sold  | 1            | 6,446,065   | 415,511   |
| Dividends and interest receivable  | 1            | 11,234,500  | 7,601,467   |
| Other assets   |              | 38,900  | 26,449  |
| Cash   | 1            | 51,286,589  | 94,071,521  |
| <b>Total Assets</b>  |              | <b>4,952,509,122</b>                                      | <b>3,600,499,983</b>                                      |
| <b>Liabilities</b>   |              |   |   |
| Management fee payable   | 2            | 5,165,906   | 3,548,605   |
| Administration fee payable   | 2            | 1,915,683   | 1,249,875   |
| Trustee fee payable  | 2            | 106,788   | 74,724  |
| Payable for securities purchased   | 1            | 70,992,836  | 49,595,752  |
| Payable for units redeemed   | 1            | 4,058,213   | 14,207,981  |
| Accrued expenses   | 2            | 704,903   | 245,179   |
| Other Liabilities  |              | 126,263   | 50,650  |
| <b>Total liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |              | <b>83,070,592</b>   | <b>68,972,766</b>   |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |              | <b>4,869,438,530</b>                                      | <b>3,531,527,217</b>                                      |
| Adjustments from bid market prices to last traded market prices  | 1            | 6,094,344   | 5,326,148   |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |              | <b>4,875,532,874</b>                                      | <b>3,536,853,365</b>                                      |
| <b>Units in Issue (Note 5)</b>   |              |   |   |
| Class A - US\$   |              | 4,447,824   | 4,644,478   |
| Class A - €  |              | 1,187,583   | 1,071,843   |
| Class A - £  |              | 2,075   | -   |
| Class C – US\$   |              | 8,121   | 5,167   |
| Class C - €  |              | 2,333   | 1,177   |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |              |   |   |
| Class A - US\$   |              | 863.26  | 618.04  |
| Class A - €  |              | 648.41  | 465.36  |
| Class A - £  |              | 563.15  | -   |
| Class C – US\$   |              | 849.56  | 611.57  |
| Class C - €  |              | 641.92  | 461.76  |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  |              | <b>Baring<br/>Hong Kong<br/>China Fund<br/>30/04/2010</b> | <b>Baring<br/>Hong Kong<br/>China Fund<br/>30/04/2009</b> |
|--|--------------|---|---|
|  | <b>Notes</b> | <b>US\$</b>   | <b>US\$</b>   |
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the year  |              | 3,536,853,365   | 5,837,199,902   |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units |              | 1,409,187,561   | (1,931,940,965)   |
| Issue of redeemable participating units for the year   | 5            | 2,210,385,252   | 1,824,036,957   |
| Redemption of redeemable participating units for the year  | 5            | (2,280,893,304)   | (2,192,442,529)   |
| Net Assets attributable to holders of redeemable participating units at the end of the year              |              | <b>4,875,532,874</b>                                      | <b>3,536,853,365</b>                                      |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   |       | Baring<br>Hong Kong<br>China Fund<br>30/04/2010 | Baring<br>Hong Kong<br>China Fund<br>30/04/2009 |
|---|-------|---|---|
|   | Notes | US\$  | US\$  |
| <b>Investment Income</b>  |       |   |   |
| Bank deposit interest   | 1     | 73,975  | 2,359,967                                       |
| Bond interest income  | 1     | 13,572  | 1,923,481                                       |
| Dividend income   | 1     | 71,590,274                                      | 78,988,156                                      |
| Stocklending fee income   | 1,14  | -   | 782,619   |
| Net fair value gain/(loss) on financials assets at fair value through profit or loss                            |       | <u>1,441,003,412</u>                            | <u>(1,944,956,243)</u>                          |
| <b>Total investment income/(expense)</b>  |       | <u>1,512,681,233</u>                            | <u>(1,860,902,020)</u>                          |
| <b>Expenses</b>   |       |   |   |
| Management fees   | 2     | 58,790,521                                      | 46,155,030                                      |
| Administration fees   | 2     | 21,164,587                                      | 16,616,191                                      |
| Trustee fees  | 2     | 1,175,810                                       | 923,122   |
| General expenses  | 2     | 1,205,088                                       | 1,257,347                                       |
| Audit fees  |       | <u>86,810</u>                                   | <u>56,509</u>                                   |
| <b>Total operating expenses</b>   |       | <u>82,422,816</u>                               | <u>65,008,199</u>                               |
| <b>Net income/(expense) before finance costs</b>  |       | <u>1,430,258,417</u>                            | <u>(1,925,910,219)</u>                          |
| <b>Finance Costs</b>  |       |   |   |
| Net income equalisation   | 1     | (185,714)                                       | (1,921,529)                                     |
| Distributions   | 4     | <u>(15,747,228)</u>                             | <u>(553)</u>                                    |
| <b>Total Finance costs</b>  |       | <u>(15,932,942)</u>                             | <u>(1,922,082)</u>                              |
| <b>Profit/(Loss) for the financial year</b>   |       | <u>1,414,325,475</u>                            | <u>(1,927,832,301)</u>                          |
| Withholding tax on dividends and other investment income  |       | <u>(5,906,110)</u>                              | <u>(1,488,071)</u>                              |
| <b>Operating profit/(loss)</b>  |       | <u>1,408,419,365</u>                            | <u>(1,929,320,372)</u>                          |
| Adjustments from bid market prices to last traded market prices   |       | <u>768,196</u>                                  | <u>(2,620,593)</u>                              |
| <b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units</b> |       | <u><u>1,409,187,561</u></u>                     | <u><u>(1,931,940,965)</u></u>                   |

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

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

## Baring International Bond Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

|                             | Net asset value as at<br>30/04/2010<br>(US\$ per unit) | Net asset value as at<br>30/04/2009<br>(US\$ per unit) | Net asset value<br>% change |
|-----------------------------|--|--|-----------------------------|
| Income units - (US\$ Class) | 26.07  | 23.54  | 10.75                       |

### Performance Record to 30 April 2010

|   | 01/05/2009 -<br>30/04/2010 | 01/05/2008 -<br>30/04/2009 | 01/05/2007 -<br>30/04/2008 | 01/05/2006 -<br>30/04/2007 | 01/05/2005 -<br>30/04/2006 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Calculated in US\$                              | %                          | %                          | %                          | %                          | %                          |
| Baring International Bond Fund - (Class A US\$) | 13.90                      | (6.76)                     | 14.45                      | 3.00                       | (5.13)                     |
| Citi World Govt Bond USD Index                  | 5.88                       | (0.49)                     | 15.13                      | 6.42                       | (3.95)                     |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

Note: All references to a specific index are for comparative purposes only.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

### Investment Objective and Policy

The objective of the Managers for the Fund is to achieve an attractive level of income together with long-term growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in an internationally diversified portfolio of both corporate and government fixed interest securities. The portfolio may also, from time to time, include securities with floating interest rates. Please refer to the Prospectus for the full Investment Objective and Policy.

### How the Investment Manager Manage the Fund

We seek investment return by investing in bond markets where we believe yields are likely to fall and avoiding those that are thought to be expensive. The overall duration, or interest-rate sensitivity, of the Fund will fluctuate as our expectations for economic developments change, relative to the market. We will also look to add value through foreign exchange management, identifying those markets where currencies are attractive, for example due to sound economic fundamentals or rising interest rates.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Baring International Bond Fund.

The manager of the Baring International Bond Fund is Alan Wilde. Alan has over 20 years of investment experience. He is Head of our Fixed Income & Currency Team and is manager of several key global bond mandates.

### Risk Profile

The majority of the Baring International Bond Fund's holdings will usually be in bonds issued by governments rather than individual companies. These bonds are not deemed as risky as corporate bonds, as they are backed by the full resources of the government issuing them. However, as this is a portfolio invested in the world-wide bond markets, currency exchange fluctuations can have an effect on the performance of the Fund's investments. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

The period under review has been a good one for financial markets amid risk appetite returning. This has resulted in a substantial outperformance by US corporate bonds versus equivalent maturity US Treasury bonds. The fund was well positioned to benefit from this outcome and has performed strongly over the reporting period. A further positive came from our bond selection in Japan with a strong rally in our Yen denominated Depfa 2016 holding.

Our currency strategy was the principal cause of outperformance over the year under review due to overweighting primarily high beta and commodity currencies such as the Canadian dollar and the Norwegian krone relative to the benchmark index. Additionally our underweight Euro position contributed positively especially towards the end of the period when the currency came under pressure as investors worried over possible contagion from European fiscal developments. Our US dollar underweight was the only notable detractor on a relative basis from our currency positions. Our allocation to individual bond markets had a neutral effect on performance. Our underweight position in Japan coupled with Mexican and UK overweight positions provided positive returns but were negated by our exposure to the Australian government bond market. Japan was one of the weakest markets, returning 2.5% against the index average of 4.5% whilst Mexico and the UK performed strongly. The Australian bond market was particularly weak at the beginning of the period under review with evidence of the economy's resilience in the global downturn.

In terms of currency strategy, we added to our existing exposure to the Canadian dollar which subsequently rallied strongly through the period. The fund has taken advantage of market moves to reduce exposure to the Swedish krone and Polish zloty and to take back the exposure to the Australian dollar to neutral. The latter has benefited from the strength of the local economy and commodity prices. After initially increasing our exposure to the Canadian dollar we later took profits, cutting the position to 3.5%. At the same time we cut our Yen exposure. As the divergence between expected monetary policy in Asian economies became likely due to the relative growth expectations within western economies, we saw an opportunity to increase exposure to those currencies. Firstly we opened a Singaporean dollar currency position of 5% and later added to this position taking net exposure to 7%. As economic growth here rebounded, the central bank was already hinting to pull back its stimulus measures. Subsequently Singapore's Monetary Authority agreed to adjust the allowance for potential currency appreciation upwards following extremely strong growth data and an increasing level of inflation making this a profitable trade. We later opened a position in Taiwanese dollar out of the Japanese yen due the relative expensiveness of the latter. The aggressive policy action by Singapore's central bank has increased the possibility that rate hikes in the region may come sooner than previously thought. We also opened a position in the Chinese Renminbi via non deliverable forward contracts. Given increasing inflationary pressures in China there is a possibility that the central bank will allow its currency to appreciate in order to control inflation. Other significant currency changes were made in March by increasing our Sterling exposure whilst reducing our exposure to the Euro. This results in our principal currency positions being significantly underweight the US dollar and Euro in favour of Asian and high beta currencies.

The fund has also reduced the exposure to corporate bonds and yen bonds slightly into market strength. However the remaining credit position ensures that further tightening of spreads helps to offset some of the losses from higher bond yields. They should also add value due to higher carry if spreads remain stable. We reduced our Yen denominated credit in favour of the UK gilt market which had cheapened significantly. We also reduced our US bond allocation by selling US corporate bonds into Polish government bonds and Australian supranationals whilst reducing our US Treasury exposure in favour of Euro government bonds.

## Review of the Market

As the first signs of global economic recovery began to emerge, risk appetite returned to the markets. Equities and credit markets rallied and global bond markets weakened as investors began to focus on the anticipated future level of inflation and the looming supply. After a small partial reversal in the fortunes of the bond market (with profit taking as the main driver for the correction) the markets moved into a period of relative stabilisation. Economic indicators continued to be mixed but generally the bias was to the upside. Market participants' risk appetite increased as corporate earnings came in better than expected and as such the corporate bond market outperformed safe haven assets. By the end of 2009 the impact of the global credit shocks was beginning to fade with markets entering a period of normalisation. Data released was largely consistent with the market's expectation of a nascent recovery although the pace of it varied with the UK economy lagging the majors. Despite this improving economic environment it became evident with the emergence of a debt crisis in Dubai that risks remained in the financial sector. Into 2010, initial poor performance from equity markets provided some support to most bond markets. Uncertainties surrounding the possible negative effects on economic growth from Chinese monetary tightening, Greek funding problems and President Obama's plan to curtail the activities of America's largest banks caused a renewed flight to quality. Volatility continued in financial markets as equity markets rebounded accompanied by a rise in bond yields in response to better than anticipated data releases out of the US and Asia. However April saw global bond markets post positive returns once more as investors became concerned over possible contagion from European fiscal developments with credit downgrades for Greece, Spain and Portugal's sovereign debt by the credit rating agency S&P.

The prevailing risk appetite has been the principal driver of currency markets over the year. US dollar weakness was notable from the start of the reporting period to the end of 2009 when the currency suffered amid evidence of a global economic stabilisation and a reduction of risk aversion. In this environment, emerging currencies performed strongly. Into 2010, interest rate differentials have started to play an important role in foreign exchange markets. With developed market monetary policy makers signalling that they are in no rush to tighten policy given the fragility of the economic recovery and benign inflation readings, Asian currencies, where accommodation is already being removed, are outperforming. The latest central bank to announce an effective tightening of policy was Singapore's Monetary Authority which agreed to adjust the allowance for potential currency appreciation upwards following extremely strong growth data and an increasing level of inflation. Over the year under review, the currency return for the Citigroup WGBI returned 2.6%, with the US dollar weakening against all currencies within the index over this period. Commodity and growth sensitive currencies have significantly outperformed with the Australian and Canadian dollars appreciating 26.7% and 17.3% respectively.

## Market Outlook

Accelerating economic activity with inflation remaining stable should be a favourable environment for selective global government bond markets. Globally, economic recovery is gaining impetus while mounting European fiscal stress provides a reminder that recovery from recession will be a painful one. In contrast to European economies, Asia remains relatively isolated from sovereign credit woes with strong data emerging which reinforces the region's relative growth expectations.

## Portfolio Information

| Top Ten  | % of NAV |
|--|----------|
| France (Government of) 3.50% 25.04.2035                  | 6.91     |
| Norway 0% Treasury Bill 16.06.2010                       | 6.57     |
| New South Wales Treasury 5.5% 01.03.2017                 | 5.47     |
| Mexican Bonos 8% 19.12.2013                              | 5.34     |
| Italy Buoni Poliennali Del Tesoro 4.00% 01.02.2017       | 5.04     |
| United Kingdom Gilt 2.25% 07.03.2014                     | 4.85     |
| Bundesrepublik Deutschland 4% 04.07.2016                 | 4.74     |
| Austria (Republic of) 3.5% 15.09.2021                    | 4.68     |
| Intl Bank Reconstruction & Developments 5.75% 17.02.2015 | 4.58     |
| Poland (Republic of) 5.50% 25.04.2015                    | 4.37     |

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 27.36         | 26.06         | 27.14         | 24.38         | 24.92         | 25.42         | 24.19         | 21.92         | 19.32         | 19.77         |
| Class A - €    | 19.64         | 18.71         | 17.53         | 18.73         | 19.88         | 19.31         | 19.67         | 20.41         | 21.40         | 22.07         |
| Class A - £    | 17.53         | 17.61         | 13.63         | 12.81         | 13.61         | 13.47         | 13.78         | N/A           | N/A           | N/A           |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 23.10         | 22.37         | 21.78         | 22.77         | 22.45         | 22.15         | 21.20         | 17.98         | 17.66         | 18.03         |
| Class A - €    | 16.80         | 15.87         | 16.27         | 17.35         | 18.64         | 18.56         | 18.71         | 19.49         | 20.08         | 19.98         |
| Class A - £    | 14.33         | 12.51         | 10.99         | 11.53         | 12.82         | 12.45         | 12.51         | N/A           | N/A           | N/A           |

## Statement of Movements in Portfolio Holdings

|                          | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Australian dollar        | 12.17                   | 5.18                    | 3.84                    | 22.28                   |
| Canadian dollar          | 2.58                    | 4.00                    | 3.33                    | -                       |
| Euro                     | 36.80                   | 39.70                   | 42.88                   | 28.95                   |
| Japanese yen             | 7.72                    | 8.86                    | 7.65                    | 7.86                    |
| Pound sterling           | 9.31                    | 12.94                   | 16.20                   | 19.03                   |
| US dollar                | 11.06                   | 20.08                   | 18.32                   | 15.47                   |
| Mexican peso             | 8.02                    | 3.07                    | 1.09                    | -                       |
| Norwegian Krone          | 6.57                    | 3.89                    | 4.22                    | 5.65                    |
| Open Forwards            | (0.67)                  | (0.45)                  | (1.19)                  | (2.56)                  |
| Polish zloty             | 4.36                    | -                       | 1.91                    | -                       |
| <b>Total Investments</b> | <u>97.92</u>            | <u>97.27</u>            | <u>98.25</u>            | <u>96.68</u>            |
| Cash                     | 1.07                    | 0.40                    | 0.79                    | 2.07                    |
| Other Net Assets         | 1.01                    | 2.33                    | 0.96                    | 1.25                    |
| <b>Total Net Assets</b>  | <u><u>100.00</u></u>    | <u><u>100.00</u></u>    | <u><u>100.00</u></u>    | <u><u>100.00</u></u>    |

\*Movements in portfolio holdings have been analysed above based on a % of NAV invested in each currency. The movement in each currency position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| <b>Purchases</b>  | <b>Cost<br/>US\$'000</b> | <b>Sales</b>   | <b>Proceeds<br/>US\$'000</b> |
|---|--------------------------|--|------------------------------|
| United Kingdom Gilt 2.25% 07.03.2014                        | 7,962                    | Bundesrepublik Deutschland 3.75% 04.01.2017                      | 23,061                       |
| France (Government of) 3.50% 25.04.2035                     | 7,563                    | Bundesrepublik Deutschland 4% 04.07.2016                         | 21,611                       |
| Norway 0% Treasury Bill 16.06.2010                          | 7,431                    | Depfa Bank 1.65% 20.12.2016                                      | 12,599                       |
| Norway 0% Treasury Bill 16.12.2009                          | 7,177                    | United Kingdom Gilt 4.75% 07.03.2020                             | 10,641                       |
| Italy Buoni Poliennali Del Tesoro 4.00% 01.02.2017          | 5,747                    | United Kingdom Gilt 0% 07.06.2021                                | 8,978                        |
| Austria (Republic of) 3.5% 15.09.2021                       | 5,211                    | Norway 0% Treasury Bill 16.12.2009                               | 7,436                        |
| Intl Bank Reconstruction & Developments 5.75%<br>17.02.2015 | 4,934                    | France (Government of) 3.54% 25.07.2032                          | 7,383                        |
| Poland (Republic of) 5.50% 25.04.2015                       | 4,892                    | Norway 0% Treasury Bill 16.09.2009                               | 7,328                        |
| United Kingdom Gilt 5.25% 07.06.2012                        | 3,329                    | Canada Housing Trust No 1 3.6% 15.06.2013                        | 6,780                        |
| Netherlands (Government of) 5% 15.07.2010                   | 2,893                    | United States Treasury Note/Bond 4.62%<br>15.11.2016             | 4,867                        |
| United Kingdom Gilt 4.75% 07.03.2020                        | 2,832                    | Bundesrepublik Deutschland 4% 04.01.2037                         | 4,412                        |
| Mexican Bonos 7.25% 15.12.2016                              | 2,780                    | New South Wales Treasury 5.5% 01.03.2017                         | 4,349                        |
| Canada (Government of) 2.00% 01.12.2014                     | 2,778                    | United Kingdom Gilt 4.25% 07.03.2011                             | 3,753                        |
| Nederlandse Waterschapsbank 3.375% 01.02.2017               | 2,754                    | Bundesrepublik Deutschland 4.75% 04.07.2034                      | 3,208                        |
| United States Treasury Note/Bond 1.375%<br>15.03.2012       | 2,691                    | United States Treasury Note/Bond 1.375%<br>15.03.2012            | 2,714                        |
| Finland (Republic of) 3.375% 15.04.2020                     | 2,667                    | United States Treasury Note/Bond 1.75%<br>15.01.2028             | 2,651                        |
| Rabobank 1.85% 12.04.2017                                   | 2,312                    | United Kingdom Gilt 2.25% 07.03.2014                             | 2,304                        |
| France (Government of) 3.50% 25.07.2032                     | 2,266                    | Verizon Global Funding 7.38% 01.09.2012                          | 1,862                        |
| Queensland Treasury 6.00% 14.09.2017                        | 2,263                    | National Rural Utilities Cooperative Finance<br>7.25% 01.03.2012 | 1,818                        |
| France (Government of) 2.50% 12.01.2014                     | 1,388                    | France Telecom 7.75% 01/03/2011                                  | 1,649                        |

