



Barings Korea Feeder Fund

**(the Fund is constituted as an open-ended unit trust
established pursuant to the Units Trust Act 1990)**

Interim Report & Unaudited Financial Statements

For the financial period ended 31 October 2021

Barings Korea Feeder Fund
Interim Report and Unaudited Financial Statements

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for the financial period ended 31 October 2021

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Barings Korea Feeder Fund

Directors and Other Information

Directors of the AIFM

Alan Behen (Irish)
David Conway† (Irish)
Barbara Healy† (Irish)
Paul Smyth (Irish)
Julian Swayne (British)

† Non-executive Directors independent of the Investment Manager.

Alternative Investment Fund Manager (“AIFM”)

Baring International Fund Managers (Ireland) Limited
70 Sir John Rogerson’s Quay
Dublin 2
D02 R296
Ireland

Investment Managers to Barings Korea Trust (the “Unit Trust”)

Baring Asset Management Limited
20 Old Bailey
London EC4M 7BF
United Kingdom

Baring Asset Management (Asia) Limited*
35th Floor, Gloucester Tower
15 Queen’s Road Central
Hong Kong

* Baring Asset Management (Asia) Limited is the delegated Sub-Investment Manager of the Unit Trust as detailed in the Investment Manager’s report.

Depositary

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

Administrator and Registrar

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

Company Secretary

Matsack Trust Limited
70 Sir John Rogerson’s Quay
Dublin 2
D02 R296
Ireland

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
D01 X9R7
Ireland

Legal Advisers and Sponsoring Broker

As to Irish Law
Matheson
70 Sir John Rogerson’s Quay
Dublin 2
D02 R296
Ireland

As to Hong Kong Law

Deacons
Alexandra House
16-20 Chater Road
Central Hong Kong

Sub-custodian

The Hong Kong and Shanghai Banking Corporation Limited
35th Floor, HSBC Tower
1000 Lujiazui Ring Road
Pudong
Shanghai 200120
People’s Republic of China

Barings Korea Feeder Fund

Introduction

Barings Korea Feeder Fund (the “Fund”) is a unit trust scheme constituted under the laws of Ireland and has been authorised as a feeder fund into Barings Korea Trust (the “Unit Trust”). The Manager, Baring International Fund Managers (Ireland) Limited, is authorised by the Central Bank of Ireland (the “CBI”) as an Alternative Investment Fund Manager (“AIFM”) pursuant to the European Union (“EU”) Regulations 2013, and therefore the Fund is classified as a Retail Investor Alternative Investment Fund (“RIAIF”) in accordance with the Alternative Investment Fund Rulebook (the “AIF Rulebook”) issued by the CBI. The Unit Trust is authorised and regulated by the Financial Conduct Authority. The Unit Trust is managed by Baring Fund Managers Limited. The Fund is also listed on the Euronext Dublin Global Exchange Market.

As an investor in the Unit Trust, the Fund’s money is pooled with that of other investors in the Unit Trust and invested in the securities of South Korean companies listed on the Korean Stock Exchange. The Unit Trust will also participate in investments such as convertible bonds, fixed-interest stocks and mutual funds. As with all Unit Trusts managed by Baring Fund Managers Limited, the risk assumed in this portfolio is carefully monitored.

As at 31 October 2021, the Fund had one class of units on offer. The Fund held 10,017,685 units (30 April 2021: 8,949,954) in the Unit Trust, which represents approximately 67% (30 April 2021: 48.57%) of the authorised units in the Unit Trust. The performance of the Fund is directly dependent on the performance of the Unit Trust. The financial statements of the Fund should be read in conjunction with the Unit Trust’s financial statements.

The financial statements include all the trades received up until 12.00p.m. (Irish time) on 29 October 2021, the valuation point of the Fund.