## Portfolio Statement

As at 30 April 2010

| Currency          | Financial assets at fair value through profit or loss                | Currency | Nominal Holdings | Fair Value US\$  | % of NAV    |
|-------------------|--|----------|------------------|------------------|-------------|
| Australian dollar | International Bank Reconstruction & Developments<br>5.75% 17.02.2015 | AUD      | 5,500,000        | 5,061,711        | 4.57        |
|                   | New South Wales Treasury 5.5% 01.03.2017                             | AUD      | 6,690,000        | 6,092,949        | 5.50        |
|                   | Queensland Treasury 6.00% 14.09.2017                                 | AUD      | 2,500,000        | <u>2,322,644</u> | <u>2.10</u> |
|                   |  |          |                  | 13,477,304       | 12.17       |
| Canadian dollar   | Canada (Government of) 2.00% 01.12.2014                              | CAD      | 3,000,000        | 2,855,460        | 2.58        |
| Euro              | Austria (Republic of) 3.5% 15.09.2021                                | EUR      | 3,900,000        | 5,171,652        | 4.67        |
|                   | Bonos Y Oblig Del Estado 1.046% 17.03.2015                           | EUR      | 890,000          | 1,173,834        | 1.05        |
|                   | Bundesrepublik Deutschland 3.75% 04.01.2017                          | EUR      | 1,544,000        | 2,213,292        | 2.00        |
|                   | Bundesrepublik Deutschland 4% 04.07.2016                             | EUR      | 3,600,000        | 5,236,636        | 4.73        |
|                   | Bundesrepublik Deutschland 4.75% 04.07.2034                          | EUR      | 1,825,000        | 2,819,758        | 2.55        |
|                   | Finland (Republic of) 3.375% 15.04.2020                              | EUR      | 2,000,000        | 2,682,822        | 2.42        |
|                   | France (Government of) 4.75% 25.04.2035                              | EUR      | 5,050,000        | 7,626,878        | 6.89        |
|                   | Ireland (Government of) 4.5% 18.10.2018                              | EUR      | 1,000,000        | 1,295,325        | 1.17        |
|                   | Italy (Republic of) 2% 15.12.2012                                    | EUR      | 1,000,000        | 1,329,651        | 1.20        |
|                   | Italy Buoni Poliennali Del Tesoro 4.00% 01.02.2017                   | EUR      | 4,000,000        | 5,577,936        | 5.04        |
|                   | Nederlandse Waterschapsbank 3.375% 01.02.2017                        | EUR      | 2,000,000        | 2,730,458        | 2.47        |
|                   | Netherlands (Government of) 5% 15.07.2012                            | EUR      | 2,000,000        | <u>2,895,923</u> | <u>2.62</u> |
|                   |  |          |                  | 40,754,165       | 36.80       |
| Pound Sterling    | United Kingdom Gilt 2.25% 07.03.2014                                 | GBP      | 3,500,000        | 5,358,739        | 4.85        |
|                   | United Kingdom Gilt 4.75% 07.03.2020                                 | GBP      | 1,000,000        | 1,628,605        | 1.47        |
|                   | United Kingdom Gilt 5.25% 07.06.2012                                 | GBP      | 2,000,000        | <u>3,309,862</u> | <u>2.99</u> |
|                   |  |          |                  | 10,297,206       | 9.31        |
| Japanese Yen      | Depfa ACS Bank 1.65% 20.12.2016                                      | JPY      | 350,000,000      | 3,143,683        | 2.84        |
|                   | Dexia Municipal Agency 1.55% 31.10.2013                              | JPY      | 300,000,000      | 3,211,983        | 2.89        |
|                   | Rabobank 1.85% 12.04.2017  | JPY      | 200,000,000      | <u>2,200,773</u> | <u>1.99</u> |
|                   |  |          |                  | 8,556,439        | 7.72        |
| Mexican Peso      | Mexican Bonos 8% 19.12.2013  | MXN      | 681,150          | 5,917,601        | 5.34        |
|                   | Mexican Bonos 7.25% 15.12.2016                                       | MXN      | 360,000          | <u>2,968,375</u> | <u>2.68</u> |
|                   |  |          |                  | 8,885,976        | 8.02        |
| Norwegian Krone   | Norway 0% Treasury Bill 16.06.2010                                   | NOK      | 43,000,000       | 7,277,466        | 6.57        |
| Polish New Zloty  | Poland (Republic of) 5.50% 25.04.2015                                | PLN      | 14,000,000       | 4,832,996        | 4.36        |
| US dollar         | Bellsouth 6% 15.11.2034  | USD      | 1,000,000        | 987,961          | 0.89        |
|                   | Boeing 5.13% 15.02.2013  | USD      | 1,000,000        | 1,088,604        | 0.98        |
|                   | Duke Energy 6.1% 01.06.2037  | USD      | 650,000          | 700,227          | 0.63        |
|                   | Goldman Sachs 5.95% 15.01.2027                                       | USD      | 1,000,000        | 930,882          | 0.84        |
|                   | JP Morgan Chase 6.13% 27.06.2017                                     | USD      | 700,000          | 755,089          | 0.68        |
|                   | Target 5.38% 01.05.2017  | USD      | 800,000          | 875,543          | 0.79        |
|                   | United States Treasury Note/Bond 1.75% 15.01.2028                    | USD      | 2,425,000        | 2,480,388        | 2.24        |
|                   | United States Treasury Note/Bond 5.375% 15.02.2031                   | USD      | 3,285,000        | 3,697,678        | 3.34        |
|                   | Walt Disney 5.63% 15.09.2016   | USD      | 650,000          | <u>738,446</u>   | <u>0.67</u> |
|                   |  |          |                  | 12,254,818       | 11.06       |
|                   | <b>Total Fixed Interest</b>  |          |                  |                  |             |
|                   |  |          |                  | 109,191,830      | 98.59       |

## Portfolio Statement (continued)

As at 30 April 2010

### Financial assets at fair value through profit or loss

#### Open Forward Foreign Currency Transactions

| Currency Sold  | Currency Bought | Currency Rate | Maturity Date | Unrealised Gain | % of NAV    |       |
|--|-----------------|---------------|---------------|-----------------|-------------|-------|
| EUR 11,114,403   | USD             | 0.7378        | 25/05/2010    | 196,650         |             | 0.17  |
| EUR 2,981,451  | USD             | 0.7379        | 25/05/2010    | 52,298          |             | 0.05  |
| JPY 1,107,788  | USD             | 90.2700       | 18/05/2010    | 49,021          |             | 0.04  |
| JPY 1,234,845  | USD             | 89.0800       | 18/05/2010    | 70,202          |             | 0.06  |
| JPY 2,157,684  | USD             | 92.6920       | 18/05/2010    | 40,150          |             | 0.04  |
| JPY 2,665,032  | USD             | 93.8075       | 18/05/2010    | 18,115          |             | 0.02  |
| PLN 1,639,557  | USD             | 2.9276        | 02/06/2010    | 9,109           |             | 0.01  |
| PLN 796,951  | USD             | 2.8860        | 02/06/2010    | 15,695          |             | 0.01  |
| USD 1,100,000  | GBP             | 0.6583        | 16/06/2010    | 14,776          |             | 0.01  |
| USD 1,700,000  | SGD             | 1.4047        | 18/06/2010    | 32,545          |             | 0.03  |
| USD 100,000,000  | TWD             | 31.2900       | 03/06/2010    | 10,681          |             | 0.01  |
| USD 3,160,000  | CAD             | 1.0228        | 16/06/2010    | 52,113          |             | 0.05  |
| USD 32,000,000   | SEK             | 7.2828        | 02/06/2010    | 34,293          |             | 0.03  |
| USD 8,450,000  | SGD             | 1.3782        | 18/06/2010    | 46,015          |             | 0.04  |
| USD 950,000  | SGD             | 1.4009        | 18/06/2010    | 16,342          | 658,005     | 0.01  |
| <b>Total financial assets at fair value through profit or loss</b> |                 |               |               |                 | 109,849,835 | 99.17 |

### Financial liabilities at fair value through profit or loss

#### Open Forward Foreign Currency Transactions

| Currency Sold   | Currency Bought | Currency Rate | Maturity Date | Unrealised Loss | % of NAV    |        |
|---|-----------------|---------------|---------------|-----------------|-------------|--------|
| AUD 1,500,000   | USD             | 1.0961        | 16/06/2010    | (19,394)        |             | (0.02) |
| AUD 2,620,000   | USD             | 1.1033        | 16/06/2010    | (49,621)        |             | (0.04) |
| AUD 9,800,000   | USD             | 1.0991        | 16/06/2010    | (151,207)       |             | (0.14) |
| GBP 3,500,000   | USD             | 0.6604        | 16/06/2010    | (64,273)        |             | (0.06) |
| MXN 25,000,000  | USD             | 12.7655       | 16/06/2010    | (81,923)        |             | (0.07) |
| USD 2,913,042   | GBP             | 0.6522        | 16/06/2010    | (1,133)         |             | (0.01) |
| USD 22,902,030  | JPY             | 90.3850       | 18/05/2010    | (985,562)       |             | (0.89) |
| USD 3,350,000   | USD             | 0.7513        | 25/05/2010    | (997)           |             | (0.00) |
| USD 5,177,515   | CNY             | 6.7600        | 03/06/2010    | (19,928)        |             | (0.02) |
| USD 964,630   | TWD             | 31.1000       | 03/06/2010    | (2,654)         | (1,376,691) | (0.00) |
| <b>Total financial liabilities at fair value through profit or loss</b> |                 |               |               |                 | (1,376,691) |        |

### Total assets and liabilities at fair value through profit or loss

|   |  |                    |               |
|---|--|--------------------|---------------|
| Cash  |  | 1,180,893          | 1.07          |
| Other Net Assets  |  | 1,114,487          | 1.01          |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |  | <b>110,768,524</b> | <b>100.00</b> |

All investments, with the exception of forward currency contracts, are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

The counterparty to the open forward foreign currency contracts is Northern Trust (Guernsey) Limited.

### Portfolio Classification

|                            | % of Total Asset Value |
|----------------------------|------------------------|
| Transferable securities    | 100.67                 |
| Forward Currency Contracts | (0.67)                 |
|                            | <u>100.00</u>          |

## Balance Sheet

As at 30 April 2010

|  |                | <b>Baring<br/>International<br/>Bond Fund<br/>30/04/2010</b> | <b>Baring<br/>International<br/>Bond Fund<br/>30/04/2009</b> |
|--|----------------|--|--|
|  | <b>Notes</b>   | <b>US\$</b>  | <b>US\$</b>  |
| <b>Assets</b>  |                |  |  |
| Financial assets at fair value through profit or loss  | 1              | 109,849,835  | 164,577,036  |
| Receivable for units sold  | 1              | 187,267  | 1,443,490  |
| Dividends and interest receivable  | 1              | 1,337,219  | 2,463,126  |
| Other assets   |                | 198,535  | 6,109  |
| Cash   | 1              | 1,180,893  | 660,868  |
| <b>Total Assets</b>  |                | <b>112,753,749</b>   | <b>169,150,629</b>   |
| <b>Liabilities</b>   |                |  |  |
| Financial liabilities at fair value through profit or loss   | 1              | 1,376,691  | 2,660,882  |
| Management fee payable   | 2              | 68,738   | 106,987  |
| Administration fee payable   | 2              | 41,057   | 63,954   |
| Trustee fee payable  | 2              | 2,293  | 3,546  |
| Payable for units redeemed   | 1              | 530,863  | 481,287  |
| Accrued expenses   | 2              | 108,792  | 27,615   |
| <b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |                | <b>2,128,434</b>   | <b>3,344,271</b>   |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |                | <b>110,625,315</b>   | <b>165,806,358</b>   |
| Adjustments from bid market prices to last traded market prices  | 1              | 143,209  | 644,748  |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |                | <b>110,768,524</b>   | <b>166,451,106</b>   |
| <b>Units in Issue (Notes 5)</b>  |                |  |  |
|  | Class A - US\$ | 3,880,606  | 6,424,152  |
|  | Class A - €    | 345,965  | 545,178  |
|  | Class A - £    | 21,854   | 99,390   |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |                |  |  |
|  | Class A - US\$ | 26.07  | 23.54  |
|  | Class A - €    | 19.58  | 17.73  |
|  | Class A - £    | 17.00  | 15.88  |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  |              | <b>Baring<br/>International<br/>Bond Fund<br/>30/04/2010</b> | <b>Baring<br/>International<br/>Bond Fund<br/>30/04/2009</b> |
|--|--------------|--|--|
|  | <b>Notes</b> | <b>US\$</b>  | <b>US\$</b>  |
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the year  |              | 166,451,106  | 260,587,538  |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units |              | 14,451,388   | (23,759,567)   |
| Issue of redeemable participating units for the year   | 5            | 91,964,541   | 228,701,004  |
| Redemption of redeemable participating units for the year  | 5            | (162,098,511)  | (299,077,869)  |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>       |              | <b>110,768,524</b>   | <b>166,451,106</b>   |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   | Notes | Baring<br>International<br>Bond Fund<br>30/04/2010<br>US\$ | Baring<br>International<br>Bond Fund<br>30/04/2009<br>US\$ |
|---|-------|--|--|
| <b>Investment Income</b>  |       |  |  |
| Bank deposit interest   | 1     | 2,679  | 49,347   |
| Bond interest income  | 1     | 5,109,581  | 8,565,093  |
| Stock Lending fee income  | 1,14  | -  | 45,756   |
| Net fair value gains/(losses) on financials assets at fair value through profit or loss                           | 12    | 16,106,464   | (22,281,554)   |
| <b>Total investment income</b>  |       | <u>21,218,724</u>  | <u>(13,621,358)</u>  |
| <b>Expenses</b>   |       |  |  |
| Management fees   | 2     | 978,516  | 1,557,778  |
| Administration fees   | 2     | 587,109  | 926,065  |
| Trustee fees  | 2     | 32,617   | 49,550   |
| Sales Commissions   |       | 86,910   | 109,980  |
| General expenses  | 2     | 37,684   | 101,833  |
| Audit fees  |       | 1,972  | 2,659  |
| <b>Total operating expenses</b>   |       | <u>1,724,808</u>   | <u>2,747,865</u>   |
| <b>Net income/(expense) before finance costs</b>  |       | <u>19,493,916</u>  | <u>(16,369,223)</u>  |
| <b>Finance Costs</b>  |       |  |  |
| Net income equalisation   | 1     | (398,142)  | (462,214)  |
| Distributions   | 4     | (4,124,659)  | (7,350,000)  |
| <b>Total Finance costs</b>  |       | <u>(4,522,801)</u>   | <u>(7,812,214)</u>   |
| <b>Profit/(Loss) for the financial year</b>   |       | <u>14,971,115</u>  | <u>(24,181,437)</u>  |
| Withholding tax on dividends and other investment income  |       | (18,188)   | 10,857   |
| <b>Operating profit/(loss)</b>  |       | <u>14,952,927</u>  | <u>(24,170,580)</u>  |
| Adjustments from bid market prices to last traded market prices   |       | (501,539)  | 411,013  |
| <b>Increase/(Decrease) in net assets for the period attributable to holders of redeemable participating units</b> |       | <u>14,451,388</u>  | <u>(23,759,567)</u>  |

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

The accompanying notes form an integral part of these financial statements

## Baring Japan Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

|                             | Net asset value as at<br>30/04/2010<br>(US\$ per unit) | Net asset value as at<br>30/04/2009<br>(US\$ per unit) | Net asset value<br>% change |
|-----------------------------|--|--|-----------------------------|
| Income units - (US\$ Class) | N/A  | 7.54   | (100%)                      |

### Performance Record to 30 April 2010\*

| Calculated in US\$                 | 01/05/2009-<br>30/04/2010<br>% | 01/05/2008-<br>30/04/2009<br>% | 01/05/2007-<br>30/04/2008<br>% | 01/05/2006 -<br>30/04/2007<br>% | 01/05/2005 -<br>30/04/2006<br>% | 01/05/2009-<br>30/04/2010<br>% |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Baring Japan Fund - (Class A US\$) | N/A                            | (44.52)                        | (9.81)                         | (12.69)                         | (5.13)                          | N/A                            |
| Japan (TSE) First Section Index    | N/A                            | (33.04)                        | (7.15)                         | (4.21)                          | (3.95)                          | N/A                            |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

The Baring Japan fund was terminated on 27 July 2009

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

## Investment Objective and Policy

The objective of the Managers for the Fund was to achieve long-term capital growth in the value of assets. The Fund did seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in Japan, or in companies exercising the predominant part of their economic activity in Japan. Please refer to the Prospectus for the full Investment Objective and Policy.

## How the Investment Manager Manage the Fund

Following a review of the range of funds within the Umbrella, the decision to close the Baring Japan Fund was made, due to the low level of assets in the Fund. This was subsequently approved by unitholders on 17 July 2009, pursuant to Clause 38(F) of the Trust Deed. The remaining units in the fund were compulsorily redeemed on 27 July 2009.

## Portfolio Information

This fund terminated during the period under review.

Baring Asset Management Limited  
May 2010

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 8.40          | 14.22         | 15.65         | 18.15         | 17.82         | 12.83         | 12.75         | 10.64         | 14.20         | 20.06         |
| Class A - €    | 6.07          | 9.19          | 11.53         | 14.22         | 14.62         | 10.35         | 10.66         | 11.55         | 16.14         | 22.43         |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 7.54          | 6.21          | 11.43         | 14.14         | 11.63         | 10.37         | 7.23          | 6.95          | 8.11          | 11.54         |
| Class A - €    | 5.63          | 4.88          | 7.45          | 11.01         | 9.21          | 8.62          | 6.24          | 6.30          | 9.35          | 12.61         |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Basic Materials                | -                       | 10.67                   | 14.20                   | 13.90                   |
| Communications                 | -                       | 5.21                    | 4.18                    | -                       |
| Consumer, Cyclical             | -                       | 26.17                   | 28.03                   | -                       |
| Consumer Discretionary         | -                       | -                       | -                       | 22.54                   |
| Consumer, Non Cyclical         | -                       | 8.89                    | 3.80                    | -                       |
| Consumer Staples               | -                       | -                       | -                       | 6.27                    |
| Financial                      | -                       | 14.42                   | 25.95                   | 20.47                   |
| Industrial                     | -                       | 17.29                   | 26.95                   | 29.31                   |
| Technology                     | -                       | 7.41                    | 4.62                    | 2.68                    |
| Utilities                      | -                       | 6.85                    | -                       | -                       |
| <b>Total Investments</b>       | -                       | <b>96.91</b>            | <b>107.73</b>           | <b>95.17</b>            |
| Cash                           | -                       | 0.51                    | 0.99                    | 2.74                    |
| Other Net Assets/(Liabilities) | -                       | 2.58                    | (8.72)                  | 2.09                    |
| <b>Total Net Assets</b>        | -                       | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| Purchases          | Cost<br>US\$'000 | Sales                     | Proceeds<br>US\$'000 |
|--------------------|------------------|---------------------------|----------------------|
| Mitsui             | 266              | Toyota Motor              | 855                  |
| Nabtesco           | 262              | Mitsubishi                | 596                  |
| Sony               | 255              | Mizuho Financial          | 558                  |
| Tokyo Gas          | 255              | NTT DoCoMo                | 515                  |
| Chiba Bank         | 251              | Tokio Marine Holdings     | 500                  |
| Mizuho Financial   | 244              | Mitsubishi Financial      | 486                  |
| Secom              | 244              | Sumitomo Mitsui Financial | 486                  |
| Nomura Holdings    | 233              | Panasonic                 | 462                  |
| Trend Micro        | 232              | Shin-Etsu Chemical        | 461                  |
| JSR                | 207              | Seven & I Holdings        | 459                  |
| Miura              | 203              | Canon                     | 432                  |
| Nidec              | 202              | Takeda Pharmaceutical     | 430                  |
| Mitsui OSK Lines   | 195              | Tokyu                     | 422                  |
| Softbank           | 191              | Tokyo Electric Power      | 417                  |
| Shinko Plantech    | 189              | Shimizu                   | 411                  |
| Fanuc              | 187              | IT Holdings               | 410                  |
| Kirin Holdings     | 179              | Yamada Denki              | 404                  |
| JFE Shoji Holdings | 173              | Honda Motor               | 375                  |
| Nikon              | 150              | Toshiba                   | 358                  |
| Honda Motor        | 142              | Astellas Pharma           | 357                  |

## Portfolio Statement

**As at 30 April 2010**

This fund terminated during the period under review; therefore no portfolio exists at 30 April 2010.

## Balance Sheet

As at 30 April 2010

|  | Notes          | Baring<br>Japan<br>Fund | Baring<br>Japan<br>Fund |
|--|----------------|-------------------------|-------------------------|
|  |                | 27/07/2009<br>US\$      | 30/04/2009<br>US\$      |
| <b>Assets</b>  |                |                         |                         |
| Financial assets at fair value through profit or loss  |                | -                       | 12,068,049              |
| Receivable for securities sold   |                | -                       | 121,616                 |
| Receivable for units sold  |                | -                       | 779,960                 |
| Dividends and interest receivable  |                | -                       | 142,815                 |
| Other assets   |                | 94                      | 2,077                   |
| Cash   | 1              | 34,404                  | 63,814                  |
| <b>Total Assets</b>  |                | <b>34,498</b>           | <b>13,178,331</b>       |
| <b>Liabilities</b>   |                |                         |                         |
| Management fee payable   |                | -                       | 12,301                  |
| Payable for securities purchased   |                | -                       | 573,652                 |
| Payable for units redeemed   | 1              | 274                     | 107,607                 |
| Administration fee payable   |                | -                       | 4,392                   |
| Trustee fee payable  |                | -                       | 231                     |
| Accrued expenses   | 2              | 34,224                  | 46,009                  |
| Other liabilities  |                | -                       | 406                     |
| <b>Total liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |                | <b>34,498</b>           | <b>744,598</b>          |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |                |                         | <b>12,433,733</b>       |
| Adjustments from bid market prices to last traded market prices  | 1              | -                       | 19,114                  |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> |                | <b>-</b>                | <b>12,452,847</b>       |
| <b>Units in Issue (Note 5)</b>   |                |                         |                         |
|  | Class A - US\$ | -                       | 964,341                 |
|  | Class A - €    | -                       | 685,696                 |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |                |                         |                         |
|  | Class A - US\$ | -                       | 7.54                    |
|  | Class A - €    | -                       | 5.68                    |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|  | Notes | Baring<br>Japan<br>Fund | Baring<br>Japan<br>Fund |
|--|-------|-------------------------|-------------------------|
|  |       | 27/07/2009<br>US\$      | 30/04/2009<br>US\$      |
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the period/year |       | 12,452,847              | 25,931,564              |
| Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units       |       | 1,150,776               | (12,739,156)            |
| Issue of redeemable participating units for the period/year  | 5     | 1,223,032               | 25,042,568              |
| Redemption of redeemable participating units for period/year   | 5     | (14,826,655)            | (25,782,129)            |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the period/year</b>      |       | <b>-</b>                | <b>12,452,847</b>       |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   |      | Baring<br>Japan<br>Fund<br>27/07/2009<br>US\$ | Baring<br>Japan<br>Fund<br>30/04/2009<br>US\$ |
|---|------|---|---|
| <b>Investment Income</b>  |      |   |   |
| Bank deposit interest   | 1    | 409   | 6,776   |
| Dividend income   | 1    | (2,461)                                       | 334,876                                       |
| Stock Lending fee income  | 1,14 | -   | 23,995  |
| Net fair value gain/(loss) on financial assets at fair value through profit or loss                               |      | 1,247,005                                     | (12,590,911)                                  |
| <b>Total investment income/(expense)</b>  |      | <u>1,244,953</u>                              | <u>(12,225,264)</u>                           |
| <b>Expenses</b>   |      |   |   |
| Management fees   | 1    | 34,129  | 246,955                                       |
| Administration fees   | 2    | 12,521  | 88,055  |
| Trustee fees  | 2    | 682   | 4,969   |
| General expenses  | 2    | 27,903  | 61,829  |
| Audit fees  |      | -   | 199   |
| <b>Total operating expenses</b>   |      | <u>75,235</u>                                 | <u>402,007</u>                                |
| <b>Net income/(expense) before finance costs</b>  |      | 1,169,718                                     | (12,627,271)                                  |
| <b>Finance Costs</b>  |      |   |   |
| Net income equalisation   |      | -   | (1,241)                                       |
| Distributions   | 4    | -   | (18,246)                                      |
| <b>Total Finance costs</b>  |      | <u>-</u>                                      | <u>(19,487)</u>                               |
| <b>Profi/(loss) for the financial period</b>  |      | 1,169,718                                     | (12,646,758)                                  |
| Withholding tax on dividends and other investment income  |      | 172   | (23,448)                                      |
| <b>Operating profit/(loss)</b>  |      | <u>1,169,890</u>                              | <u>(12,670,206)</u>                           |
| Adjustments from bid market prices to last traded market prices   |      | <u>(19,114)</u>                               | <u>(68,950)</u>                               |
| <b>Increase/(Decrease) in net assets for the period attributable to holders of redeemable participating units</b> |      | <u><u>1,150,776</u></u>                       | <u><u>(12,739,156)</u></u>                    |

Gains and losses are arising from discontinued activities as this fund has terminated. There were no gains or losses other than those dealt with

in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring North America Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

| Accounting Year               | Net asset value as at<br>30/04/2010<br>(US\$ per unit) | Net asset value as at<br>30/04/2009<br>(US\$ per unit) | Net asset value<br>% change |
|-------------------------------|--|--|-----------------------------|
| Income units - (Class A US\$) | 62.59  | 47.44  | 31.94                       |

### Performance Record to 30 April 2010

| Calculated in US\$                         | 01/05/2009-<br>30/04/2010<br>% | 01/05/2008-<br>30/04/2009<br>% | 01/05/2007-<br>30/04/2008<br>% | 01/05/2006 -<br>30/04/2007<br>% | 01/05/2005 -<br>30/04/2006<br>% |
|--|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Baring North America Fund - (Class A US\$) | 31.94                          | (41.17)                        | 4.24                           | 7.31                            | 21.14                           |
| Russell 1000 Growth Index*                 | 38.16                          | (34.01)                        | (4.68)                         | 15.24                           | 15.40                           |

Source: Baring Asset Management Limited. Percentage performance to 30 April 2010, bid-to-bid basis with net income reinvested, in US\$ terms. The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in the actual prices on the dates stated.

\* The comparative index changed from S&P 500 Index to Russell 1000 Growth Index on 1 July 2008.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

### Investment Objective and Policy

The objective of the Managers for the Fund is to achieve long-term capital growth in the value of assets. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities of companies incorporated in North America or in companies exercising the predominant part of their economic activity in North America. Please refer to the Prospectus for the full Investment Objective and Policy.

### How the Investment Manager Manage the Fund

The Baring North America Fund invests in the US equity markets, primarily in larger company growth stocks for strong return potential. The Fund operates from the philosophy that growth is good, but growth at the right price is better. It seeks to invest in quality growth companies that are part of long-term secular growth themes. Its focus is on well-managed businesses with sustainable growth rates that are attractively priced.

The Fund manages risk by combining well-established businesses with sound portfolio construction. We maintain a broadly diversified portfolio of approximately 70 – 90 companies across different sectors and industries and continuously monitor portfolio characteristics to help reduce overall portfolio risk.

The Managers of the Baring International Umbrella Fund, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Umbrella Fund. In turn, BAML have appointed OFI Institutional Asset Management Inc. a wholly owned subsidiary of Oppenheimer Funds Inc. as sub-Investment Manager to the Baring North America Fund.

## How the Investment Manager Manage the Fund

Until 26 April 2010, the Fund was managed by Marc Baylin. Marc is a vice president of the Oppenheimer Funds and has been a member of the Growth Equity Investment Team since September 2005. He was managing director and lead portfolio manager at JP Morgan Fleming Investment Management from June 2002 to August 2005 and was a vice president of T. Rowe Price, where he was an investment analyst from June 1993 and a portfolio manager from March 1999 to June 2002. Marc holds the Chartered Financial Analyst designation.

## Risk Profile

The Baring North America Fund is predominately invested in US equities. As a result, the Fund is exposed to the volatility which can characterise company share prices from time to time. In addition, as a single-country Fund, the Baring North America Fund is generally riskier than funds which invest more broadly across a range of global equity markets.

Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. In addition, the approach we take to managing the Fund and keeping the number of holdings at a reasonably focused size means that the Fund may prove more volatile in performance than more broadly-based US equity funds. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

Please note that effective 26 April 2010, Julie Van Cleave has assumed portfolio management responsibility for Baring North America Fund.

Julie has a long history of investment excellence. Most recently, she was a managing director at Deutsche Asset Management where she served as lead portfolio manager of the DWS Capital Growth Fund (SCGSX) from December 2002 through February 2009. During her tenure, she produced strong results in both up and down markets. Her sensitivity to risk and her preference for quality growth companies supported by long-term growth themes will fit well within the style and objectives Oppenheimer US Growth Equity Team.

Julie has over 25 years of investment experience. Before joining Deutsche Asset Management in 2002, she worked at Mason Street Advisors, a wholly owned subsidiary of Northwestern Mutual, for 18 years. At Mason Street Advisors, she was a portfolio manager managing over \$2.5 billion of U.S. large-cap growth products including the Mason Street Growth Fund. She received both her B.A. and her M.B.A. from the University of Wisconsin, Madison, and is a CFA charterholder.

The Fund was delisted from the Channel Islands Stock Exchange on 23 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009.

## Strategy and Performance

In the period since OFI Institutional Asset Management (a wholly owned subsidiary of Oppenheimer Funds, Inc.) assumed responsibility for the fund on 1 April 2008, the fund's investment philosophy has been based on the belief that superior long-term, risk-adjusted returns come from investing in well-managed businesses with sustainable growth rates that are attractively priced.

The Fund's investment strategy has been based on a theme-based, quality growth investment approach that balances finding the best growth opportunities while maintaining sensitivity to valuations. Investments have focused on world-class growth companies exhibiting long-term, above-average earnings growth. While visible and sustainable earnings are of primary importance, the stocks should be attractively priced relative to the market.

While not benchmark-oriented, the Fund, with 81 holdings as of 30 April 2010, is diversified across all GICS® sectors excluding the Utilities sector.

Relative to the Index, the Fund was, as at 30 April 2010 overweight to the Energy, Financials, Information Technology, and Telecommunication Services sectors. This has been the case for the past year. Consumer Staples and Industrials rank as the major underweights, along with a void in the very small Utilities sector. Again, these overweights have been in place for the most part over the past year.

## Strategy and Performance

In the period since the manager assumed responsibility for this portfolio, performance has been generally good aside from an extremely disappointing second half of 2008 when negative contributions emanated from the Consumer Discretionary, Consumer Staples, Information Technology, and most importantly, Financials sectors. Longer-term performance comparisons are still being hard hit from the poor performance during second half of 2008.

## Review of the Market

Momentum from the worst annual equity-market decline in over 70 years spilled into 2009, and U.S. stocks posted a sixth straight quarterly decline early in the year before rebounding sharply through year-end. The S&P 500® gained 23.5% (26.5% with dividends) in 2009, its strongest annual performance in six years and its second-best calendar-year return of the decade. Other broad-market benchmarks performed similarly, with the Russell 3000® up 26.8% for the year and the Wilshire 5000 returning 26.5%. The Nasdaq Composite soared 43.9% on renewed strength in technology stocks, while the 30-stock Dow Jones Industrial Average returned 18.8%. Overseas equity markets also rocketed back in 2009, and many global stock indexes outperformed those of the United States. The MSCI EAFE Index was up 31.8%, while the World Index (ex U.S.) climbed 33.7%. But the most stunning gains of the year came from markets of developing nations, as the MSCI Emerging Markets Index recorded its strongest year ever, soaring 78.5%.

Although the growth and value segments led for two quarters each in 2009, by year-end, growth stocks had accumulated a commanding advantage. For the full year, growth returned 37.0%, finishing 17.3 percentage points ahead of value's 19.7% gain.

Throughout the year, economic data increasingly pointed to tentative improvement in the U.S. economy. As the new decade began, the world faced uncharted territory and unprecedented challenges. The interrelationship between financial markets and the global economy, as each both feed on and fuel the other, has perhaps never been so critical.

Thus far in 2010, the cyclical-recovery theme continues to drive stocks higher and, indeed, the U.S. economy appears to be moving past the major risk of "double dip" recession. Though problem loans remain on their books (especially in real estate), banks are gradually repairing their balance sheets. The U.S. federal government has made it very clear that it will defend the banking system by keeping interest rates low and by allowing the larger banks to delay major loan write-downs. Employment is finally beginning to recover, with nearly 200,000 jobs added in March, and this is beginning to help consumer spending.

## Market Outlook

As markets begin to recover, we believe the Portfolio's focus on well-established, higher-quality companies has the potential to provide both upside participation as well as downside protection. We believe that we are in the early stages of a longer cycle that should favour the types of growth companies we seek and, over the long-term, we remain optimistic regarding the Portfolio's investment strategy.

## Portfolio Information

| Top Ten            | % of NAV |
|--------------------|----------|
| Google             | 4.20     |
| Apple              | 4.01     |
| Hewlett-Packard    | 3.20     |
| QUALCOMM           | 2.85     |
| Oracle             | 2.24     |
| Research In Motion | 2.18     |
| Visa               | 2.13     |
| Microsoft          | 2.03     |
| Express Scripts    | 2.02     |
| Mastercard         | 2.02     |

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 63.72         | 84.34         | 85.75         | 77.76         | 72.92         | 64.11         | 61.13         | 59.33         | 75.11         | 106.51        |
| Class A - £    | 41.03         | 42.75         | 42.11         | -             | -             | -             | -             | -             | -             | -             |
| Class A - €    | 47.51         | 54.22         | 60.23         | 58.09         | 59.60         | 49.33         | 50.55         | 65.37         | 86.68         | 119.61        |

### Lowest Redemption Prices during the year

|                | April<br>2010 | April<br>2009 | April<br>2008 | April<br>2007 | April<br>2006 | April<br>2005 | April<br>2004 | April<br>2003 | April<br>2002 | April<br>2001 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Class A - US\$ | 47.27         | 37.26         | 70.95         | 65.09         | 59.73         | 54.17         | 49.25         | 42.24         | 50.51         | 60.65         |
| Class A - £    | 29.19         | 24.63         | 34.87         | -             | -             | -             | -             | -             | -             | -             |
| Class A - €    | 34.21         | 29.57         | 45.14         | 51.60         | 46.48         | 43.94         | 41.85         | 39.16         | 55.14         | 67.17         |

## Statement of Movements in Portfolio Holdings

|                                | 30/04/2010<br>% of NAV* | 30/04/2009<br>% of NAV* | 30/04/2008<br>% of NAV* | 30/04/2007<br>% of NAV* |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Basic Materials                | 4.08                    | 6.60                    | 5.96                    | 7.75                    |
| Communications                 | 16.69                   | 16.85                   | 18.82                   | -                       |
| Consumer Discretionary         | -                       | -                       | -                       | 10.73                   |
| Consumer, Cyclical             | 7.53                    | 6.32                    | 7.23                    | -                       |
| Consumer, Non- Cyclical        | 22.86                   | 26.18                   | 15.37                   | -                       |
| Consumer Staples               | -                       | -                       | -                       | 9.06                    |
| Energy                         | 9.76                    | 9.14                    | 10.31                   | 9.07                    |
| Financial                      | 12.90                   | 6.42                    | 9.19                    | 19.86                   |
| Healthcare                     | -                       | -                       | -                       | 14.57                   |
| Industrial                     | -                       | 6.89                    | 8.53                    | 13.24                   |
| Technology                     | 22.12                   | 18.62                   | 20.25                   | 16.65                   |
| Telecommunication Services     | -                       | -                       | -                       | 1.60                    |
| <b>Total Investments</b>       | <b>96.64</b>            | <b>97.02</b>            | <b>95.66</b>            | <b>102.53</b>           |
| Cash                           | 1.30                    | 3.20                    | 3.72                    | 1.02                    |
| Other Net Assets/(Liabilities) | 1.76                    | (0.22)                  | 0.62                    | (3.55)                  |
| <b>Total Net Assets</b>        | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           | <b>100.00</b>           |

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

| Purchases                     | Cost<br>US\$'000 | Sales                         | Proceeds<br>US\$'000 |
|-------------------------------|------------------|-------------------------------|----------------------|
| Fed Home LN BK 01/02/2010     | 10,900           | Fed Home LN BK 01/02/2010     | 10,900               |
| Fed Home LN BK 25/02/2010     | 10,800           | Fed Home LN BK 25/02/2010     | 10,800               |
| Fed Home LN BK 06/01/2010     | 9,200            | Fed Home LN BK 06/01/2010     | 9,200                |
| Fed Home LN BK 21/08/2009     | 7,200            | Fed Home LN BK 21/08/2009     | 7,200                |
| Fed Home LN BK 15/05/2009     | 5,700            | Fed Home LN BK 15/05/2009     | 5,700                |
| Fed Home LN BK 05/01/2010     | 5,400            | Fed Home LN BK 05/01/2010     | 5,400                |
| Fed Home LN BK 11/01/2010     | 5,300            | Fed Home LN BK 12/06/2009     | 5,300                |
| Fed Home LN BK 12/06/2009     | 5,300            | Fed Home LN BK 11/01/2010     | 5,300                |
| Fed Home LN BK CPN 12/01/2010 | 5,200            | Fed Home LN BK 19/01/2010     | 5,200                |
| Fed Home LN BK 19/01/2010     | 5,200            | Fed Home LN BK CPN 12/01/2010 | 5,200                |
| Fed Home LN BK 18/11/2009     | 5,100            | Fed Home LN BK 18/11/2009     | 5,100                |
| Fed Home LN BK 11/02/2010     | 5,000            | Fed Home LN BK 11/02/2010     | 5,000                |
| Fed Home LN BK 12/02/2010     | 4,900            | Fed Home LN BK 12/02/2010     | 4,900                |
| Fed Home LN BK CPN 08/12/2009 | 4,700            | Google                        | 4,836                |
| Fed Home LN BK CPN 10/12/2009 | 4,600            | Fed Home LN BK CPN 08/12/2009 | 4,700                |
| Fed Home LN BK 09/12/2009     | 4,600            | Apple                         | 4,653                |
| Google                        | 4,536            | Fed Home LN BK 09/12/2009     | 4,600                |
| Fed Home LN BK CPN 13/01/2010 | 4,400            | Fed Home LN BK CPN 10/12/2009 | 4,600                |
| Hewlett Packard               | 4,325            | Fed Home LN BK CPN 13/01/2010 | 4,400                |
| Fed Home LN BK 09/11/2009     | 4,300            | Fed Home LN BK 09/11/2009     | 4,300                |

## Portfolio Statement

As at 30 April 2010

### Financial assets at fair value through profit or loss

| Industry                    | Equities & Convertibles     | Currency          | Nominal  | Fair Value US\$ | % of NAV   |            |       |
|-----------------------------|-----------------------------|-------------------|----------|-----------------|------------|------------|-------|
|                             |                             |                   | Holdings |                 |            |            |       |
| Basic Materials             | Celanese                    | USD               | 22,430   | 753,424         |            | 0.68       |       |
|                             | Monsanto                    | USD               | 16,675   | 1,037,852       |            | 0.93       |       |
|                             | Potash Corp of Saskatchewan | USD               | 12,071   | 1,334,570       |            | 1.20       |       |
|                             | Praxair                     | USD               | 16,685   | 1,406,712       | 4,532,558  | 1.27       | 4.08  |
| Communications              | Amazon.com                  | USD               | 9,647    | 1,367,366       |            | 1.23       |       |
|                             | Cablevision Systems         | USD               | 51,150   | 1,402,533       |            | 1.26       |       |
|                             | Corning                     | USD               | 31,900   | 635,767         |            | 0.57       |       |
|                             | Crown Castle International  | USD               | 34,500   | 1,321,695       |            | 1.19       |       |
|                             | eBay                        | USD               | 73,578   | 1,783,531       |            | 1.61       |       |
|                             | Google                      | USD               | 8,774    | 4,667,593       |            | 4.20       |       |
|                             | Juniper Networks            | USD               | 34,070   | 1,000,295       |            | 0.90       |       |
|                             | McGraw-Hill                 | USD               | 24,230   | 826,243         |            | 0.74       |       |
|                             | NII Holdings                | USD               | 28,576   | 1,214,480       |            | 1.09       |       |
|                             | QUALCOMM                    | USD               | 81,164   | 3,162,961       |            | 2.85       |       |
|                             | Walt Disney                 | USD               | 31,260   | 1,163,497       | 18,545,961 | 1.05       | 16.69 |
|                             | Consumer, Cyclical          | Bed Bath & Beyond | USD      | 29,780          | 1,402,340  |            | 1.26  |
|                             |                             | Coach             | USD      | 45,900          | 1,978,749  |            | 1.78  |
| McDonald's                  |                             | USD               | 8,840    | 632,148         |            | 0.57       |       |
| NIKE                        |                             | USD               | 15,290   | 1,185,281       |            | 1.07       |       |
| Polo Ralph Lauren           |                             | USD               | 10,151   | 952,062         |            | 0.86       |       |
| Target                      |                             | USD               | 1,900    | 108,965         |            | 0.10       |       |
| TJX                         |                             | USD               | 12,010   | 567,713         |            | 0.51       |       |
| Wal-Mart Stores             |                             | USD               | 28,510   | 1,530,702       | 8,357,960  | 1.38       | 7.53  |
| Consumer, Non - Cyclical    | Allergan /United States     | USD               | 30,793   | 1,908,550       |            | 1.72       |       |
|                             | Amgen                       | USD               | 16,660   | 976,109         |            | 0.88       |       |
|                             | Apollo Group                | USD               | 20,610   | 1,189,609       |            | 1.07       |       |
|                             | Baxter International        | USD               | 29,391   | 1,416,646       |            | 1.28       |       |
|                             | Celgene                     | USD               | 28,715   | 1,769,131       |            | 1.59       |       |
|                             | Colgate-Palmolive           | USD               | 13,480   | 1,142,295       |            | 1.03       |       |
|                             | Dentsply International      | USD               | 23,650   | 897,518         |            | 0.81       |       |
|                             | Express Scripts             | USD               | 21,817   | 2,243,224       |            | 2.02       |       |
|                             | Gilead Sciences             | USD               | 23,647   | 955,575         |            | 0.86       |       |
|                             | Henry Schein                | USD               | 16,016   | 991,871         |            | 0.89       |       |
|                             | Mastercard                  | USD               | 8,781    | 2,241,526       |            | 2.02       |       |
|                             | Medco Health Solutions      | USD               | 16,780   | 1,018,546       |            | 0.92       |       |
|                             | PepsiCo                     | USD               | 33,240   | 2,166,916       |            | 1.94       |       |
|                             | Philip Morris International | USD               | 23,950   | 1,187,441       |            | 1.07       |       |
|                             | St Jude Medical             | USD               | 15,780   | 640,668         |            | 0.58       |       |
|                             | Stryker                     | USD               | 18,880   | 1,106,368       |            | 1.00       |       |
|                             | Verisk Analytics            | USD               | 12,120   | 339,481         |            | 0.31       |       |
|                             | Visa                        | USD               | 25,449   | 2,362,176       |            | 2.13       |       |
|                             | Energy                      | Western Union     | USD      | 43,931          | 819,752    | 25,373,403 | 0.74  |
| Apache                      |                             | USD               | 10,630   | 1,093,721       |            | 0.98       |       |
| Cameron International       |                             | USD               | 15,610   | 603,951         |            | 0.54       |       |
| Cobalt International Energy |                             | USD               | 20,590   | 245,433         |            | 0.22       |       |
| EOG Resources               |                             | USD               | 6,480    | 720,965         |            | 0.65       |       |
| First Solar                 |                             | USD               | 9,240    | 1,394,039       |            | 1.26       |       |
| Halliburton                 |                             | USD               | 38,650   | 1,221,340       |            | 1.10       |       |
| Occidental Petroleum        |                             | USD               | 24,973   | 2,153,672       |            | 1.94       |       |
| Range Resources             |                             | USD               | 14,871   | 693,286         |            | 0.62       |       |
| Schlumberger                |                             | USD               | 28,280   | 2,068,399       |            | 1.86       |       |
| Southwestern Energy         | USD                         | 16,170            | 652,460  | 10,847,264      | 0.59       | 9.76       |       |