Barings Korea Feeder Fund

Investment Objective and Policy

The investment objective of Barings Korea Feeder Fund (the “Fund”) is to achieve long-term growth in the value of assets by investing in units of Barings Korea Trust (the “Unit Trust”), which is a unit trust constituted in the United Kingdom and authorised by the Financial Conduct Authority (“FCA”). The investment objective of the Unit Trust is to achieve long-term capital growth by investing in Korea.

The Unit Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in, Korea and quoted or traded on the stock exchanges in Korea.

How the Unit Trust is managed

Baring Asset Management Limited, in its capacity as investment manager to the Unit Trust (the “Investment Manager”), invests the Unit Trust in the South Korean equity market, and manages it using a “Growth at a Reasonable Price” (“GARP”) approach. This means that when researching candidates for the portfolio, just as much emphasis is placed on the likely growth in corporate earnings of a company as is placed on the unit price valuation before deciding whether to invest or not. This approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors. A significant emphasis is placed on fundamental research, looking for companies which have the potential to deliver better-than-expected earnings growth. Over the long term, the Investment Manager aims to deliver the majority of returns through active stock picking and expects to achieve most of the added value from stock selection.

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

Please refer to the Prospectus for the full risk profile. Investors should read the Prospectus and carefully consider the potential risk factors as well reward factors before investing.

Barings Korea Feeder Fund

Investment Managers' Report

For the financial period ended 31 October 2021

Performance

Barings Korea Feeder Fund (the "Fund") registered a gross return of -8.75% on the Class A USD Acc share class and over performed against the performance comparator with a return of -10.17%* during the reporting period. The Fund generated a net return of -9.81% on the Class A USD Acc share class.

Korean equities retreated over the past 6 months, as investors turned more cautious owing to multiple uncertainty factors that could impact the market, ranging from resurgence of COVID-19 within the country, global inflationary pressure alongside more hawkish stances of the US Federal Reserve and Bank of Korea, to potential ripple effects from China's power curb on Korean companies. The regulatory changes to selective New Economy sectors such as internet also weighed on equity performance.

The Fund's structurally negative exposure in Samsung Electronics relative to the performance comparator ended as a key contributor over the past 6 months, as share price was dragged by muted earnings outlook on the back of concerns over memory pricing decline alongside subsiding demands. Hansol Chemical was another standout and added value to relative performance over the review period. As a key specialty chemical material supplier in the semiconductor and rechargeable battery markets, the company is well-positioned to benefit from the rapidly growing EV (electric vehicle) and green energy demands worldwide. On the flipside, semiconductor manufacturer Tokai Carbon Korea was a notable detractor to the Fund's performance due to heightened legal risk post the company's loss over patent litigation suit against one of its competitors. We believe the short-term impact was event-driven, and thus continued to hold our position in the company. Synthetic rubber producer Kumho Petrochemical also detracted from relative performance, as worries over demand slowdown and dropping rubber glove prices hurt near-term share price. That said, we kept the company within the portfolio as we saw its fundamentals remain intact, and the company has delivered in-line quarterly earnings results.

Market outlook

With improving vaccinations and more countries looking to open up borders, we believe gradual normalization of the global economy could be expected as we enter 2022. Restarting the global economic engine, however, would likely be a bumpy process. Supply chain dislocations, monetary policies, and geopolitics could introduce volatility in the global equity markets. Domestically, fiscal policies in Korea are expected to remain accommodative, while monetary policies have turned more normalized due to inflation risk. Recent regulatory headwinds in the internet and fintech sectors could also add to short-term market volatility and impact investment sentiment, but we haven't seen material fundamental change to these industries and remain positive on the structural long-term growth trends they're benefitting from. Looking ahead, we expect strong economic and corporate earnings recoveries in the rest of 2021 and extending to 2022 as mobility restrictions eased and vaccination picks up. In fact, we have seen a staged recovery across Asia playing out, with export-oriented economies including Korea carrying on resilient economic growth supported by global demand recovery and new capital expenditure cycle accelerating into next year given the pull forward of digitalization adoption. The environment of ample liquidity, consumer-directed policy support coupled with rising expectations of corporate earnings remains favorable to Korean equities overall, and the market is attractive from both growth and value factors, which should benefit as global economies recover regardless of stylistic rotations between value and growth.