## Portfolio Statement (continued)

As at 30 April 2010

| Financial assets at fair value through profit or loss                             |                          |               |                  |                    |               |      |
|---|--------------------------|---------------|------------------|--------------------|---------------|------|
| Industry  | Equities & Convertibles  | Currency      | Nominal Holdings | Fair Value US\$    | % of NAV      |      |
| Financial   | Charles Schwab           | USD           | 59,470           | 1,145,987          | 1.03          |      |
|   | CME Group                | USD           | 2,350            | 778,955            | 0.70          |      |
|   | General Dynamics         | USD           | 9,133            | 711,826            | 0.64          |      |
|   | Goldman Sachs            | USD           | 7,832            | 1,254,216          | 1.13          |      |
|   | Goodrich                 | USD           | 9,340            | 709,373            | 0.64          |      |
|   | IntercontinentalExchange | USD           | 9,310            | 1,105,469          | 1.00          |      |
| Financial<br>(continued)  | Jones Lang LaSalle       | USD           | 9,735            | 790,774            | 0.71          |      |
|   | Joy Global               | USD           | 16,100           | 989,828            | 0.89          |      |
|   | JPMorgan Chase           | USD           | 35,080           | 1,543,169          | 1.39          |      |
|   | Lockheed Martin          | USD           | 15,386           | 1,328,889          | 1.20          |      |
|   | T Rowe Price             | USD           | 8,751            | 514,909            | 0.46          |      |
|   | Thermo Fisher Scientific | USD           | 31,771           | 1,776,317          | 1.60          |      |
|   | Union Pacific            | USD           | 9,120            | 708,168            | 0.64          |      |
|   | Wells Fargo              | USD           | 29,120           | 967,658            | 14,325,537    | 0.87 |
|   | Technology               | Adobe Systems | USD              | 57,980             | 2,026,401     | 1.82 |
|   |                          | Apple         | USD              | 16,573             | 4,450,845     | 4.01 |
| Broadcom  |                          | USD           | 52,767           | 1,819,406          | 1.64          |      |
| Cognizant Technology Solutions  |                          | USD           | 10,260           | 533,725            | 0.48          |      |
| Hewlett-Packard   |                          | USD           | 67,247           | 3,551,314          | 3.20          |      |
| LSI   |                          | USD           | 73,500           | 460,845            | 0.41          |      |
| MEMC Electronic Materials   |                          | USD           | 64,440           | 1,025,885          | 0.92          |      |
| Microsoft   |                          | USD           | 72,771           | 2,257,356          | 2.03          |      |
| MSCI  |                          | USD           | 18,200           | 644,462            | 0.58          |      |
| NetApp  |                          | USD           | 32,411           | 1,160,638          | 1.04          |      |
| Nvidia  |                          | USD           | 110,490          | 1,839,659          | 1.66          |      |
| Oracle  |                          | USD           | 95,760           | 2,483,057          | 2.24          |      |
| Research In Motion  |                          | USD           | 33,653           | 2,425,708          | 2.18          |      |
| Salesforce.com  |                          | USD           | 6,822            | 601,291            | 0.54          |      |
| VMware  | USD                      | 6,620         | 413,551          | 25,694,143         | 0.37          |      |
| <b>Total Investments at fair value through profit or loss</b>                     |                          |               |                  | 107,676,827        | 96.94         |      |
| Cash  |                          |               |                  | 1,444,599          | 1.30          |      |
| Other Net Assets  |                          |               |                  | 1,950,455          | 1.76          |      |
| <b>Total Net Assets attributable to holders of redeemable participating units</b> |                          |               |                  | <b>111,071,881</b> | <b>100.00</b> |      |

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

| Portfolio Classification | % of Total Asset Value |
|--------------------------|------------------------|
| Transferable securities  | 100.00                 |
|                          | <u>100.00</u>          |

## Balance Sheet

As at 30 April 2010

|  |                | <b>Baring<br/>North<br/>America<br/>Fund<br/>30/04/2010</b> | <b>Baring<br/>North<br/>America<br/>Fund<br/>30/04/2009</b> |
|--|----------------|---|---|
|  | Notes          | US\$  | US\$  |
| <b>Assets</b>  |                |   |   |
| Financial assets at fair value through profit or loss  | 1              | 107,676,827   | 90,583,637  |
| Receivable for securities sold   | 1              | 190,155   | 287,889   |
| Receivable for units sold  | 1              | 2,139,379   | 1,094,556   |
| Dividends and interest receivable  | 1              | 14,045  | 22,300  |
| Other assets   |                | 9,421   | 12,769  |
| Cash   | 1              | 1,444,599   | 2,985,309   |
| <b>Total Assets</b>  |                | <b>111,474,426</b>  | <b>94,986,460</b>   |
| <b>Liabilities</b>   |                |   |   |
| Management fee payable   | 2              | 118,239   | 100,213   |
| Payable for securities purchased   | 1              | 200,109   | 187,610   |
| Payable for units redeemed   | 1              | 129,532   | 1,381,191   |
| Administration fee payable   | 2              | 42,777  | 36,293  |
| Trustee fee payable  | 2              | 2,066   | 1,714   |
| Accrued expenses   | 2              | 17,154  | 12,089  |
| Other liabilities  |                | 36  | 5,574   |
| <b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>  |                | <b>509,913</b>  | <b>1,724,684</b>  |
| <b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>         |                | <b>110,964,513</b>  | <b>93,261,776</b>   |
| Adjustments from bid market prices to last traded market prices  |                | 107,368   | 101,832   |
| <b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b> | 1              | <b>111,071,881</b>  | <b>93,363,608</b>   |
| <b>Units in Issue (Note 5)</b>   |                |   |   |
|  | Class A - US\$ | 794,210   | 845,652   |
|  | Class A - £    | 929,904   | 935,831   |
|  | Class A - €    | 59,161  | 46,931  |
| <b>NAV Per Redeemable Participating Unit (Note 7)</b>  |                |   |   |
|  | Class A - US\$ | 62.59   | 47.44   |
|  | Class A - £    | 40.44   | 31.70   |
|  | Class A - €    | 47.01   | 35.72   |

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year ended 30 April 2010

|   |       | <b>Baring<br/>North<br/>America<br/>Fund<br/>30/04/2010</b> | <b>Baring<br/>North<br/>America<br/>Fund<br/>30/04/2009</b> |
|---|-------|---|---|
|   | Notes | US\$  | US\$  |
| Net assets attributable to holders of redeemable participating unitholders at the beginning of the year |       | 93,363,608  | 146,856,567   |
| Increase(decrease) in net assets for the year attributable to holders of redeemable participating units |       | 30,553,360  | (69,878,554)  |
| Issue of redeemable participating units for the year  | 5     | 152,273,144   | 228,720,072   |
| Redemption of redeemable participating units for the year   | 5     | (165,118,231)   | (212,334,477)   |
| <b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>      |       | <b>111,071,881</b>  | <b>93,363,608</b>   |

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2010

|   | Notes | Baring<br>North<br>America<br>Fund<br>30/04/2010<br>US\$ | Baring<br>North<br>America<br>Fund<br>30/04/2009<br>US\$ |
|---|-------|--|--|
| <b>Investment Income</b>  |       |  |  |
| Bank deposit interest   | 1     | (8,017)  | 8,627  |
| Dividend income   | 1     | 930,815  | 925,328  |
| Bond Interest   | 1     | 2,413  | 2,215  |
| Stock Lending fee income  | 1,14  | -  | 46,777   |
| Net fair value gains on financial assets at fair value through profit or loss                                   | 12    | 31,786,372   | (68,498,701)   |
| <b>Total investment income</b>  |       | <u>32,711,583</u>  | <u>(67,515,754)</u>                                      |
| <b>Expenses</b>   |       |  |  |
| Management fees   | 2     | 1,350,072  | 1,501,547  |
| Administration fees   | 2     | 486,026  | 537,293  |
| Trustee fees  | 2     | 27,002   | 29,572   |
| General expenses  | 2     | 45,262   | 50,367   |
| Audit fees  |       | 1,980  | 1,492  |
| <b>Total operating expenses</b>   |       | <u>1,910,342</u>   | <u>2,120,271</u>   |
| <b>Net income/(expense) before finance costs</b>  |       | <u>30,801,241</u>  | <u>(69,636,025)</u>                                      |
| <b>Finance Costs</b>  |       |  |  |
| Net equalisation  |       | -  | -  |
| Distributions   |       | -  | -  |
| <b>Total Finance costs</b>  |       | <u>-</u>   | <u>-</u>   |
| <b>Profit/(Loss) for the financial period</b>   |       | <u>30,801,241</u>  | <u>(69,636,025)</u>                                      |
| Withholding tax on dividends and other investment income  |       | (253,417)  | (274,098)  |
| <b>Operating profit/(loss)</b>  |       | <u>30,547,824</u>  | <u>(69,910,123)</u>                                      |
| Adjustments from bid market prices to last traded market prices   |       | 5,536  | 31,569   |
| <b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating units</b> |       | <u>30,553,360</u>  | <u>(69,878,554)</u>                                      |

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

The accompanying notes form an integral part of these financial statements

The Baring International Umbrella Fund

## Managers' Statement

The financial statements were approved by the Board of Directors of the Managers, Baring International Fund Managers (Ireland) Limited on 30 July 2010 and signed on its behalf by:

Directors

Anthony Cooney

Mark Thorne

## Notes to the Financial Statements

### 1. Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements under Irish Generally Accepted Accounting Principles (GAAPs) are set out below.

#### **Basis of preparation**

The financial statements of The Baring International Umbrella Fund (the "Trust") have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the financial statements have been adapted from those contained in FRS 3 "Reporting Financial Performance" so that, in the opinion of the Directors, they more appropriately reflect the nature of the Trust's business as an investment fund.

The Trust has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

Gains and losses arose solely from continuing operations apart from Japan Fund which terminated. There were no gains or losses other than those dealt with in the Profit and Loss Account.

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities, including derivative financial instruments held at fair value through profit or loss, except for the Baring Japan Fund which was prepared on a termination basis.

#### **Foreign exchange translation**

##### (a) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Funds is the US Dollar, which reflects the fact that the redeemable participating Units of the majority of the Funds within the Trust have been subscribed in US Dollars.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Proceeds from subscriptions and amounts paid on redemptions of redeemable participating units are translated at actual exchange rates.

#### **Financial assets and liabilities at fair value through profit or loss**

##### (a) Classification

The Funds classify their investments in securities, as financial assets or financial liabilities at fair value through profit or loss.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documents investment strategy. The Funds' policy is for the Investment Manager and the Board of Directors of the Managers to evaluate the information about these financial assets on a fair value basis together with other related financial information. These financial assets are expected to be realised within 12 months of the Balance Sheet date.

## Notes to the Financial Statements

### 1. Principal Accounting Policies (continued)

#### Financial assets and liabilities at fair value through profit or loss (continued)

##### (b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### (c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Profit and Loss Account. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Profit and Loss Account in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within dividend income when the Funds' right to receive payments is established.

Financial instruments were valued at 12 noon Irish time on 30 April 2010 in accordance with the Trust Prospectus. Unquoted investments are valued in accordance with the most recent valuation made by the Managers. In absence of no price being available for a security the Directors of the Managers can determine such a valuation where appropriate.

##### (d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. No valuation techniques were used during the year, with the exception of Anglo Irish Bank and Immoeast as discussed on page 40.

#### Income from investments

Interest income and expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any withholding taxes, which is disclosed separately in the Profit and Loss Account, and net of any tax credits.

#### Cash and other liquid assets

Cash and other liquid assets will be valued at their face value together with interest accrued, where applicable.

## Notes to the Financial Statements

### 1. Principal Accounting Policies (continued)

#### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### Forward Foreign Currency Transactions

Forward Foreign Currency Transactions ("FFCTs") are measured at fair value based on the closing prices of the FFCTs contract rates on the relevant foreign exchange market on a daily basis. Realised and unrealised gains and/or losses are reported in the Profit and Loss Account.

#### Futures contracts

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Fund is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as "initial cash margin". Subsequent payments ("variation margin") are made or received by the Fund each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Fund recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on futures contracts are recognised in the Profit and Loss Account.

#### Redeemable Participating Units

Redeemable participating units are redeemable at the unitholder's option and are classified as financial liabilities.

The participating units can be put back to the Trust on any business day of the Fund for cash equal to a proportionate unit of the Trust's net asset value. The participating units are carried at the redemption amount that is payable at the balance sheet date if the Unitholder exercised their right to put the units back to the Trust.

In accordance with the provisions of the Trust Deed, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations. However, as stated above the accounting policy of the Trust for the purpose of compliance with FRS 26 and for reporting purposes, is to value its investments at the relevant bid market prices for long positions, or ask prices for any short positions held on the balance sheet date. As at 30 April 2010, the difference between the valuation stated in the financial statements for investments and the valuation methodology indicated in the Trust Deed, results in a decrease in value of investments, this difference is disclosed on the face of each Fund's Balance Sheet.

Net assets attributable to holders of redeemable participating units represent a liability in the balance sheet, carried at the redemption amount that would be payable at the balance sheet date if the Unitholder exercised the right to redeem the unit to the Fund. Consequently, the differences described above adjust the carrying amount of the net assets attributable to redeemable participating unitholders and are recognised in the Profit & Loss Account. The cumulative differences are included as "Adjustments from bid market prices to last traded market prices" on the balance sheet.

#### Operating Expenses

The Trust is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. The Managers meet all other expenses incurred in connection with its services.

## Notes to the Financial Statements

### 1. Principal Accounting Policies (continued)

#### Distributions

Note 4 discloses all distributions declared and paid during the year. Income distributions for the Baring International Bond Fund are normally paid twice annually not later than 31 July and 31 January each year. Distributions in respect of the Baring Asia Growth Fund, Baring Australia Fund, Baring Europa Fund, Baring Hong Kong China Fund, Baring Japan Fund, Baring North America Fund and the Baring ASEAN Frontiers Fund, are normally paid annually not later than 31 July each year. Distributions may be declared from net income and net fair value gains on financial assets. Unitholders should note that distributions below US\$100/£50/€100 are automatically reinvested. The distribution on these units is recognised in the Profit and Loss Account as finance costs ex date basis.

#### Net Income Equalisation

Net income equalisation is accrued net income included in the price of units purchased and redeemed during the accounting period. The subscription price of Units is deemed to include an equalisation payment calculated by reference to the net accrued income of the relevant Fund and the first distribution in respect of any Unit will include a payment of income usually equal to the amount of such equalisation payment. The redemption price of each Unit will also include an equalisation payment in respect of the net accrued income of the relevant Fund up to the date of redemption. Net income equalisation is accounted for as a finance cost in the Profit and Loss Account.

#### Stocklending

The Trust has entered into a stocklending arrangement with Northern Trust Company from 26 October 2005. All income received from stocklending is reported in the Profit and Loss Account on an accruals basis. The stocklending service was suspended on the 22 October 2008.

### 2. Fees and Other Expenses

#### Management Fees

The Managers currently make a charge in respect of each Fund at the following percentage rate per annum of the value of the net assets of the Fund:-

|   |       |                                |       |
|---|-------|--------------------------------|-------|
| Baring ASEAN Frontiers Fund                 | 1.25% | Baring Asia Growth Fund        | 1.25% |
| Baring Australia Fund                       | 1.25% | Baring Europa Fund             | 1.25% |
| Baring Hong Kong China Fund                 | 1.25% | Baring International Bond Fund | 0.75% |
| Baring Japan Fund (terminated 27 July 2009) | 1.25% | Baring North America Fund      | 1.25% |

The management charge is payable monthly in arrears and is calculated by reference to the value of the net assets of each Fund as at each day as at which the value of the net assets of the relevant Fund is calculated. The foregoing charges may be increased up to the relevant amount specified in the Prospectus on giving not less than three months notice to unitholders. The management fee rates have not changed from the previous year.

Where the Net Asset Value of any Fund includes interests in any investment fund managed by a subsidiary of the parent company (a "Barings Fund") the fee payable to the Managers relating to the holding will be reduced by the percentage rate (if any) charged to the Barings Fund for comparable management services.

#### Administration Fees

The Administrator currently makes a charge in respect of each Fund at the rate of 0.45% per annum of the net asset value of each Fund calculated by reference to the daily calculation of asset values. Such fees are paid monthly in arrears and are also payable out of the assets of the Trust. The rates have not changed during the year.

#### Trustee's Fee

The Trustee is entitled under the Trust Deed to receive out of the assets of the Trust a fee at the rate of 0.025% per annum of the value of the net assets of each Fund, payable monthly in arrears. The Trustee is entitled to be reimbursed all fees and charges of custodians and sub-custodians appointed by it and all other expenses incurred by it. The rates have not changed during the year.

## Notes to the Financial Statements

### 2. Fees and Other Expenses (continued)

#### Other Expenses

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

Expenses are charged to the Fund in respect of which they are incurred or, where an expense is not considered by the Trustee to be attributable to any one Fund, the expense will normally be allocated by the Trustee to all Funds pro rata to the value of the net assets of the relevant Funds.

#### Trailer fees and Reimbursements

See Section for Investors in Switzerland, on page 100.

### 3. Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### (a) Management fee

The Fund is managed by Baring Asset Management Limited (the 'Investment Manager'), an investment management company incorporated in London on 6 April 1994. The Investment Manager is part of the Baring Asset Management group and is a wholly owned subsidiary of Mass Mutual. Under the terms of the management agreement dated 29 October 2004, the Fund appointed Baring Asset Management (Asia) Limited as an Investment Manager to provide management and advisory services to the Fund. In turn, BAML have appointed OFI Institutional Asset Management Inc, a wholly owned subsidiary of Oppenheimer Funds Inc as sub-Investment Manager to the Baring North America Fund. The management fee rates on the Fund classes is disclosed in Note 2. The outstanding amounts payable as at the year end for Management fee are disclosed on each Fund's Balance Sheet. Richard Bellis, Ian Pascal and John Misselbrook are connected to the Managers, through employment with the Managers and its subsidiaries.

#### (b) Trustee fee

The Fund has engaged the services of Northern Trust Fiduciary Services (Ireland) Limited to provide trustee services for a fee. The Trustee shall be entitled to receive out of the assets of each Fund a total fee of 0.025% of the net assets of that Fund (plus VAT, if any). Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Trustee is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The outstanding amounts payable as at the year end for Trustee fee are disclosed on each Fund's Balance Sheet.

#### (c) Administration fee

The Fund has engaged the services of Northern Trust International Fund Administration Services (Ireland) Limited to provide administration services for a fee. The administration fee on the Fund classes is disclosed in Note 2. Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Administrator is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The fee will be subject to a minimum of £30,000 per annum for all Funds except the Baring Australia Fund and Baring Europa Fund for which the minimum will be £20,000 per annum for each Fund. The outstanding amounts payable as at the year end for Administration fee are disclosed on each Fund's Balance Sheet. Anthony Cooney is a director of the Administrator.

#### (d) Legal fee

Mark Thorne is a partner of the Legal Advisor and a director of the Managers. The fees paid to Dillon Eustace during the year amounted to US\$30,057 (2009: US\$105,836).

## Notes to the Financial Statements

### 3. Related Party Disclosures

(e) Stocklending income

Northern Trust Company entered into an agreement with the Trust on 26 October 2005 to provide a stocklending service in order for the Trust to generate additional income. All stocklending income earned during the year is disclosed in Note 14.

### 4. Distributions

The following distributions have been declared in respect of the Trust during the year:

In the year ended 30 April 2010 the following Funds declared and paid distributions as follows:

| Distribution per unit                         | Date Declared | Date Paid  | Income Available for Distribution US\$ | Distributed Amount US\$ | Undistributed Amount US\$ | Relevant Period         |
|---|---------------|------------|--|-------------------------|---------------------------|-------------------------|
| <b>Baring ASEAN Frontiers Fund Class A</b>    |               |            |  |                         |                           |                         |
| \$1.216                                       | 01/05/2009    | 27/05/2009 | 1,379,754                              | 1,379,760               | (6)                       | 01/05/2008 - 30/04/2009 |
| <b>Baring Asia Growth Fund</b>                |               |            |  |                         |                           |                         |
| \$0.465                                       | 01/05/2009    | 27/05/2009 | 4,466,716                              | 4,466,729               | (13)                      | 01/05/2008 - 30/04/2009 |
| <b>Baring Australia Fund Class A</b>          |               |            |  |                         |                           |                         |
| \$2.088                                       | 01/05/2009    | 27/05/2009 | 2,538,315                              | 2,538,316               | (1)                       | 01/05/2008 - 30/04/2009 |
| <b>Baring Europa Fund Class A</b>             |               |            |  |                         |                           |                         |
| \$0.303                                       | 01/05/2009    | 27/05/2009 | 1,089,735                              | 1,089,753               | (18)                      | 01/05/2008 - 30/04/2009 |
| <b>Baring Europa Fund Class C USD</b>         |               |            |  |                         |                           |                         |
| \$0.620                                       | 01/05/2009    | 27/05/2009 | 995                                    | 995                     | 0                         | 01/05/2008 - 30/04/2009 |
| <b>Baring Europa Fund Class C EURO</b>        |               |            |  |                         |                           |                         |
| €0.334  | 01/05/2009    | 27/05/2009 | 1,858                                  | 1,858                   | 0                         | 01/05/2008 - 30/04/2009 |
|   |               |            | 1,092,588                              | 1,092,606               | (18)                      |                         |
| <b>Baring Hong Kong China Fund Class A</b>    |               |            |  |                         |                           |                         |
| \$2.750                                       | 01/05/2009    | 27/05/2009 | 15,747,176                             | 15,747,228              | (52)                      | 01/05/2008 - 30/04/2009 |
| <b>Baring International Bond Fund Class A</b> |               |            |  |                         |                           |                         |
| \$0.314                                       | 01/05/2009    | 27/05/2009 | 2,201,155                              | 2,201,180               | (25)                      | 01/05/2008 - 30/04/2009 |
| €0.262  | 02/11/2009    | 16/11/2009 | 1,923,456                              | 1,923,479               | (23)                      | 01/05/2009 - 31/10/2009 |
|   |               |            | 4,124,611                              | 4,124,659               | (48)                      |                         |

The following distributions were declared in respect of the Trust on 1 May 2010 and are therefore not accrued in the financial statements for the year ended 30 April 2010:

| Distribution Per Unit                         | Date Declared | Date Paid  | Distributed Amount | Relevant Period         |
|---|---------------|------------|--------------------|-------------------------|
| <b>Baring ASEAN Frontiers Fund Class A</b>    |               |            |                    |                         |
| \$0.699                                       | 04/05/2010    | 25/05/2010 | 962,009            | 01/05/2009 - 30/04/2010 |
| <b>Baring Australia Fund Class A</b>          |               |            |                    |                         |
| \$1.304                                       | 04/05/2010    | 25/05/2010 | 2,043,989          | 01/05/2009 - 30/04/2010 |
| <b>Baring Europa Fund Class A</b>             |               |            |                    |                         |
| \$0.158                                       | 04/05/2010    | 25/05/2010 | 411,494            | 01/05/2009 - 30/04/2010 |
| <b>Baring International Bond Fund Class A</b> |               |            |                    |                         |
| \$0.312                                       | 04/05/2010    | 25/05/2010 | 1,316,762          | 01/05/2009 - 30/04/2010 |

## Notes to the Financial Statements

### 4. Distributions (continued)

Comparatives 2009

| Distribution per unit                         | Date Declared | Date Paid  | Income Available for Distribution<br>US\$ | Distributed Amount<br>US\$ | Undistributed Amount<br>US\$ | Relevant Period         |
|---|---------------|------------|---|----------------------------|------------------------------|-------------------------|
| <b>Baring ASEAN Frontiers Fund Class A</b>    |               |            |   |                            |                              |                         |
| \$0.774                                       | 01/05/2008    | 23/05/2008 | 1,212,776                                 | 1,212,780                  | (4)                          | 01/05/2007 - 30/04/2008 |
| <b>Baring Asia Growth Fund Class A</b>        |               |            |   |                            |                              |                         |
| \$0.119                                       | 01/05/2008    | 23/05/2008 | 1,097,339                                 | 1,097,424                  | (85)                         | 01/05/2007 - 30/04/2008 |
| <b>Baring Australia Fund Class A</b>          |               |            |   |                            |                              |                         |
| \$2.094                                       | 01/05/2008    | 23/05/2008 | 3,257,603                                 | 3,257,610                  | (7)                          | 01/05/2007 - 30/04/2008 |
| <b>Baring Europa Fund Class A</b>             |               |            |   |                            |                              |                         |
| \$0.800                                       | 01/05/2008    | 23/05/2008 | 3,838,610                                 | 3,838,614                  | (4)                          | 01/05/2007 - 30/04/2008 |
| <b>Baring Hong Kong China Fund Class A</b>    |               |            |   |                            |                              |                         |
| \$0.360                                       | 01/05/2008    | 23/05/2008 | 553                                       | 553                        | 0                            | 01/05/2007 - 30/04/2008 |
| <b>Baring International Bond Fund Class A</b> |               |            |   |                            |                              |                         |
| \$0.450                                       | 01/05/2008    | 16/05/2008 | 4,435,889                                 | 4,435,922                  | (33)                         | 01/05/2007 - 30/04/2008 |
| \$0.322                                       | 03/11/2008    | 17/11/2008 | 2,914,022                                 | 2,914,078                  | (56)                         | 01/05/2008 - 31/10/2008 |
|   |               |            | <u>7,349,911</u>                          | <u>7,350,000</u>           | <u>(89)</u>                  |                         |
| <b>Baring Japan Fund Class A</b>              |               |            |   |                            |                              |                         |
| \$0.010                                       | 01/05/2008    | 23/05/2008 | 18,234                                    | 18,246                     | (12)                         | 01/05/2007 - 30/04/2008 |

### 5. Units Issued and Redeemed

#### Baring ASEAN Frontiers Fund

| By Number:  | Class A           | Class A           | Class A        |
|---|-------------------|-------------------|----------------|
|   | US\$ Units        | € Units           | £ Units        |
| Units in issue as at 1 May 2009                   | 1,069,702         | 64,053            | 10             |
| Units issued during the year                      | 723,675           | 306,464           | 2,562          |
| Units redeemed during the year                    | (610,779)         | (181,272)         | (140)          |
| Units in issue as at 30 April 2010                | <u>1,182,598</u>  | <u>189,245</u>    | <u>2,432</u>   |
| <b>By Value:</b>                                  |                   |                   |                |
|   | US\$              | €                 | £              |
| Net Asset Value of Units issued during the year   | 84,522,107        | 26,402,011        | 180,844        |
| Net Asset Value of Units redeemed during the year | (70,858,535)      | (15,232,319)      | (11,778)       |
| Net Value of Units issued during the year         | <u>13,663,572</u> | <u>11,169,692</u> | <u>169,066</u> |

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

#### Baring Asia Growth Fund

|  | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|--|-----------------------|--------------------|--------------------|
| <b>By Number:</b>                                    |                       |                    |                    |
| Units in issue as at 1 May 2009                      | 8,956,541             | 448,728            | 68,612             |
| Units issued during the year                         | 2,587,925             | 576,843            | 197,973            |
| Units redeemed during the year                       | (4,698,754)           | (452,364)          | (141,103)          |
| Units in issue as at 30 April 2010                   | <u>6,845,712</u>      | <u>573,207</u>     | <u>125,482</u>     |
| <b>By Value:</b>                                     | US\$                  | €                  | £                  |
| Net Asset Value of Units issued during the year      | 129,346,533           | 20,980,287         | 6,861,699          |
| Net Asset Value of Units redeemed during the year    | (247,002,076)         | (17,248,370)       | (5,073,417)        |
| Net Value of Units (redeemed)/issued during the year | <u>(117,655,543)</u>  | <u>3,731,917</u>   | <u>1,788,282</u>   |

#### Baring Australia Fund

|   | Class A<br>AU\$ Units | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|---|-----------------------|-----------------------|--------------------|--------------------|
| <b>By Number:</b>                                 |                       |                       |                    |                    |
| Units in issue as at 1 May 2009                   | -                     | 1,082,697             | 133,861            | -                  |
| Units issued during the year                      | 92,998                | 1,896,538             | 236,903            | 1,101              |
| Units redeemed during the year                    | (38,128)              | (1,622,546)           | (202,103)          | (80)               |
| Units in issue as at 30 April 2010                | <u>54,870</u>         | <u>1,356,689</u>      | <u>168,661</u>     | <u>1,021</u>       |
| <b>By Value:</b>                                  | AU\$                  | US\$                  | €                  | £                  |
| Net Asset Value of Units issued during the year   | 11,117,645            | 185,658,032           | 17,140,107         | 80,038             |
| Net Asset Value of Units redeemed during the year | (4,697,114)           | (160,722,998)         | (14,183,296)       | (5,959)            |
| Net Value of Units issued during the year         | <u>6,420,531</u>      | <u>24,935,034</u>     | <u>2,956,811</u>   | <u>74,079</u>      |

#### Baring Europa Fund

|  | Class A<br>US\$ Units | Class A<br>€ Units  | Class C<br>US\$ Units | Class C<br>€ Units |
|--|-----------------------|---------------------|-----------------------|--------------------|
| <b>By Number:</b>                                    |                       |                     |                       |                    |
| Units in issue as at 1 May 2009                      | 1,884,645             | 1,685,360           | 1,604                 | 3,981              |
| Units issued during the year                         | 331,695               | 597,889             | 10,598                | 29,545             |
| Units redeemed during the year                       | (546,685)             | (1,322,439)         | (8,274)               | (28,009)           |
| Units in issue as at 30 April 2010                   | <u>1,669,655</u>      | <u>960,810</u>      | <u>3,928</u>          | <u>5,517</u>       |
| <b>By Value:</b>                                     | US\$                  | €                   | US\$                  | €                  |
| Net Asset Value of Units issued during the year      | 12,643,347            | 15,463,514          | 370,669               | 809,058            |
| Net Asset Value of Units redeemed during the year    | (20,936,023)          | (34,382,492)        | (289,242)             | (797,108)          |
| Net Value of Units (redeemed)/issued during the year | <u>(8,292,676)</u>    | <u>(18,918,978)</u> | <u>81,427</u>         | <u>11,950</u>      |

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

#### Baring Hong Kong China Fund

| <b>By Number:</b>                  | <b>Class A<br/>US\$ Units</b> | <b>Class A<br/>€ Units</b> | <b>Class A<br/>£ Units</b> | <b>Class C<br/>US\$ Units</b> | <b>Class C<br/>€ Units</b> |
|------------------------------------|-------------------------------|----------------------------|----------------------------|-------------------------------|----------------------------|
| Units in issue as at 1 May 2009    | 4,644,478                     | 1,071,843                  | -                          | 5,167                         | 1,177                      |
| Units issued during the year       | 2,130,551                     | 543,329                    | 2,075                      | 10,992                        | 2,954                      |
| Units redeemed during the year     | (2,327,205)                   | (427,589)                  | -                          | (8,038)                       | (1,798)                    |
| Units in issue as at 30 April 2010 | <u>4,447,824</u>              | <u>1,187,583</u>           | <u>2,075</u>               | <u>8,121</u>                  | <u>2,333</u>               |

  

| <b>By Value:</b>                                     |                      |                   |                  |                  |                |
|--|----------------------|-------------------|------------------|------------------|----------------|
| Net Asset Value of Units issued during the year      | 1,754,643,305        | 314,018,475       | 1,194,603        | 8,762,453        | 1,717,732      |
| Net Asset Value of Units redeemed during the year    | (1,919,190,369)      | (250,405,340)     | -                | (6,557,100)      | (1,081,730)    |
| Net Value of Units (redeemed)/issued during the year | <u>(164,547,064)</u> | <u>63,613,135</u> | <u>1,194,603</u> | <u>2,205,353</u> | <u>636,002</u> |

#### Baring International Bond Fund

| <b>By Number:</b>                  | <b>Class A<br/>US\$ Units</b> | <b>Class A<br/>€ Units</b> | <b>Class A<br/>£ Units</b> |
|------------------------------------|-------------------------------|----------------------------|----------------------------|
| Units in issue as at 1 May 2009    | 6,424,152                     | 545,178                    | 99,390                     |
| Units issued during the year       | 3,113,244                     | 475,469                    | 28,014                     |
| Units redeemed during the year     | (5,656,790)                   | (674,682)                  | (105,550)                  |
| Units in issue as at 30 April 2010 | <u>3,880,606</u>              | <u>345,965</u>             | <u>21,854</u>              |

  

| <b>By Value:</b>                                  | <b>US\$</b>         | <b>€</b>           | <b>£</b>           |
|---|---------------------|--------------------|--------------------|
| Net Asset Value of Units issued during the year   | 79,090,104          | 8,799,703          | 436,414            |
| Net Asset Value of Units redeemed during the year | (142,251,376)       | (12,233,319)       | (1,685,020)        |
| Net Value of Units redeemed the year              | <u>(63,161,272)</u> | <u>(3,433,616)</u> | <u>(1,248,606)</u> |

#### Baring Japan Fund

| <b>By Number:</b>                  | <b>Class A<br/>US\$ Units</b> | <b>Class A<br/>€ Units</b> |
|------------------------------------|-------------------------------|----------------------------|
| Units in issue as at 1 May 2009    | 964,341                       | 685,696                    |
| Units issued during the year       | 73,918                        | 102,882                    |
| Units redeemed during the year     | (1,038,259)                   | (788,578)                  |
| Units in issue as at 30 April 2010 | -                             | -                          |

  

| <b>By Value:</b>                                  | <b>US\$</b>        | <b>€</b>           |
|---|--------------------|--------------------|
| Net Asset Value of Units issued during the year   | 589,412            | 601,635            |
| Net Asset Value of Units redeemed during the year | (8,522,521)        | (4,591,594)        |
| Net Value of Units redeemed the year              | <u>(7,933,109)</u> | <u>(3,989,959)</u> |

#### Baring North America Fund

| <b>By Number:</b>                  | <b>Class A<br/>US\$ Units</b> | <b>Class A<br/>€ Units</b> | <b>Class A<br/>£ Units</b> |
|------------------------------------|-------------------------------|----------------------------|----------------------------|
| Units in issue as at 1 May 2009    | 845,665                       | 161,245                    | 970,011                    |
| Units issued during the year       | 1,353,670                     | 1,283,396                  | 111,595                    |
| Units redeemed during the year     | (1,405,125)                   | (1,385,480)                | (151,702)                  |
| Units in issue as at 30 April 2010 | <u>794,210</u>                | <u>59,161</u>              | <u>929,904</u>             |

  

| <b>By Value:</b>                                  | <b>US\$</b>        | <b>€</b>           | <b>£</b>           |
|---|--------------------|--------------------|--------------------|
| Net Asset Value of Units issued during the year   | 74,796,114         | 49,862,759         | 3,833,420          |
| Net Asset Value of Units redeemed during the year | (78,888,926)       | (55,043,683)       | (5,257,931)        |
| Net Value of Units redeemed during the year       | <u>(4,092,812)</u> | <u>(5,180,924)</u> | <u>(1,424,511)</u> |

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

Comparatives 30 April 2009

#### Baring ASEAN Frontiers Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|------------------------------------|-----------------------|--------------------|--------------------|
| Units in issue as at 1 May 2008    | 1,527,761             | 40,831             | -                  |
| Units issued during the year       | 240,189               | 105,405            | 147                |
| Units redeemed during the year     | (698,248)             | (82,183)           | (137)              |
| Units in issue as at 30 April 2009 | 1,069,702             | 64,053             | 10                 |

##### By Value:

|  | US\$         | €           | £       |
|--|--------------|-------------|---------|
| Net Asset Value of Units issued during the year      | 22,741,210   | 5,816,072   | 7,757   |
| Net Asset Value of Units redeemed during the year    | (69,361,221) | (4,263,262) | (6,303) |
| Net Value of Units (redeemed)/issued during the year | (46,620,011) | 1,552,810   | 1,454   |

#### Baring Asia Growth Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|------------------------------------|-----------------------|--------------------|--------------------|
| Units in issue as at 1 May 2008    | 8,336,395             | 803,598            | 77,742             |
| Units issued during the year       | 4,448,407             | 335,340            | 22,464             |
| Units redeemed during the year     | (3,828,261)           | (690,210)          | (31,594)           |
| Units in issue as at 30 April 2009 | 8,956,541             | 448,728            | 68,612             |

##### By Value:

|  | US\$          | €            | £         |
|--|---------------|--------------|-----------|
| Net Asset Value of Units issued during the year      | 197,101,386   | 11,937,374   | 546,774   |
| Net Asset Value of Units redeemed during the year    | (198,546,676) | (23,138,025) | (828,342) |
| Net Value of Units (redeemed)/issued during the year | (1,445,290)   | (11,200,651) | (281,568) |

#### Baring Australia Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units |
|------------------------------------|-----------------------|--------------------|
| Units in issue as at 1 May 2008    | 1,420,274             | 139,638            |
| Units issued during the year       | 1,308,478             | 183,832            |
| Units redeemed during the year     | (1,646,055)           | (189,609)          |
| Units in issue as at 30 April 2009 | 1,082,697             | 133,861            |

##### By Value:

|  | US\$          | €            |
|--|---------------|--------------|
| Net Asset Value of Units issued during the year      | 112,874,845   | 12,277,455   |
| Net Asset Value of Units redeemed during the year    | (144,879,055) | (11,473,431) |
| Net Value of Units (redeemed)/issued during the year | (32,004,210)  | 804,024      |

#### Baring Europa Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class C<br>US\$ Units | Class C<br>€ Units |
|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| Units in issue as at 1 May 2008    | 2,701,218             | 2,096,291          | 1                     | 137                |
| Units issued during the year       | 1,561,742             | 1,570,730          | 5,074                 | 4,756              |
| Units redeemed during the year     | (2,378,315)           | (1,981,661)        | (3,471)               | (912)              |
| Units in issue as at 30 April 2009 | 1,884,645             | 1,685,360          | 1,604                 | 3,981              |

##### By Value:

|  | US\$         | €            | US\$      | €        |
|--|--------------|--------------|-----------|----------|
| Net Asset Value of Units issued during the year      | 72,137,273   | 41,115,892   | 159,421   | 104,295  |
| Net Asset Value of Units redeemed during the year    | (87,804,520) | (48,393,446) | (101,005) | (20,748) |
| Net Value of Units (redeemed)/issued during the year | (15,667,247) | (7,277,554)  | 58,416    | 83,547   |