Barings Korea Feeder Fund

Investment Managers' Report (continued)

For the financial period ended 31 October 2021

Market outlook (continued)

We remain disciplined and anchored by our bottom-up investment process, and take market corrections as attractive entry points to build up positions in companies with structural growth potentials and quality fundamentals. Outlook for Korean equities remains rosy, supported by positive global growth recovery momentum, structurally and fundamentally solid technology sector, signs of improving domestic demand, and accommodative macro policies supported by the government. Korea is in a key position in terms of economic development and technological level, as its R&D investment in new technologies and manufacturing areas always stays in the spotlight for pioneering Korean enterprises. It is in these leading edge sectors and companies where most of Korea's growth will come through. We continue to favor companies with sustainable long-term earnings growth profile, strong franchise and good balance sheet quality, which prove to be fundamentally crucial during current times. We are also constructive in selective companies linked to the 5G and memory thematic, and those that are well-positioned to benefit from the structural consumption upgrade trend with product and services quality boosts in both Korea and Asia/globally.

* The Fund return uses the midday prices, whereas the return of the comparator is calculated using global close prices.

Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager of Baring Korea Trust by Baring Asset Management Limited. November 2021

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Korea Feeder Fund

Statement of Financial Position

As at 31 October 2021

		Barings Korea Feeder Fund 31 October 2021	Barings Korea Feeder Fund 30 April 2021
	Notes	US\$	US\$
Assets			
Financial assets at fair value through profit or loss	2	56,200,095	55,532,242
Cash and cash equivalents	3	71,096	58,566
Funds due from the Barings Korea Trust		–	72,192
Receivable for units sold		192,864	87,545
Other assets		38,274	–
Total assets		<u>56,502,329</u>	<u>55,750,545</u>
Liabilities			
Payable for units redeemed		(91,444)	(161,889)
Securities purchased payable		(124,358)	–
Other payables and accrued expenses	5	<u>(101,726)</u>	<u>(97,770)</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating units)		<u>(317,528)</u>	<u>(259,659)</u>
Net assets attributable to holders of redeemable participating units		<u><u>56,184,801</u></u>	<u><u>55,490,886</u></u>

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

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Barings Korea Feeder Fund

Statement of Comprehensive Income

For the financial period ended 31 October 2021

	Notes	Barings Korea Feeder Fund 31 October 2021 US\$	Barings Korea Feeder Fund 31 October 2020 US\$
Income			
Bank interest income		33	2
Net fair value (loss)/gain on financial assets and financial liabilities at fair value through profit or loss	7	<u>(6,160,349)</u>	<u>13,571,653</u>
Total (expense)/income		<u>(6,160,316)</u>	<u>13,571,655</u>
Expenses			
Administration fees	9	(77,895)	(69,494)
Depositary fees	9	(6,656)	(5,938)
Operating expenses	6	<u>(54,524)</u>	<u>(80,224)</u>
Total operating expenses		<u>(139,075)</u>	<u>(155,656)</u>
Net (loss)/profit before finance costs and taxation		(6,299,391)	13,415,999
Finance costs			
Bank interest expense		<u>(263)</u>	<u>(299)</u>
Total finance costs		<u>(263)</u>	<u>(299)</u>
(Decrease)/increase in net assets attributable to holders of redeemable participating units		<u>(6,299,654)</u>	<u>13,415,700</u>

Gains and losses arose solely from continuing activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

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

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Barings Korea Feeder Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