#### Baring Hong Kong China Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class C<br>US\$ Units | Class C<br>€ Units |
|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| Units in issue as at 1 May 2008    | 4,805,995             | 1,344,571          | 1,538                 | 305                |
| Units issued during the year       | 2,388,136             | 503,899            | 10,456                | 1,750              |
| Units redeemed during the year     | (2,549,653)           | (776,627)          | (6,827)               | (878)              |
| Units in issue as at 30 April 2009 | 4,644,478             | 1,071,843          | 5,167                 | 1,177              |

##### By Value:

|  |                 |               |             |           |
|--|-----------------|---------------|-------------|-----------|
| Net Asset Value of Units issued during the year      | 1,483,188,199   | 231,779,069   | 6,418,537   | 769,782   |
| Net Asset Value of Units redeemed during the year    | (1,681,279,392) | (352,508,010) | (4,017,077) | (368,711) |
| Net Value of Units (redeemed)/issued during the year | (198,091,193)   | (120,728,941) | 2,401,460   | 401,071   |

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

Comparatives 30 April 2009

#### Baring International Bond Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|------------------------------------|-----------------------|--------------------|--------------------|
| Units in issue as at 1 May 2008    | 9,373,147             | 548,221            | 75,794             |
| Units issued during the year       | 8,779,879             | 681,914            | 51,833             |
| Units redeemed during the year     | (11,728,874)          | (684,957)          | (28,237)           |
| Units in issue as at 30 April 2009 | 6,424,152             | 545,178            | 99,390             |

##### By Value:

|  | US\$          | €            | £         |
|--|---------------|--------------|-----------|
| Net Asset Value of Units issued during the year      | 211,308,506   | 11,959,696   | 816,221   |
| Net Asset Value of Units redeemed during the year    | (281,982,176) | (11,780,943) | (427,169) |
| Net Value of Units (redeemed)/issued during the year | (70,673,670)  | 178,753      | 389,052   |

#### Baring Japan Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units |
|------------------------------------|-----------------------|--------------------|
| Units in issue as at 1 May 2008    | 886,990               | 1,019,742          |
| Units issued during the year       | 1,501,988             | 966,374            |
| Units redeemed during the year     | (1,424,637)           | (1,300,420)        |
| Units in issue as at 30 April 2009 | 964,341               | 685,696            |

##### By Value:

|  | US\$         | €           |
|--|--------------|-------------|
| Net Asset Value of Units issued during the year      | 15,963,086   | 6,508,301   |
| Net Asset Value of Units redeemed during the year    | (13,812,705) | (8,632,117) |
| Net Value of Units (redeemed)/issued during the year | 2,150,381    | (2,123,816) |

#### Baring North America Fund

##### By Number:

|                                    | Class A<br>US\$ Units | Class A<br>€ Units | Class A<br>£ Units |
|------------------------------------|-----------------------|--------------------|--------------------|
| Units in issue as at 1 May 2008    | 845,652               | 46,931             | 935,831            |
| Units issued during the year       | 2,549,742             | 1,678,653          | 177,264            |
| Units redeemed during the year     | (2,549,729)           | (1,564,339)        | (143,084)          |
| Units in issue as at 30 April 2009 | 845,665               | 161,245            | 970,011            |

##### By Value:

|   | US\$          | US\$         | €           |
|---|---------------|--------------|-------------|
| Net Asset Value of Units issued during the year   | 133,548,355   | 62,342,290   | 6,000,496   |
| Net Asset Value of Units redeemed during the year | (128,355,354) | (56,388,109) | (4,792,175) |
| Net Value of Units issued during the year         | 5,193,001     | 5,954,181    | 1,208,321   |

### 6. Soft commission arrangements

The Manager and its associates will not receive cash or other rebates from brokers or dealers in respect of transactions for the Fund but may enter into soft commission arrangements for the provision to the Manager or associates of goods and services which are of demonstrable benefit to Unitholders. Execution of transactions for the Fund will be consistent with best execution standards. There were no soft commission arrangements affecting the fund during the period ended 30 April 2010.

### 7. Comparative Statistics

| Net Asset Value per Unit                 | Audited | Audited | Audited | Audited | Audited | Audited | Audited | Audited |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2010    | 2010    | 2010    | 2010    | 2009    | 2009    | 2009    | 2009    |
|  | AU\$    | US\$    | €       | £       | AU\$    | US\$    | €       | £       |
| Baring ASEAN Frontiers Fund - Class A    | N/A     | 138.75  | 104.22  | 90.51   | N/A     | 78.95   | 59.45   | 53.26   |
| Baring Asia Growth Fund - Class A        | N/A     | 57.58   | 43.25   | 37.56   | N/A     | 40.45   | 30.46   | 27.29   |
| Baring Australia Fund - Class A          | 122.65  | 114.12  | 85.72   | 74.45   | N/A     | 69.22   | 52.12   | N/A     |
| Baring Europa Fund - Class A             | N/A     | 39.26   | 29.49   | N/A     | N/A     | 29.83   | 22.46   | N/A     |
| Baring Europa Fund - Class C             | N/A     | 38.77   | 29.07   | N/A     | N/A     | 30.08   | 22.70   | N/A     |
| Baring Hong Kong China Fund - Class A    | N/A     | 863.26  | 648.41  | 563.15  | N/A     | 618.04  | 465.36  | N/A     |
| Baring Hong Kong China Fund - Class C    | N/A     | 849.56  | 641.92  | N/A     | N/A     | 611.57  | 461.76  | N/A     |
| Baring International Bond Fund - Class A | N/A     | 26.07   | 17.00   | 19.58   | N/A     | 23.54   | 17.73   | 15.88   |
| Baring North America Fund - Class A      | N/A     | 62.59   | 47.01   | 40.44   | N/A     | 47.44   | 35.72   | 31.70   |

## Notes to the Financial Statements

### 7. Comparative Statistics (continued)

| Net Asset Value per Unit                 | Audited | Audited | Audited | Audited | Audited | Audited | Audited | Audited |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2008    | 2008    | 2008    | 2008    | 2007    | 2007    | 2007    | 2007    |
|  | AU\$    | US\$    | €       | £       | AU\$    | US\$    | €       | £       |
| Baring ASEAN Frontiers Fund - Class A    | N/A     | 141.1   | 90.76   | N/A     | N/A     | 122.9   | 90.28   | N/A     |
| Baring Asia Growth Fund - Class A        | N/A     | 70.49   | 45.34   | 35.84   | N/A     | 58.76   | 43.16   | 29.46   |
| Baring Australia Fund - Class A          | N/A     | 133.19  | 85.67   | N/A     | N/A     | 115.86  | 85.11   | N/A     |
| Baring Europa Fund - Class A             | N/A     | 57.16   | 36.76   | N/A     | N/A     | 59.55   | 43.74   | N/A     |
| Baring Europa Fund - Class C             | N/A     | 57.29   | 37.4    | N/A     | N/A     | N/A     | N/A     | N/A     |
| Baring Hong Kong China Fund - Class A    | N/A     | 948.76  | 610.27  | N/A     | N/A     | 757.49  | 556.45  | N/A     |
| Baring Hong Kong China Fund - Class C    | N/A     | 948.06  | 612.53  | N/A     | N/A     | N/A     | N/A     | N/A     |
| Baring International Bond Fund - Class A | N/A     | 26.06   | 16.76   | 13.25   | N/A     | 23.63   | 17.35   | 11.84   |
| Baring North America Fund - Class A      | N/A     | 80.64   | 51.87   | 40.67   | N/A     | 77.36   | 56.83   | N/A     |

| Net Asset Value                | Audited       | Audited       | Audited       | Audited       |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | 2010          | 2009          | 2008          | 2007          |
|                                | US\$          | US\$          | US\$          | US\$          |
| Baring ASEAN Frontiers Fund    | 190,686,856   | 89,517,126    | 221,338,489   | 61,388,542    |
| Baring Asia Growth Fund        | 434,430,162   | 383,284,378   | 649,819,647   | 255,266,066   |
| Baring Australia Fund          | 180,463,588   | 84,221,197    | 207,765,572   | 143,466,638   |
| Baring Europa Fund             | 103,647,028   | 106,663,570   | 274,242,911   | 693,775,986   |
| Baring Hong Kong China Fund    | 4,875,532,874 | 3,536,853,365 | 5,837,199,902 | 3,683,931,250 |
| Baring International Bond Fund | 110,768,524   | 166,451,106   | 260,587,538   | 152,425,007   |
| Baring Japan Fund*             | -             | 12,452,847    | 25,931,564    | 169,231,217   |
| Baring North America Fund      | 111,071,881   | 93,363,608    | 146,856,567   | 67,247,575    |

\*Terminated 27 July 2009

### 8. Exchange Rates

#### 2010

|                   | Exchange Rate to US\$ |                  | Exchange Rate to US\$ |
|-------------------|-----------------------|------------------|-----------------------|
| Australian dollar | 1.0743                | Taiwan dollar    | 31.3380               |
| Canadian dollar   | 1.0129                | Norwegian krone  | 5.9051                |
| Danish krone      | 5.5975                | Philippines peso | 44.4600               |
| Euro              | 0.7521                | Polish zloty     | 2.9464                |
| Hong Kong dollar  | 7.7640                | Pound sterling   | 0.6533                |
| Indian rupee      | 44.3600               | Singapore dollar | 1.3705                |
| Indonesian rupiah | 9,014.0000            | South Korean won | 1,108.3500            |
| Japanese yen      | 94.0100               | Swedish krona    | 7.2486                |
| Malaysian ringgit | 3.1845                | Swiss franc      | 1.0780                |
| Mexican peso      | 12.2481               | Thai baht        | 32.3550               |

#### Comparatives 2009

|                   | Exchange Rate to US\$ |                  | Exchange Rate to US\$ |
|-------------------|-----------------------|------------------|-----------------------|
| Australian dollar | 1.3662                | Taiwan dollar    | 33.1470               |
| Canadian dollar   | 1.1914                | Norwegian krone  | 6.5879                |
| Danish krone      | 5.6080                | Philippines peso | 48.3830               |
| Euro              | 0.7530                | Polish zloty     | 3.3156                |
| Hong Kong dollar  | 7.7500                | Pound sterling   | 0.6746                |
| Indian rupee      | 50.0350               | Singapore dollar | 1.4770                |
| Indonesian rupiah | 10,585.0000           | South Korean won | 1,293.3500            |
| Japanese yen      | 98.1500               | Swedish krona    | 8.0573                |
| Malaysian ringgit | 3.5660                | Swiss franc      | 1.1355                |
| Mexican peso      | 13.7500               | Thai baht        | 35.2650               |

### 9. Financial Risk Management

#### Strategy in Using Financial Instruments

The sub-funds of the Trust, hereafter the "Funds" are exposed to a variety of financial risks in pursuing their stated investment objectives and policies. These risks include but are not limited to credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Fund takes exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Funds' net assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in a way that is consistent with the Funds' investment objective and policy.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### Market price risk

The investment objective of the Funds is disclosed in the Investment Manager reports. The risks, and the measures adopted by the Funds for managing these risks, are detailed below.

The main risks arising from the Trust's financial instruments are market, foreign currency, interest rate, credit and liquidity risk. The Manager review and agree policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the year to which these Financial Statements relate.

#### (a) Market price risk

Market price risk is defined in FRS 29 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The Funds' assets consist principally of equity instruments except for International Bond which consists of bonds and forward foreign currency exchange contracts. The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Funds' performance. The Funds have adopted a number of investment restrictions which are set out in the Trust's Prospectus which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with the Funds' policy, the Investment Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors of the Manager, which reviews the information on the Funds' overall market exposures provided by the Investment Manager at its periodic meetings.

The Investment Manager uses three techniques to help in the risk management process, monitoring of compliance and quantitative limits, prevention of limit breaches and trade monitoring. These techniques allow the Investment Manager to ensure that the Funds remain in compliance with the restriction in the Prospectus and the UCITS rules which the Funds are governed by. In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis.

The maximum risk arising from an investment, in an equity only financial instrument is determined by the fair value of the financial instruments.

The overall market exposures and concentration of risk can be seen on the Portfolio Statement and Balance Sheet of each Fund. The Fund's market price risk is affected by two main components: changes in market prices and currency exchange rates. FRS 29 requires a sensitivity analysis showing how the net asset value of the Funds would be affected by changes in each of these factors.

Currency exchange rate movements are dealt with under the relevant headings below. Changes in market prices primarily affect the fair value of the Funds' exposures to equity securities, related derivatives and other instruments.

For the purposes of compliance with FRS 29 assuming that the securities held on the below portfolios as at 30 April 2010 remain unchanged, a simultaneous increase or decrease in the underlying investments of the relative funds by 10%(note that the Investment Manager considers this to be a reasonable possible change) might be expected to increase or decrease net assets attributable to participating unitholders by: (see table below).

30 April 2010

| Fund                           | % Movement | Market Value of Investments | Change in value | Fund Beta Factor |
|--------------------------------|------------|-----------------------------|-----------------|------------------|
| Baring ASEAN Frontiers Fund    | 10.00      | 187,215,161                 | 20,593,668      | 1.10             |
| Baring Asia Growth Fund        | 10.00      | 433,588,567                 | 44,659,622      | 1.03             |
| Baring Australia Fund          | 10.00      | 177,464,601                 | 18,456,319      | 1.04             |
| Baring Europa Fund             | 10.00      | 103,474,213                 | 10,347,421      | 1.00             |
| Baring Hong Kong China Fund    | 10.00      | 4,817,747,170               | 481,774,717     | 1.00             |
| Baring International Bond Fund | 10.00      | 109,849,835                 | 12,522,882      | 1.14             |
| Baring Japan Fund              | 10.00      | -                           | N/A             | N/A              |
| Baring North America Fund      | 10.00      | 107,676,827                 | 9,798,592       | 0.91             |

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### Comparative 30 April 2009

| Fund                           | % Movement | Market Value of Investments | Change in value | Beta Factor |
|--------------------------------|------------|-----------------------------|-----------------|-------------|
| Baring ASEAN Frontiers Fund    | 10.00      | 87,361,230                  | 8,736,123       | N/A         |
| Baring Asia Growth Fund        | 10.00      | 379,609,073                 | 38,720,125      | 1.02        |
| Baring Australia Fund          | 10.00      | 82,225,837                  | 8,551,487       | 1.04        |
| Baring Europa Fund             | 10.00      | 105,674,498                 | 12,469,591      | 1.18        |
| Baring Hong Kong China Fund    | 10.00      | 3,498,385,035               | 349,838,504     | 1.00        |
| Baring International Bond Fund | 10.00      | 161,916,154                 | 17,972,693      | 1.11        |
| Baring Japan Fund              | 10.00      | 12,068,049                  | 1,387,826       | 1.15        |
| Baring North America Fund      | 10.00      | 90,583,637                  | 10,145,367      | 1.12        |

Some limitations of sensitivity analysis are:

- the methodology is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

#### (b) Foreign currency risk

Currency risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Funds are exposed to currency risk as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Funds, which is the US dollar.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of those assets and liabilities. The Investment Manager may attempt to mitigate this risk by using financial derivative instruments.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency exposures on a daily basis and reports regularly to the Manager, which reviews the information provided by the Investment Manager on any significant exposures at its periodic meetings.

The Investment Manager used Forward Foreign Currency Contracts on all Funds as a tool and technique to hedge these Funds currency exposure.

| Baring ASEAN<br>Frontiers Fund | Net Non Monetary<br>Assets/(Liability) |                        | Net Monetary<br>Assets/(Liability) |                        | Hedging                |                        | Total                  |                        |
|--------------------------------|--|------------------------|------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                | 30/04/2010<br>US\$'000                 | 30/04/2009<br>US\$'000 | 30/04/2010<br>US\$'000             | 30/04/2009<br>US\$'000 | 30/04/2010<br>US\$'000 | 30/04/2009<br>US\$'000 | 30/04/2010<br>US\$'000 | 30/04/2009<br>US\$'000 |
| Australian Dollar              | 659                                    | -                      | -                                  | -                      | -                      | -                      | 659                    | -                      |
| Euro                           | -                                      | -                      | -                                  | -                      | 14                     | -                      | 14                     | -                      |
| Hong Kong Dollar               | -                                      | 368                    | -                                  | -                      | -                      | -                      | -                      | 368                    |
| Indian Rupee                   | 1,196                                  | 1,164                  | 3                                  | -                      | -                      | -                      | 1,199                  | 1,164                  |
| Indo Rupiah                    | 42,394                                 | 15,110                 | (330)                              | -                      | 373                    | -                      | 42,437                 | 15,110                 |
| Japanese Yen                   | -                                      | -                      | -                                  | -                      | -                      | -                      | -                      | -                      |
| Korean Wan                     | -                                      | -                      | -                                  | -                      | -                      | -                      | -                      | -                      |
| Malaysian Dollar               | 23,148                                 | 15,544                 | -                                  | -                      | -                      | -                      | 23,148                 | 15,544                 |
| Philippines Pes                | 6,472                                  | 3,563                  | (384)                              | -                      | -                      | -                      | 6,088                  | 3,563                  |
| Singapore Dollar               | 74,380                                 | 39,272                 | 351                                | -                      | -                      | 89                     | 74,731                 | 39,361                 |
| Srilanka Rupee                 | 1,919                                  | -                      | (490)                              | -                      | 490                    | -                      | 1,919                  | -                      |
| Taiwan Dollars                 | -                                      | -                      | -                                  | -                      | -                      | -                      | -                      | -                      |
| Thai Bahts                     | 24,162                                 | 8,096                  | 375                                | 51                     | -                      | -                      | 24,537                 | 8,147                  |
| <b>Total</b>                   | <b>174,330</b>                         | <b>83,117</b>          | <b>(475)</b>                       | <b>51</b>              | <b>877</b>             | <b>89</b>              | <b>174,732</b>         | <b>83,257</b>          |

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

(b) Foreign currency risk (continued)

|  | Net Non Monetary<br>Assets/(Liabilities) |                  | Net Monetary<br>Assets/(Liabilities) |                 | Hedging         |                 | Total            |                  |
|--|--|------------------|--------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
|  | 30/04/2010                               | 30/04/2009       | 30/04/2010                           | 30/04/2009      | 30/04/2010      | 30/04/2009      | 30/04/2010       | 30/04/2009       |
| <b>Baring Asia</b>                         | <b>0</b>                                 | <b>9</b>         |                                      |                 |                 |                 |                  |                  |
| <b>Growth Fund</b>                         | <b>US\$'000</b>                          | <b>US\$'000</b>  | <b>US\$'000</b>                      | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b>  | <b>US\$'000</b>  |
| British Sterling<br>Pound                  | 146                                      | -                | -                                    | -               | -               | -               | 146              | -                |
| Hong Kong<br>Dollar                        | 165,448                                  | 163,663          | 1,824                                | -               | -               | 363             | 167,272          | 164,026          |
| Indo Rupiah                                | 27,567                                   | 12,483           | (1,262)                              | -               | -               | -               | 26,305           | 12,483           |
| Korean Wan                                 | 95,102                                   | 75,360           | -                                    | -               | -               | 1,997           | 95,102           | 77,357           |
| Malaysian<br>Dollar                        | 11,070                                   | 10,961           | 41                                   | -               | -               | -               | 11,111           | 10,961           |
| Philippines<br>Pes                         | 4,597                                    | -                | (2,003)                              | -               | -               | -               | 2,594            | -                |
| Singapore<br>Dollar                        | 38,806                                   | 32,644           | -                                    | -               | -               | 622             | 38,806           | 33,266           |
| Taiwan Dollar                              | 65,512                                   | 76,096           | 1,285                                | 1,107           | -               | -               | 66,797           | 77,203           |
| Thai Bahts                                 | 9,740                                    | 6,485            | 78                                   | -               | -               | -               | 9,818            | 6,485            |
| <b>Total</b>                               | <b>417,988</b>                           | <b>377,692</b>   | <b>(37)</b>                          | <b>1,107</b>    | <b>-</b>        | <b>2,982</b>    | <b>417,951</b>   | <b>381,781</b>   |
| <b>Baring<br/>Australia<br/>Fund</b>       | <b>US\$'000</b>                          | <b>US\$'000</b>  | <b>US\$'000</b>                      | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b>  | <b>US\$'000</b>  |
| Australian<br>Dollar                       | 177,980                                  | 81,783           | 150                                  | -               | 123             | 181             | 178,253          | 81,964           |
| British Sterling<br>Pound                  | 5  | -                | -                                    | -               | 54              | -               | 59               | -                |
| Euro                                       | 303                                      | -                | (3)                                  | -               | (123)           | -               | 177              | -                |
| <b>Total</b>                               | <b>178,288</b>                           | <b>81,783</b>    | <b>147</b>                           | <b>-</b>        | <b>54</b>       | <b>181</b>      | <b>178,489</b>   | <b>81,964</b>    |
| <b>Baring<br/>Europa Fund</b>              | <b>US\$'000</b>                          | <b>US\$'000</b>  | <b>US\$'000</b>                      | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b>  | <b>US\$'000</b>  |
| British Sterling<br>Pound                  | 44,302                                   | 35,222           | 855                                  | -               | -               | -               | 45,157           | 35,222           |
| Danish Kroner                              | 4,746                                    | 5,349            | -                                    | -               | -               | -               | 4,746            | 5,349            |
| Euro                                       | 44,329                                   | 53,427           | (608)                                | 14              | (235)           | 560             | 43,486           | 54,001           |
| Norwegian<br>Krona                         | 4,524                                    | 3,712            | 172                                  | -               | -               | -               | 4,696            | 3,712            |
| Swiss Franc                                | 5,668                                    | 10,403           | -                                    | 3               | -               | -               | 5,668            | 10,406           |
| <b>Total</b>                               | <b>103,569</b>                           | <b>108,113</b>   | <b>419</b>                           | <b>17</b>       | <b>(235)</b>    | <b>560</b>      | <b>103,753</b>   | <b>108,690</b>   |
| <b>Baring Hong<br/>Kong<br/>China Fund</b> | <b>US\$'000</b>                          | <b>US\$'000</b>  | <b>US\$'000</b>                      | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b>  | <b>US\$'000</b>  |
| Euro                                       | 4,341                                    | 4,332            | (183)                                | 1               | 183             | (421)           | 4,341            | 3,912            |
| Hong Kong<br>Dollar                        | 4,401,238                                | 3,148,118        | 5,997                                | -               | (17,327)        | 13,923          | 4,389,908        | 3,162,041        |
| Singapore<br>Dollar                        | 38,065                                   | 37,767           | -                                    | -               | -               | 2,488.00        | 38,065           | 40,255           |
| Taiwan Dollar                              | -  | 19,289           | 24                                   | 21              | -               | -               | 24               | 19,310           |
| <b>Total</b>                               | <b>4,443,644</b>                         | <b>3,209,506</b> | <b>5,838</b>                         | <b>22</b>       | <b>(17,144)</b> | <b>15,990</b>   | <b>4,432,338</b> | <b>3,225,518</b> |