For the financial period ended 31 October 2021

	Notes	Barings Korea Feeder Fund 31 October 2021 US\$	Barings Korea Feeder Fund 31 October 2020 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the financial period		55,490,886	47,286,697
(Decrease)/increase in net assets attributable to holders of redeemable participating units		(6,299,654)	13,415,700
Issue of redeemable participating units during the financial period	4	20,297,365	8,835,416
Redemption of redeemable participating units during the financial period	4	<u>(13,303,796)</u>	<u>(21,475,026)</u>
Net assets attributable to holders of redeemable participating units at the end of the financial period		<u>56,184,801</u>	<u>48,062,787</u>

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

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Barings Korea Feeder Fund

Notes to the financial statements

For the financial period ended 31 October 2021

1. Basis of measurement

The financial statements presented are unaudited condensed interim financial statements for the financial period ended 31 October 2021 that have been prepared in accordance with Financial Reporting Standard 104 ("FRS 104") "Interim Financial Reporting".

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 April 2021, which have been prepared in accordance with accounting standards generally accepted in Ireland, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish statute, comprising the Unit Trust Act, 1990 and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds.

The accounting policies applied in these condensed interim financial statements are consistent with those used in Baring Korea Feeder Fund's (the "Fund") most recent annual financial statements for the financial year ended 30 April 2021.

The condensed interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. These financial statements were prepared on the going concern basis.

The Fund meets all the conditions set out in FRS102, section 7 and consequently has availed of the exemption available to certain funds not to prepare a statement of cash flows.

The comparative figures included for the Statement of Financial Position relate to the previous financial year ended 30 April 2021, while the comparative figures included for the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units relate to the six month period ended 31 October 2020.

2. Significant accounting policies

Fair value measurement

By fully adopting FRS 102, in accounting for its financial instruments, a reporting entity is required to apply either a) the full requirements of FRS 102 relating to Basic Financial Instruments and other Financial instruments, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial instruments and other Financial instruments, or c) the recognition and measurement provisions of IFRS 9 Financial instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other financial instruments. The Unit Trust has chosen to implement (b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

The use of IAS 39 recognition and measurement provisions is in line with the pricing policy, which outlines that the fair value of financial assets and financial liabilities be valued at the last traded prices of all trades received up until 12:00p.m. (Irish time) on 29 October 2021, the valuation point for the Fund.

3. Cash and cash equivalents

Cash and cash equivalents are valued at fair value with interest accrued, where applicable. Cash deposits of US\$71,096 (30 April 2021: US\$58,566) are maintained with Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary"). Restricted cash of US\$Nil (30 April 2021: US\$Nil) was held with the Central Depositary Shenzhen and the Central Depositary Shanghai. This cash serves to pay a minimum clearing reserve payment to the exchange when the Fund started trading. This cash is not available for immediate use.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

4. Redeemable units

Financial period ended 31 October 2021

	Class A USD Acc No. of Units
Balance as at 1 May 2021	1,732,958
Issued	640,453
Redeemed	(427,837)
Balance as at 31 October 2021	1,945,574

Financial year ended 30 April 2021

	Class A USD Acc No. of Units
Balance as at 1 May 2020	2,666,104
Issued	913,710
Redeemed	(1,846,856)
Balance as at 30 April 2021	1,732,958

5. Other payables and accrued expenses

	31 October 2021 US\$	30 April 2021 US\$
Administration fees payable	(11,755)	(12,764)
Depository fees payable	(2,139)	(2,321)
Audit fees payable	(6,923)	(13,881)
Legal fees payable	(52,823)	(48,849)
Professional fees payable	(16,671)	(8,997)
Other operating expenses payable	(11,415)	(10,958)
	(101,726)	(97,770)

6. Operating expenses

	31 October 2021 US\$	31 October 2020 US\$
Audit fees	(7,356)	(6,940)
Legal fees	(27,005)	(50,588)
Professional services	(10,587)	(11,787)
Other operating expenses	(9,576)	(10,909)
	(54,524)	(80,224)

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

7. Net fair value (loss)/gain on financial Assets at fair value through profit or loss

The following table analyses the realised and unrealised gains and losses on investments and currencies from the Statement of Comprehensive Income on page 7. This requirement complies with the Central Bank of Ireland's ("CBI's") Alternative Investment Fund ("AIF") Rulebook.