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

(b) Foreign currency risk (continued)

| Baring International   | Net Non Monetary Assets/(Liabilities) |                 | Net Monetary Assets/(Liabilities) |                 | Hedging         |                 | Total           |                 |
|------------------------|---------------------------------------|-----------------|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                        | 30/04/2010                            | 30/04/2009      | 30/04/2010                        | 30/04/2009      | 30/04/2010      | 30/04/2009      | 30/04/2010      | 30/04/2009      |
| Bond Fund              | US\$'000                              | US\$'000        | US\$'000                          | US\$'000        | US\$'000        | US\$'000        | US\$'000        | US\$'000        |
| Australian Dollar      | 14                                    | 71              | 13,613                            | 8,628           | (12,880)        | (3,356)         | 747             | 5,343           |
| British Sterling Pound | -                                     | 84              | 10,430                            | 21,567          | (766)           | (18,996)        | 9,664           | 2,655           |
| Canadian Dollar        | -                                     | 85              | 2,880                             | 6,655           | 3,142           | 3,179           | 6,022           | 9,919           |
| Euro                   | -                                     | 1,457           | 42,181                            | 66,180          | (16,904)        | (30,960)        | 25,277          | 36,677          |
| Japanese Yen           | 82                                    | 139             | 8,605                             | 15,291          | 14,929          | 37,582          | 23,616          | 53,012          |
| Mex Nuevo Peso         | 10                                    | 140             | 9,118                             | 5,122           | (2,040)         | -               | 7,088           | 5,262           |
| Norwegian Krone        | -                                     | -               | 7,278                             | 6,486           | -               | -               | 7,278           | 6,486           |
| Polish Zloty           | 11                                    | -               | 4,836                             | -               | (2,412)         | 5,160           | 2,435           | 5,160           |
| Singapore Dollar       | -                                     | -               | -                                 | -               | 8,114           | -               | 8,114           | -               |
| Swedish Kronor         | -                                     | -               | -                                 | -               | 4,428           | 8,514           | 4,428           | 8,514           |
| Swiss Franc            | -                                     | -               | -                                 | -               | -               | 749             | -               | 749             |
| Taiwan Dollar          | -                                     | -               | -                                 | -               | 4,169           | -               | 4,169           | -               |
| Yuan Renmeinbi         | -                                     | -               | -                                 | -               | 5,158           | -               | 5,158           | -               |
| <b>Total</b>           | <b>117</b>                            | <b>1,976</b>    | <b>98,941</b>                     | <b>129,929</b>  | <b>4,938</b>    | <b>1,872</b>    | <b>103,996</b>  | <b>133,777</b>  |
| <b>Baring North</b>    |                                       |                 |                                   |                 |                 |                 |                 |                 |
| <b>America Fund</b>    | <b>US\$'000</b>                       | <b>US\$'000</b> | <b>US\$'000</b>                   | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| British Sterling Pound | (51)                                  | -               | -                                 | (23)            | 60              | 41              | 9               | 18              |
| Euro                   | 1,395                                 | -               | -                                 | -               | -               | 595             | 1,395           | 595             |
| <b>Total</b>           | <b>1,344</b>                          | <b>-</b>        | <b>-</b>                          | <b>(23)</b>     | <b>-</b>        | <b>636</b>      | <b>1,404</b>    | <b>613</b>      |

As the net monetary assets are not significant, it is deemed appropriate not to prepare any sensitivity analysis, except for the Baring International Bond Fund. If the exchange rates to which the Baring International Bond Fund had exposure to at 30 April 2010 had increased by 5% with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units by approximately US\$2,136,050 (2009:US\$6,496,450). A decrease by 5% with all other variables held constant would have an equal but opposite effect.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (c) Interest Rate Risk

Interest rate risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Except for the Baring International Bond Fund, the majority of the other Funds' financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short-term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The Baring International Bond Fund has interest-bearing financial assets and liabilities. As a result, the Fund is subject to the risk of potentially adverse movements in the prevailing levels of market interest rates. The Investment Manager may from time to time enter into contracts on behalf of the Fund that seek to mitigate the effects of these movements.

In accordance with the Trust's policy, the Investment Manager monitors the Fund's interest rate exposures on a daily basis and reports regularly to the Managers, which review the information provided by the Investment Manager on significant exposures at its periodic meetings. The Investment Manager has systems in place to review the interest rate risk through modified duration calculations and in 2010 has hedged a portion of its interest rate risk by shorting fixed income futures.

At 30 April 2010 and 30 April 2009, the Fund's interest rate exposures were as follows:

| <b>30 April 2010</b>                          | <b>Up to<br/>1 year<br/>US\$</b> | <b>1-5<br/>years<br/>US\$</b> | <b>Over<br/>5 years<br/>US\$</b> | <b>Non interest<br/>bearing<br/>US\$</b> | <b>Total<br/>30/04/2010<br/>US\$</b> |
|---|----------------------------------|-------------------------------|----------------------------------|--|--------------------------------------|
| <b>Assets</b>                                 |                                  |                               |                                  |  |                                      |
| Financial assets                              | 7,277,466                        | 37,036,364                    | 64,878,000                       | 658,005                                  | 109,849,835                          |
| Subscriptions Receivable                      | -                                | -                             | -                                | 187,267                                  | 187,267                              |
| Interest and dividends receivable             | -                                | -                             | -                                | 1,337,219                                | 1,337,219                            |
| Other Assets                                  | -                                | -                             | -                                | 198,535                                  | 198,535                              |
| Cash and cash equivalents                     | 1,180,893                        | -                             | -                                | -  | 1,180,893                            |
| <b>Total Assets</b>                           | <b>8,458,359</b>                 | <b>37,036,364</b>             | <b>64,878,000</b>                | <b>2,381,026</b>                         | <b>112,753,749</b>                   |
| <b>Liabilities</b>                            |                                  |                               |                                  |  |                                      |
| Financial liabilities                         | -                                | -                             | -                                | 1,376,691                                | 1,376,691                            |
| Redemptions Payable                           | -                                | -                             | -                                | 530,863                                  | 530,863                              |
| Management Fees Payable                       | -                                | -                             | -                                | 68,738                                   | 68,738                               |
| Other Accrued expenses                        | -                                | -                             | -                                | 152,142                                  | 152,142                              |
| Bid Adjustment                                | -                                | -                             | -                                | (143,209)                                | (143,209)                            |
| Net Asset Value                               | -                                | -                             | -                                | 110,768,524                              | 110,768,524                          |
| <b>Total Liabilities</b>                      | <b>-</b>                         | <b>-</b>                      | <b>-</b>                         | <b>112,753,749</b>                       | <b>112,753,749</b>                   |
| Interest sensitivity gap for<br>Balance Sheet | 8,458,359                        | 37,036,364                    | 64,878,000                       | (110,372,723)                            | -                                    |
| <b>30 April 2009</b>                          |                                  |                               |                                  |  |                                      |
|   | <b>Up to<br/>1 year<br/>US\$</b> | <b>1-5<br/>years<br/>US\$</b> | <b>Over<br/>5 years<br/>US\$</b> | <b>Non interest<br/>bearing<br/>US\$</b> | <b>Total<br/>30/04/2009<br/>US\$</b> |
| <b>Assets</b>                                 |                                  |                               |                                  |  |                                      |
| Financial assets                              | 8,106,314                        | 28,160,552                    | 126,405,180                      | 1,904,991                                | 164,577,037                          |
| Subscriptions Receivable                      | -                                | -                             | -                                | 1,443,490                                | 1,443,490                            |
| Interest and dividends receivable             | -                                | -                             | -                                | 2,463,126                                | 2,463,126                            |
| Other Assets                                  | -                                | -                             | -                                | 6,109                                    | 6,109                                |
| Cash and cash equivalents                     | 660,868                          | -                             | -                                | -  | 660,868                              |
| <b>Total Assets</b>                           | <b>8,767,182</b>                 | <b>28,160,552</b>             | <b>126,405,180</b>               | <b>5,817,716</b>                         | <b>169,150,630</b>                   |
| <b>Liabilities</b>                            |                                  |                               |                                  |  |                                      |
| Financial liabilities                         | -                                | -                             | -                                | 2,660,882                                | 2,660,882                            |
| Redemptions Payable                           | -                                | -                             | -                                | 481,287                                  | 481,287                              |
| Management Fees Payable                       | -                                | -                             | -                                | 106,987                                  | 106,987                              |
| Other Accrued expenses                        | -                                | -                             | -                                | 95,115                                   | 95,115                               |
| Bid Adjustment                                | -                                | -                             | -                                | (644,748)                                | (644,748)                            |
| Net Asset Value                               | -                                | -                             | -                                | 166,451,106                              | 166,451,106                          |
| <b>Total Liabilities</b>                      | <b>-</b>                         | <b>-</b>                      | <b>-</b>                         | <b>169,150,630</b>                       | <b>169,150,630</b>                   |
| Interest sensitivity gap for<br>Balance Sheet | 8,767,182                        | 28,160,552                    | 126,405,180                      | (163,332,914)                            | -                                    |

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (c) Interest Rate Risk (continued)

At 30 April 2010, should market interest rates across all currencies and all maturities have fallen or increased by 50 basis points with all other variables held constant, this would have increased/(decreased) net assets attributable to holders of redeemable participating units of the Fund by approximately US\$ 2,408,124 and on a per unit basis US\$0.57 (2009: US\$5,965,234 and on a per unit basis US\$0.84).

#### (d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of units. However, the Managers are entitled, with the approval of the Trustee, to limit the number of Units of any class realised on any Dealing Day to 10% of the total number of Units of that class in issue. There are also a number of circumstances when the Managers may, with the approval of the Trustee, suspend temporarily the right of Unitholders to require the realisation of Units of any class and/or may delay the payment of any monies in respect of any such realisation.

The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses. In accordance with the Funds' policy, the Investment Manager monitors the Funds' liquidity on a daily basis and reports regularly to the Managers, who review the information provided by the Investment Manager on significant exposures at its periodic meetings. The Funds have an agreed temporary overdraft facility with its Trustee to allow for temporary timing/ matching differences on trades and subscriptions and redemptions. At 30 April 2010 and 30 April 2009, the Funds' financial liabilities, as disclosed on the Balance Sheet were all due within one month, except for the Baring International Bond Fund.

The table below analyses the Fund's financial liabilities and net settled derivative financial liabilities into relevant groupings:

| Baring International Bond Fund<br>Liabilities         | < 1 month | 1-3 Months | < 1 month | 1-3 Months  |
|---|-----------|------------|-----------|-------------|
|   | 2010      | 2010       | 2009      | 2009        |
|   | US\$      | US\$       | US\$      | US\$        |
| Unrealised Loss on forward foreign currency contracts | (986,558) | (390,133)  | (531,943) | (2,128,940) |
| Accrued Expenses                                      | (220,880) | -          | (202,102) | -           |
| Redeemable units                                      | (530,863) | -          | (481,287) | -           |

The table below analyses the Fund's financial derivative instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

| Baring International Bond Fund              | < 1 month    | 1-3 Months   | < 1 month    | 1-3 Months    |
|---|--------------|--------------|--------------|---------------|
|   | 2010         | 2010         | 2009         | 2009          |
|   | US\$         | US\$         | US\$         | US\$          |
| Forward foreign currency exchange contracts |              |              |              |               |
| Outflow                                     | 46,238,971   | 51,962,409   | 31,253,155   | 114,120,897   |
| Inflow                                      | (46,799,092) | (52,120,971) | (31,764,465) | (114,365,479) |

#### (e) Credit Risk

As the Funds invest primarily in publicly traded equity securities the Funds are not exposed to credit risk from these positions.

However, the Funds will be exposed to a credit risk on parties with whom it trades and will bear the risk of settlement default. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Funds are exposed to credit risk on cash and investment balances held with the Trustee. The Investment Manager reviews concentrations of credit risk on a fortnightly basis. All exposures to counterparty credit risk are monitored by the BAM Counterparty Credit Committee and are subject to BAM's Counterparty Credit Policy (CCP). BAM requires a minimum credit rating of Dunn and Bradstreet 3, but also actively avoids exposure to entities having an S&P rating of less than AA-, even where the D&B rating is 3 or better. Adherence to the CCP is very rigidly enforced. Any changes to ratings which cause divergence from CCP are acted on immediately without exception. Application for IPOs for example is subject to the credit rating of the entity to whose balance sheet the application will expose the investing fund. Where no satisfactory rating is applied, BAM insists that monies are paid into a ring-fenced 'Client Money' account hence avoiding exposure not permitted by the CCP.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (e) Credit Risk (continued)

The Funds minimise concentrations of credit risk by undertaking transactions with a large number of regulated counterparties on recognised and reputable exchanges.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement period involved. The maximum exposure related to unsettled trades equals the amounts shown on the Balance Sheet. There was no past due or impaired assets as of 30 April 2010. (2009: \$Nil)

Cash is deposited with Northern Trust (Guernsey) Limited ("NTGL"). In accordance with usual banking practice, (i) such cash will not be held in accordance with client money rules, and (ii) such cash may be commingled with NTGL's own cash and the cash of NTGL's other clients. NTGL's liability to the Client in respect of such cash deposits shall be that of debtor and the Client will rank as a general creditor of NTGL. The Trustee on the Funds, Northern Trust Fiduciary Services (Ireland) Limited which is part of the Northern Trust Company has a high rating, as rated by various rating agencies.

The net assets (market value of investments, cash and receivables/payables relating to securities) exposed to credit risk at year end amounted to:

| <b>Fund</b>                    | <b>30/04/2010</b><br><b>€'000</b> | <b>30/04/2009</b><br><b>€'000</b> |
|--------------------------------|-----------------------------------|-----------------------------------|
| Baring ASEAN Frontiers Fund    | 190,728,932                       | 88,708,187                        |
| Baring Asia Growth Fund        | 434,682,923                       | 385,895,583                       |
| Baring Australia Fund          | 180,366,792                       | 83,412,745                        |
| Baring Europa Fund             | 104,773,941                       | 105,812,725                       |
| Baring Hong Kong China Fund    | 4,863,796,821                     | 3,542,860,804                     |
| Baring International Bond Fund | 111,030,728                       | 162,577,022                       |
| Baring Japan Fund              | 34,404                            | 11,679,827                        |
| Baring North America Fund      | 109,111,472                       | 93,669,225                        |

At 30 April 2010 and 30 April 2009, the Baring International Bond Fund exposure to credit risk was as follows:

| <b>Portfolio by rating category</b> | <b>30/04/2010</b> | <b>30/04/2009</b> |
|-------------------------------------|-------------------|-------------------|
| <b>Rating</b>                       |                   |                   |
| AAA                                 | 57.14%            | 84.20%            |
| AA                                  | 8.57%             | 0.00%             |
| A                                   | 34.29%            | 15.30%            |
| BBB                                 | 0.00%             | 0.00%             |
| BB                                  | 0.00%             | 0.00%             |
| B                                   | 0.00%             | 0.00%             |
| Not Rated                           | 0.00%             | 0.50%             |
|                                     | <b>100.00%</b>    | <b>100.00%</b>    |

#### (f) Fair value hierarchy

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate. If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. For instruments for which there is no active market, the Trust may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (f) Fair value hierarchy (continued)

The Fund adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels.

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

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

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

The table below sets out fair value measurements using the FRS 29 fair value hierarchies:

Comparative are not required for the first year of implementation.

Financial assets and liabilities at fair value through profit or loss

| As at 30 April 2010                | Total<br>US\$      | Level 1<br>US\$    | Level 2<br>US\$   | Level 3<br>US\$ |
|------------------------------------|--------------------|--------------------|-------------------|-----------------|
| <b>Baring ASEAN Frontiers Fund</b> |                    |                    |                   |                 |
| Equities and Convertibles          | 178,915,961        | 164,015,008        | 14,900,953        | -               |
| Collective Investment Scheme       | 8,299,200          | -                  | 8,299,200         | -               |
| <b>Total</b>                       | <b>187,215,161</b> | <b>164,015,008</b> | <b>23,200,153</b> | <b>-</b>        |

| As at 30 April 2010            | Total<br>US\$      | Level 1<br>US\$    | Level 2<br>US\$   | Level 3<br>US\$ |
|--------------------------------|--------------------|--------------------|-------------------|-----------------|
| <b>Baring Asia Growth Fund</b> |                    |                    |                   |                 |
| Equities and Convertibles      | 417,254,647        | 410,071,930        | 7,182,717         | -               |
| Collective Investments Scheme  | 16,333,920         | -                  | 16,333,920        | -               |
| <b>Total</b>                   | <b>433,588,567</b> | <b>410,071,930</b> | <b>23,516,637</b> | <b>-</b>        |

| As at 30 April 2010          | Total<br>US\$      | Level 1<br>US\$    | Level 2<br>US\$ | Level 3<br>US\$ |
|------------------------------|--------------------|--------------------|-----------------|-----------------|
| <b>Baring Australia Fund</b> |                    |                    |                 |                 |
| Equities and Convertibles    | 177,464,601        | 177,464,601        | -               | -               |
| <b>Total</b>                 | <b>177,464,601</b> | <b>177,464,601</b> | <b>-</b>        | <b>-</b>        |

| As at 30 April 2010       | Total<br>US\$      | Level 1<br>US\$    | Level 2<br>US\$ | Level 3<br>US\$ |
|---------------------------|--------------------|--------------------|-----------------|-----------------|
| <b>Baring Europa Fund</b> |                    |                    |                 |                 |
| Equities and Convertibles | 103,474,213        | 103,474,213        | -               | -               |
| <b>Total</b>              | <b>103,474,213</b> | <b>103,474,213</b> | <b>-</b>        | <b>-</b>        |

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

(f) Fair value hierarchy (continued)

| As at 30 April 2010                | Total<br>US\$        | Level 1<br>US\$      | Level 2<br>US\$   | Level 3<br>US\$ |
|------------------------------------|----------------------|----------------------|-------------------|-----------------|
| <b>Baring Hong Kong China Fund</b> |                      |                      |                   |                 |
| Equities and Convertibles          | 4,769,411,170        | 4,769,411,170        | -                 | -               |
| Collective Investments Scheme      | 48,336,000           | -                    | 48,336,000        | -               |
| <b>Total</b>                       | <b>4,8177,47,170</b> | <b>4,769,411,170</b> | <b>48,336,000</b> | <b>-</b>        |

| As at 30 April 2010                   | Total<br>US\$      | Level 1<br>US\$ | Level 2<br>US\$    | Level 3<br>US\$ |
|---------------------------------------|--------------------|-----------------|--------------------|-----------------|
| <b>Baring International Bond Fund</b> |                    |                 |                    |                 |
| Bonds and Convertibles                | 109,191,830        | -               | 109,191,830        | -               |
| Forward Currency Contracts            | (718,686)          | -               | (718,686)          | -               |
| <b>Total</b>                          | <b>108,473,144</b> | <b>-</b>        | <b>108,473,144</b> | <b>-</b>        |

| As at 30 April 2010              | Total<br>US\$      | Level 1<br>US\$    | Level 2<br>US\$ | Level 3<br>US\$ |
|----------------------------------|--------------------|--------------------|-----------------|-----------------|
| <b>Baring North America Fund</b> |                    |                    |                 |                 |
| Equities and Convertibles        | 107,676,827        | 107,676,827        | -               | -               |
| <b>Total</b>                     | <b>107,676,827</b> | <b>107,676,827</b> | <b>-</b>        | <b>-</b>        |

### 10. Financial Derivative Instruments

There were no techniques or instruments used during the year, except for the Baring International Bond Fund. The Baring International Bond Fund was active in using forward foreign currency transactions to reduce risk and transaction costs through the creation of "synthetic bonds". This occurred where the Fund was positive on a country's bond market but negative on their currency and concurrently elsewhere, negative on another country's bond market yet positive on their currency. In addition, forward foreign currency transactions were used for hedging purposes.

### 11. Statement of Portfolio Movements

A statement of changes in the composition of the investment portfolio will be issued to unitholders, free of charge, on request. Unitholders resident in Germany may, if they so wish, obtain a copy of the breakdown from the German Paying and Information Agent.

### 12. Financial Assets at Fair Value through Profit or Loss

As part of the EU Fair Value Regulations, a note has to be disclosed in the Financial Statements where a Fund has a mixture of security types, breaking out the security types and their gain or loss. The table below applies only to the Baring International Bond Fund as this holds bond and forward contracts, the other Funds in the Umbrella only hold equity type securities.

| Baring International Bond Fund | Fair Value<br>30/04/2010<br>US\$ | Realised and<br>unrealised<br>gains/losses<br>charged to<br>profit or loss<br>30/04/2010<br>US\$ | Fair Value<br>30/04/2009<br>US\$ | Realised and<br>unrealised<br>gains/losses<br>charged to profit or<br>loss<br>30/04/2009<br>US\$ |
|--------------------------------|----------------------------------|--|----------------------------------|--|
|                                | Bonds                            | 109,191,829  | 14,629,341                       | 162,672,046  |
| Forward contracts              | (718,686)                        | 1,477,124  | (755,892)                        | 10,929,298   |
| <b>Total</b>                   | <b>108,473,144</b>               | <b>16,106,465</b>  | <b>161,916,154</b>               | <b>(22,281,554)</b>  |

## Notes to the Financial Statements

### 13. Taxation

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

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to unitholders or any encashment, redemption, cancellation or transfer of units.

No Irish tax will arise on the Trust in respect of chargeable events in respect of:

- (a) a unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Trust, and
- (b) certain exempted Irish tax resident unitholders who have provided the Trust with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Trust may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Trust or its unitholders.

### 14. Stocklending

There was no stocklending fee income earned during the period. The stocklending programme was indefinitely suspended on the

22 October 2008. A summary of the activity is detailed below:

#### 30 April 2010

| Fund                           | Aggregate value of<br>securities on loan at<br>30/04/2010<br>US\$ | Value of<br>collateral held<br>at 30/04/2010<br>US\$ | Net Income from<br>stocklending<br>received during<br>the year<br>US\$ | Net Stocklending<br>income receivable<br>30/04/2010<br>US\$ |
|--------------------------------|---|--|--|---|
| Baring ASEAN Frontiers Fund    | -   | -  | -  | -   |
| Baring Asia Growth Fund        | -   | -  | -  | -   |
| Baring Australia Fund          | -   | -  | -  | -   |
| Baring Europa Fund             | -   | -  | -  | -   |
| Baring Hong Kong China Fund    | -   | -  | -  | -   |
| Baring International Bond Fund | -   | -  | -  | -   |
| Baring Japan Fund              | -   | -  | -  | -   |
| Baring North America Fund      | -   | -  | -  | -   |

## Notes to the Financial Statements

### 14. Stocklending (continued)

Comparatives 30 April 2009

| Fund                           | Aggregate value of securities on loan at 30/04/2009<br>US\$ | Value of collateral held at 30/04/2009<br>US\$ | Net Income from stocklending received during the year<br>US\$ | Net Stocklending income receivable 30/04/2009<br>US\$ |
|--------------------------------|---|--|---|---|
| Baring ASEAN Frontiers Fund    | -   | -  | 67,290  | 2   |
| Baring Asia Growth Fund        | -   | -  | 212,140   | 93  |
| Baring Australia Fund          | -   | -  | 104,102   | 29  |
| Baring Europa Fund             | -   | -  | 149,869   | -   |
| Baring Hong Kong China Fund    | -   | -  | 782,619   | -   |
| Baring International Bond Fund | -   | -  | 45,756  | -   |
| Baring Japan Fund              | -   | -  | 23,995  | 9   |
| Baring North America Fund      | -   | -  | 46,777  | 45  |

### 15. Subsequent Events

The distributions that were declared in respect of the Trust on 1 May 2010 are not accrued in the financial statements for the year ended 30 April 2010. Also, Paul Savage resigned as a director on 16 September 2009 and John Misselbrook was appointed on 14 October 2009. There have been no other events subsequent to the year end, which, in the opinion of the Directors of the Managers, may have had an impact on the financial statements for the year ended 30 April 2010.

### 16. Approval of Financial Statements

The financial statements were approved by the Board of Directors of the Managers on 30 July 2010.

## Information For Investors in Switzerland (Unaudited)

The Directors have appointed BNP Paribas Securities Services Paris, succursale de Zurich, Selnaustrasse 16, P.O. Box, 8022 Zurich, Switzerland, as representative and paying agent for Switzerland. In accordance with Article 124 CISA, BNP Paribas Securities Services, Paris, succursale de Zurich represents the Trust, which was founded in Ireland, and its Sub-Funds vis à vis the investors and the Swiss Financial Market Supervisory Authority FINMA.

For Units distributed in or from Switzerland, the performance place is at BNP Paribas Securities Services, Paris's address. Investors can obtain, free of charge, the Prospectus, the Simplified Prospectus (both also available for potential investors), the last annual and interim reports as well as copies of the Trust Deed and amendments and supplements thereto if any in German, and a list of the purchases and sales made on behalf of the Trust from the representative at the below address. Official publications for the Trust are made in the AGEFI and the Swiss Official Trade Gazette. Unit prices (Net Asset Value with the words "exclusive of commissions") are published daily in the AGEFI.

All the information appearing in these Reports & Accounts is solely with respect to those Sub-Funds of the Trust which are licensed for public offer and marketing in or from Switzerland, namely Baring ASEAN Frontiers Fund, Baring Asia Growth Fund, Baring Australia Fund, Baring Europa Fund, Baring Hong Kong China Fund, Baring International Bond Fund, Baring Japan Fund (terminated 27 July 2009) and Baring North America Fund.

### Representative and Paying Agent for Switzerland

BNP Paribas Securities Services, Paris,  
Succursale de Zurich,  
P.O. Box,  
8022 Zurich,  
Switzerland.

### Performance

Following a Guideline from the Swiss Funds Association (the "SFA") dated 16 May 2008, the Board of Directors are supplying performance data in conformity with the said Guideline. This data can be found below and under each of the Sub-Funds' reports on pages 7, 16, 25, 33, 43, 52, 61 and 67. Further, the Board of Directors are required to provide the below additional information on performance.

There is no appropriate benchmark for the Sub-Funds. Any reference to an index is for comparison purposes only. The following comparative indices are used as in the Board of Director's opinion and in the light of the investment policy of the relevant Sub-Fund, they are the most appropriate selection for comparison.

#### **Baring ASEAN Frontiers Fund**

The MSCI (Morgan Stanley Capital International) South East Asia index is a free float-adjusted market capitalisation index that is designed to measure international equity market performance of Indonesia, Malaysia, Philippines, Singapore and Thailand.

#### **Baring Asia Growth Fund**

The MSCI (Morgan Stanley Capital International) All Countries Far East ex Japan Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance in the Far East, excluding Japan. It currently consists of 9 developed emerging market country indices: China, Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand.

#### **Baring Australia Fund**

The benchmark index is the MSCI (Morgan Stanley Capital International) Australia 10/40 index. The stock weightings in this index are a better match to the permitted stock limits in collective investment vehicles such as Baring Australia Fund and as such we believe it to be a more appropriate comparative index. The index changed from the ASX300 on 31 March 2009. The previous index was a capitalisation-weighted index of the top 300 companies ranked by market size on the Australian Stock Exchange.

## Information for Investors in Switzerland (continued)

### Baring Europa Fund

The MSCI (Morgan Stanley Capital International) Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. It currently consists of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

### Baring Hong Kong China Fund

The MSCI (Morgan Stanley Capital International) China Index is a free float-adjusted market capitalisation-weighted index of Chinese equities that includes China-affiliated corporations and H shares listed on the Hong Kong exchange, and B shares listed on the Shanghai and Shenzhen exchanges. Further information on this index is available on <http://www.msci.barra.com/products/indices/china/en/>.

The index changed from MSCI Zhong Hua Index on 1 February 2008 as the weighting on China got more emphasis and the MSCI China Index, in the view of the Fund Manager's directors was hence better suited for comparison purposes with its larger share in Chinese securities. .

The previous comparative index, the MSCI Zhong Hua Index was a free float-adjusted market capitalisation-weighted index that was developed to measure the performance of securities in the developed countries China and Hong Kong. The index was composed of Chinese securities and Hong Kong securities in the proportion 1/3 to 2/3. The name of the index changed on 1 September 2006 from "Hong Kong Hang Seng Index" to "MSCI Zhong Hua Index".

### Baring International Bond Fund

The Citigroup World Government Index (WGBI) is a market-capitalisation-weighted index that tracks the performance of the 21 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the UK and the US.

### Baring Japan Fund (terminated 27 July 2009)

The Japan (TSE) First Section Index is a composite index of all common stocks listed on the First Section of the Tokyo Stock Exchange (TSE). The index is basically a measure of the changes in aggregate market value of the TSE common stocks.

### Baring North America Fund

The comparative index changed from the S&P 500 Index to the Russell 1000 Growth Index on 1 July 2008. In the Managers' opinion, the Russell 1000 Growth Index, with its increased exposure to large-capitalisation growth stocks, is now the more appropriate index to be used for comparative purposes.

The comparative index applied until 30 June 2008 was the S&P 500 Index which is established independently by Standard & Poor's and consists of 500 stocks chosen for market size, liquidity, and industry group presentation. It is a market-value weighted index (stock price multiplied by the number of units outstanding), with each stock's weight in the Index proportionate to its market value.

### Important information to the performance tables on pages 7, 16, 25, 33, 43, 52, 61 and 67:

- If the first or last day for the period of reference used for the performance data is a day where stock exchanges are not open, it is the performance data of the previous day open for trade which is used;

-All performance data is expressed in the base currency of the Fund

- All performance data is sourced from Baring Asset Management Limited and is verified and calculated using data sourced from Morningstar (formerly Standard & Poor's) as at 30 April 2010.

**Note: All references to a specific index are for comparison purposes only.**

***The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested.***

## Information for Investors in Switzerland (continued)

**Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of Units.**

Investors should contact the Swiss representative at the above address should they require additional information e.g. on performance including the composition of the relevant indices where applicable.

## Total Expense Ratio (Unaudited)

Pursuant to a Guideline from the Swiss Funds Association (SFA) dated 16 May 2008, the Funds are required to publish a Total Expense Ratio (TER) for the last twelve-month period ended 30.04.2010.

The Total Expense Ratio for each Fund for the last twelve-month period ended 30 April 2010 and 30 April 2009 are as follows:

| Name of Sub-Fund                               | 01/05/2009-30/04/2010 | 01/05/2008-30/04/2009 |
|--|-----------------------|-----------------------|
|  | TER in %              | TER in %              |
| Baring ASEAN Frontiers Fund - Class A          | 1.76                  | 1.72                  |
| Baring Asia Growth Fund - Class A              | 1.76                  | 1.76                  |
| Baring Australia Fund - Class A                | 1.76                  | 1.76                  |
| Baring Europa Fund - Class A                   | 1.76                  | 1.79                  |
| Baring Europa Fund - Class C US\$              | 2.78                  | 2.76                  |
| Baring Europa Fund - Class C €                 | 2.77                  | 2.75                  |
| Baring Hong Kong China Fund - Class A          | 1.75                  | 1.75                  |
| Baring Hong Kong China Fund - Class C US\$     | 2.75                  | 2.77                  |
| Baring Hong Kong China Fund - Class C €        | 2.74                  | 2.72                  |
| Baring International Bond Fund - Class A       | 1.32                  | 1.28                  |
| Baring Japan Fund - Class A                    | -                     | 2.09                  |
| Baring North America Fund - Class A US\$ and € | 1.77                  | 1.79                  |
| Baring North America Fund - Class A £          | 1.77                  | 1.79                  |

This information was established by the Board of Directors based on the (unaudited) data contained in the Profit and Loss Account for the above reference period (Fund management fees, custodian fees, taxes and duties, all other commissions and expenses appearing as per the breakdown of the Profit & Loss Account and not already included in any of the foregoing categories). The TER is calculated using the average daily net asset value for the period.

## Portfolio Turnover Rate (Unaudited)

The Portfolio Turnover Rate (PTR) has been established in conformity with a Guideline from the Swiss Funds Association (SFA) of 16 May 2008, using as reference period the first part of the current and the second part of the previous accounting year.

$$\frac{(\text{Purchases of securities} + \text{sales of securities}) - (\text{Units subscribed} + \text{Units redeemed})}{(\text{Average fund value for 12 month}) \times 100}$$

The Portfolio Turnover numbers for each Fund for the twelve-month period ending 30 April 2010 and 30 April 2009 are as follows:

| Name of Fund                   | 01/05/2009-30/04/2010 | 01/05/2008-30/04/2009 |
|--------------------------------|-----------------------|-----------------------|
|                                | PTR in %              | PTR in %              |
| Baring ASEAN Frontiers Fund    | 50.80                 | 531.93                |
| Baring Asia Growth Fund        | 284.27                | 450.91                |
| Baring Australia Fund          | 96.44                 | 35.81                 |
| Baring Europa Fund             | 6.94                  | 16.37                 |
| Baring Hong Kong China Fund    | 217.50                | 399.44                |
| Baring International Bond Fund | 10.62                 | (72.57)               |
| Baring Japan Fund              | -                     | 47.88                 |
| Baring North America Fund      | 790.04                | 1,122.62              |

## Trailer Fees and Reimbursements

Trailer fees (Bestandespflegekommissionen) may only be paid to the sales agents/partners indicated below:

- authorized sales agents (distributors) within the meaning of Article 19, Para 1, CISA;
- sales agents (distributors) exempted from the authorization requirement within the meaning of Article 19, Para 4, CISA;
- sales partners who place fund units exclusively with institutional investors with professional treasury facilities; and/or
- sales partners who place fund units with their clients exclusively on the basis of a written commission-based asset management mandate.

Reimbursements (Rückvergütungen) may only be paid to the institutional investors detailed below who from a commercial perspective are holding the fund units for third parties:

- life insurance companies (in respect of fund units held for the account of insured persons or to cover obligations towards insured persons);
- pension funds and other retirement provision institutions (in respect of fund units held for the account of beneficiaries);
- investment foundations (in respect of fund units held for the account of in-house funds);
- Swiss fund management companies (in respect of fund units held for the account of the funds managed);
- foreign fund management companies and providers (in respect of fund units held for the account of managed funds and investing unitholders); and/or
- investment companies (in respect of the investment of the company assets)."

## Taxation

Please refer to the paragraph headed "European Union Taxation of Savings Income Directive" on page 105 below. The attention of investors is drawn to the fact that Switzerland and the European Union have entered into a bilateral agreement effective from 1 July 2005 based on which measures have been enacted in Switzerland which correspond to the European Union Taxation of Savings Income Directive. Generally these measures require tax to be withheld on interest payment made by paying agents to EU residents.

## Information For Investors In Germany (Unaudited)

The full and the simplified prospectus, a list of portfolio changes, the trust deed as well as the annual and the semi-annual reports are available free of charge in hard copy at the office of the German Paying and Information Agent and the Further German Information Agent.

### GERMAN PAYING AND INFORMATION AGENT

Deutsche Bank AG

Junghofstrasse 5-9

60311 Frankfurt am Main

Federal Republic of Germany

### FURTHER GERMAN INFORMATION AGENT

Baring Asset Management

Oberlindau 54-56

60323 Frankfurt am Main

Federal Republic of Germany

## Special Risks Resulting From New Tax Publication Requirements in Germany

Foreign investment companies must provide documentation to the German fiscal authorities upon request e.g. in order to verify the accuracy of the published tax information. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the investment company's calculation methodology in every material respect. In addition, if it transpires that these publications are incorrect, any subsequent correction will, as a general rule, not have retrospective effect and will, as a general rule, only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current year.

## Market Timing

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

The Directors reserve the right to redeem Units from a Unitholder, on the basis of the circumstances of the Unitholder concerned, or it has reasonable grounds to believe that the Unitholder engaging in any activity which might result in the Fund or its Unitholders as a whole suffering any legal, regulatory, reputational or other material disadvantage which the Fund or its Unitholders as a whole might not otherwise have suffered.

## UK Distributor and Reporting Fund Status (Unaudited)

The Managers have previously applied to the Board of HM Revenue & Customs to have all of Unit classes in The Baring International Umbrella Fund other than any Class I Units, certified as distributing funds for the purposes of Chapter V of Part XVII of the UK Income and Companies Taxes Act 1998. All relevant distributing classes of Units in The Baring International Umbrella Fund have been certified as distributing funds for the year ended 30 April 2009 while further applications have been submitted to the HM Revenue & Customs for the year ended 30 April 2010 are still being processed.

New rules have been introduced in the UK which are replacing the UK distributor status fund rules with the new concept of reporting funds. The directors have determined that an application should be made by the Managers to HM Revenue & Customs for all Unit classes which otherwise would have applied to be certified as distributing funds, to become reporting funds with effect from the year commencing 1 May 2010. It is not envisaged that any investors in the relevant Unit classes will be significantly impacted by this change.

## European Union Taxation Of Savings Income Directive (Unaudited)

On 3 June 2003 the European Commission published a new directive regarding the taxation of savings income ('the Directive'). From 1 July 2005 Member States are required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding tax system in relation to such payments. For the purposes of the Directive, interest payments include distributions made by certain collective investment funds to the extent that any relevant fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realized upon the sale, refund or redemption of fund units to the extent that the fund has invested more than 40% (25% with effect from 1 January 2011) of its assets directly or indirectly in interest bearing securities.

Accordingly, the Custodian, Administrator, paying agent or such other entity considered a "paying agent" (for the purposes of the Directive a "paying agent" is the economic operator who pays interest to or secures the payment of interest for the immediate benefit of the beneficial owner) for the purposes of the Directive may be required to disclose details of or withhold tax on distributions and/or realisation payments by the Funds to Unitholders who are individuals or residual entities (located in another EU Member State) to the taxation authority in the home jurisdiction of the paying agent who will pass such details or tax to the Member State where the investor resides.

As Ireland has opted for exchange of information rather than a withholding tax system, since the Directive became effective, the principle consequence for Unitholders will be that details of relevant savings income are disclosed to the EU member states in which Unitholders are resident. The Directive has now been enacted into Irish legislation and the reporting of any relevant payments of interest made by the Companies, together with various specified information relating to recipients who are individuals or residual entities resident in EU states other than Ireland applied with effect from 1 July 2005.

Set out below are those Funds subject to disclosure and the disclosure to which they are currently and are expected to remain subject under the Directive.

| <b>Fund</b>                    | Disclosure of distribution to the tax authorities of the underlying Unitholder (15% rule) | Disclosure of redemption proceeds to the tax authorities of the underlying Unitholder (40%/25% rule) |
|--------------------------------|---|--|
| Baring International Bond Fund | ✓   | ✓  |

## Paying Agents

### **UniCredit Bank Austria AG**

Schottengasse6-8  
1010 Vienna  
Austria

### **BNP Paribas Securities Services**

3 rue d'Antin  
75007 Paris  
France

### **Deutsche Bank AG**

Junghofstrasse 5-9  
60311 Frankfurt am Main  
Germany

### **Banque de Luxembourg SA**

14, Boulevard Royal  
L-2449 Luxembourg

### **S.E. Banken**

Rissneleden 110 RB5  
10640 Stockholm  
Sweden

### **BNP Paribas Securities Services SA, Paris,**

Succursale de Zurich,  
Selnaustrasse 16,  
P.O. Box,  
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Hong Kong

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54-62 Townsend Street  
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Ireland

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