	31 October 2021 US\$	31 October 2020 US\$
Realised gains on sale of investments	2,704,961	1,569,897
Realised losses on sale of investments	(17,844)	(455,586)
Realised currency gains	176,582	180,441
Realised currency losses	(176,381)	(199,611)
Unrealised gains on investments	–	12,476,670
Unrealised losses on investments	(8,847,433)	–
Unrealised currency gains	534	2,706
Unrealised currency losses	(768)	(2,864)
	<u>(6,160,349)</u>	<u>13,571,653</u>

8. Distributions

It is not intended to distribute to unitholders any income, all such income being accumulated within the Fund.

9. Significant agreements and fees

Management fees

The Fund is managed by the Alternative Investment Fund Manager ("AIFM"), who has delegated investment responsibility to Baring Asset Management Limited (the "Investment Manager") an Investment management company incorporated in London on 6 April 1994. The Investment Manager is part of Barings LLC group and is a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"). The Investment Manager has further appointed Baring Asset Management (Asia) Limited as the Sub-Investment Manager, who is also part of Barings LLC group.

The AIFM is entitled under the Trust Deed to charge a management fee at a rate not exceeding 0.5% per annum (or such higher percentage per annum as may be approved by an Extraordinary Resolution of unitholders) of the value of the net assets of the Fund (the "Management Charge"). The Management Fee is payable monthly in arrears and is accrued and calculated by reference to the Net Asset Value of the Unit Trust as at each day on which the Net Asset Value of the Unit Trust is calculated.

The management fees were waived on 9 December 2019, therefore there was no management fees charged by the Fund for the period ended 31 October 2021 (31 October 2020: US\$Nil). While the AIFM does not currently charge a management fee, it may do so in the future at an amount not exceeding 0.5% of Net Asset Value per annum on giving not less than three months' notice to the unitholders. Notwithstanding the foregoing, the Unit Trust charges management fees in respect of investments therein. The Fund will bear its share of fees charged by the Unit Trust, and in turn such fees shall be proportionately born by the unitholders.

Barings Fund Manager Limited, the Manager of the Unit Trust, charges a periodic management charge at the rate of 1.5% of net asset value per annum. The ongoing charge figure ("OCF") of the Unit Trust at 31 October 2021 is 1.68%. For further details please refer to the prospectus of the Unit Trust.

Administration fees

The AIFM shall be entitled to receive an administration fee out of the assets of the Fund at the rate of 0.275% per annum of the Net Asset Value of the Fund calculated by reference to the daily calculation of asset values and paid monthly in arrears. The fee will be subject to a minimum of £12,000 per annum. The AIFM will pay the fees of Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and the Registrar out of the administration fee. The Administrator and Registrar are entitled to be reimbursed certain out-of-pocket expenses out of the assets of the Fund. Administration fees of US\$77,895 have been charged for the financial period ended 31 October 2021 (31 October 2020: US\$69,494) of which US\$11,755 (30 April 2021: US\$12,764) was outstanding at the financial period-end.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

9. Significant agreements and fees (continued)

Depositary fees

The Depositary is entitled under the Trust Deed to receive out of the assets of the Fund a Trustee fee at the rate of up to 0.025% per annum of the value of the net assets of the Fund, payable monthly in arrears.

In addition, the Depositary will also charge transaction fees, safekeeping fees and account maintenance charges out of the assets of the Fund, which shall be at normal commercial rates. The Depositary is entitled to be reimbursed all fees and charges of sub-custodians appointed by it and all other out-of-pocket expenses incurred by it. Any sub-custodian fees will be charged at normal commercial fees. Depositary fees of US\$6,656 have been charged for the financial period ended 31 October 2021 (31 October 2020: US\$5,938) of which US\$2,139 (30 April 2021: US\$2,321) was outstanding at the financial period-end.

Transaction costs

There were no transaction costs incurred by the Fund for the period ended 31 October 2021 (31 October 2020: US\$Nil).

Legal fees

The fees paid to Deacons during the financial period ended 31 October 2021 amounted to US\$5,018 (31 October 2020: US\$29,499). The fees paid to Matheson during the financial period ended 31 October 2021 amounted to US\$18,012 (31 October 2020: US\$3,226).

10. Related party transactions

Julian Swayne is employed by Barings Investment Services Limited. Alan Behen and Paul Smyth are employees of the AIFM. David Conway and Barbara Healy are non-executive Directors, independent of the Investment Manager. All of the Directors are also Directors of the AIFM. The AIFM will discharge the fees and expenses of the Investment Manager out of its own fee. The Investment Manager is part of the Barings LLC group and is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"). Baring Asset Management (Asia) Limited ("the Sub-Investment Manager") is also part of the Barings LLC group. 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.

Significant unitholders

The following table details significant concentrations in unitholdings of the Fund or instances where the units are beneficially held by other Investment Funds managed by the Investment Manager or one of its affiliates. As at 31 October 2021, the following had significant unitholdings in the Fund:

Fund name	Number of unitholders with beneficial interest greater than 20% of the units in issue	Total % of unitholders with beneficial interest greater than 20% of the units in issue	Total % of units held by Investment Funds managed by Baring International Fund Managers (Ireland) Limited or affiliates
Barings Korea Feeder Fund	Nil (30 April 2021: 2)	Nil (30 April 2021: 40.79%)	Nil (30 April 2021: Nil)

11. Fair value hierarchy

FRS 102 requires the Funds 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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

11. Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised 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 AIFM. The AIFM considers observable data to be 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 following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities measured at fair value.

As at 31 October 2021

Barings Korea Feeder Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investment Funds	–	56,200,095	–	56,200,095
Total	–	56,200,095	–	56,200,095

As at 30 April 2021

Barings Korea Feeder Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investment Funds	–	55,532,242	–	55,532,242
Total	–	55,532,242	–	55,532,242

12. Efficient portfolio management

During the financial period ended 31 October 2021, the Fund did not engage in any efficient portfolio management techniques (30 April 2021: same).

13. NAV per redeemable participating units

Net assets attributable to holders of redeemable participating units	31 October 2021	30 April 2021	30 April 2020
Barings Korea Feeder Fund	US\$56,184,801	US\$55,490,886	US\$47,286,697
NAV per redeemable participating units			
Class A USD Acc	US\$28.88	US\$32.02	US\$17.74

14. Exchange rates

	As at 31 October 2021	As at 30 April 2021
Euro	0.8581	0.8277
Pound sterling	0.7255	0.7188

15. Soft commission arrangements

The Investment Manager will pay for research from their own books, as commission paid on trades will be "execution only", which is the agreed cost for the broker to settle the trade (31 October 2020: same).

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

16. Contingent liabilities

There are no contingent liabilities at financial period-end 31 October 2021 and financial year-end 30 April 2021.

17. Transactions with connected parties

The CBI's AIF requires that any transaction carried out with the Fund by a Promoter, the AIFM, Depository, and/or Investment Manager and/or an associate of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the unitholders.

The Directors of the AIFM are satisfied that there are arrangements in place to ensure that this requirement is applied to all transactions with connected parties, and that all transactions with connected parties during the period complied with this requirement.

18. Taxation

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

However, Irish tax may arise if a "chargeable event" occurs. A chargeable event includes any distribution payments to unitholders or any encashment, redemption, cancellation, transfer or deemed disposal of units for Irish tax purposes arising as a result of holding units in the Fund for a period of eight years or more, or the appropriation or cancellation of units of a unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

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

(a) a unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided that a relevant declaration is in place (in accordance with Schedule 2b of the TCA) and the Unit Trust is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or

(b) a unitholder who is an exempt Irish investor (as defined in Section 739D TCA).

Dividends, interest and capital gains (if any) received on investments made by the Fund 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 Fund or its unitholders.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for Unit Trust Investment Undertakings marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting "equivalent measures". An Investment Fund wishing to receive approval must apply in writing to the Revenue Commissioners, confirming compliance with the relevant conditions.

19. Bank facilities

There is a bank overdraft facility in place with The Northern Trust Fund ("TNTC"). An "uncommitted" multi-currency loan facility has been made available by TNTC to the Fund. During the financial period ended 31 October 2021 and during the financial year ended 30 April 2020, the Fund has drawn down on this facility.

20. Material changes to the Prospectus

An updated Prospectus of the Fund was issued on 9 December 2021. The following is the material change made:

- Updated disclosures to comply with level 1 of EU Taxonomy Regulation.

There are other immaterial changes to the Prospectus that are not listed above.

Barings Korea Feeder Fund

Notes to the financial statements (continued)

For the financial period ended 31 October 2021

21. Significant events

COVID-19

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

Brexit

The United Kingdom (the "UK") held a referendum on 23 June 2016 on whether to leave or remain in the European Union (the "EU"). The outcome of the referendum was in favour of leaving the EU. The UK officially withdrew from the EU on 31 January 2020, but continued to follow all of the EU rules and its trading relationship during a transitional period that ended on 31 December 2020. On 01 January 2021, the Trade and Cooperation Agreement between the UK and the EU came into force, and the UK left the EU single market and the EU customs union.

There remain a number of uncertainties in connection with the future of the UK and its relationship with the EU, including any agreements it reaches in relation to its future relationship with the EU and Barings continues to plan for a number of possible scenarios. Barings is committed to ensuring continuity of service for its investors and protecting its business against potential regulatory or other market access barriers related to Brexit.

In this regard, Baring International Fund Managers (Ireland) Limited ("BIFMI"), will continue as the Manager of the Company and the Funds will continue to be registered for distribution into relevant jurisdictions in the EU and elsewhere. Portfolio management in respect of European investments will continue to be delegated to Baring Asset Management Limited, a UK entity and portfolio management of US investments will continue to be conducted by Barings LLC, a US entity. The custodians and administrators of the Funds are also EU entities. In addition, BIFMI has enhanced its presence in Dublin and recruited locally at all levels to staff its new office, reflecting the increased significance of BIFMI's role within the Barings business.

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain in any scenario, there could be short-term volatility which could have a negative impact on general economic conditions, business and consumer confidence in both the UK and EU, which may in turn have negative political, economic and market impacts more widely. The longer-term consequences may be affected by the terms of any future arrangements the UK has with the EU. Among other things, the UK's decision to leave the EU could lead to changes in the law and tax treatment of funds, instability in the equity, debt and foreign exchange markets, including volatility in the value of sterling or the euro.

There have been no other significant events to the financial period-end which, in the opinion of the Directors of the AIFM, may have had an impact on the financial statements for the financial period ended 31 October 2021.

22. Subsequent events

The Prospectus of the Fund was updated on 9 December 2021. The material changes to the Prospectus are outlined in note 20.

There have been no other events subsequent to the financial period-end which, in the opinion of the Directors of the AIFM, may have had an impact on the financial statements for the financial period ended 31 October 2021.

23. Approval of financial statements

The financial statements were approved by the Directors of the AIFM on 13 December 2021.

Barings Korea Feeder Fund

Schedule of Investments

As at 31 October 2021

As at 31 October 2021

Investment Unit Trust	Holding as at 30/04/2021	Nominal purchases	Nominal sales	Holding as at 31/10/2021	Fair value in US\$ as at 31/10/2021	% of Net Assets
Barings Korea Trust (cost US\$47,075,425.49)	8,949,954	2,765,042	(1,697,310)	10,017,685	56,200,095	100.03
Cash and cash equivalents					71,096	0.13
Other net liabilities					(86,390)	(0.16)
Total net assets attributable to holders of redeemable participating units					56,184,801	100.00

As at 30 April 2021

Investment Unit Trust	Holding as at 30/04/2020	Nominal purchases	Nominal sales	Holding as at 30/04/2021	Fair value in US\$ as at 30/04/2021	% of Net Assets
Barings Korea Trust (cost US\$37,560,140.15)	13,851,957	2,505,680	(7,407,683)	8,949,954	55,532,242	100.07
Cash and cash equivalents					58,566	0.11
Other net liabilities					(99,922)	(0.18)
Total net assets attributable to holders of redeemable participating units					55,490,886	100.00

Barings Korea Feeder Fund

General information

General information

Barings Korea Feeder Fund (the “Fund”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited (“the Alternative Investment Fund Manager (“AIFM”). The Fund is a feeder fund investing solely in the units of Barings Korea Trust (the “Unit Trust”), a United Kingdom authorised unit trust scheme, which has also been authorised by the Securities and Futures Commission in Hong Kong.

Each redeemable participating unit in the Fund represents one undivided unit in the property of the Fund.

The Fund is valued on each dealing day following the initial issue of units of the relevant class, and such units may normally be purchased or realised by application to the AIFM c/o the Administrator on a dealing day. Dealing days are every business day and/or such other day or days as the AIFM may, with the approval of Northern Trust Fiduciary Services (Ireland) Limited (the “Depositary”), determine (as will be notified in advance to unitholders), provided that such day is also a dealing day in respect of the Unit Trust and provided further that there shall be at least two dealing days in each month. A business day is any day, other than a Saturday or Sunday, on which banks in both Dublin and London are open for business.

The AIFM may decline any application for redeemable participating units in whole or in part and will not accept subscriptions for units of an amount (inclusive of the preliminary charge) which is less than US\$5,000. A preliminary charge of up to 6% (or such higher amounts as may be approved by an extraordinary resolution) of the amount invested may be made and retained by the AIFM, but it is the intention of the AIFM that such charge should not, until further notice, exceed 5%. Redeemable participating units in the Unit Trust will, however, be acquired by the Fund at the creation price, the effect of which is that there will be no initial charge made on the acquisition of units in the Unit Trust.

The Fund is constituted under the laws of Ireland by a Trust Deed dated 2 October 1992, (such deed as amended from time to time being hereinafter referred to as the “Trust Deed”) made between the AIFM and the Depositary.

All unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed.

Information in this section is selective and should be read in conjunction with the full text of the Prospectus.

Market timing

Repeatedly purchasing and selling redeemable participating units in the Fund in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the AIFM’s investment strategy and increase the Fund’s expenses to the prejudice of all unitholders. The Fund is not intended for market timing or excessive trading. To deter these activities, the AIFM may refuse to accept an application for redeemable participating units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Fund.

The AIFM reserves the right to redeem redeemable participating units from a unitholder on the basis of the circumstances of the unitholder concerned, or if it has reasonable grounds to believe that the unitholders are 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.

Particulars relating to the Fund

Particulars relating to the Fund are contained in the Prospectus, copies of which, together with the latest published AIFM’s report, can be obtained, free of charge, from Baring Asset Management Limited at 20 Old Bailey, London EC4M 7BF, United Kingdom.

Barings Korea Feeder Fund

Appendix 1 – Additional information Hong Kong Code

For the financial period ended 31 October 2021

Highest issue and lowest redemption prices

Highest issue price during the period/year

	31 October 2021	30 April 2021	30 April 2020	30 April 2019	30 April 2018
Class A USD Acc	32.87	33.73	21.24	27.61	28.19

Highest issue price during the period/year (continued)

	08 August 2017	08 August 2016	08 August 2015	08 August 2014	08 August 2013
Class A USD Acc	24.16	24.27	25.95	24.69	24.05

Lowest redemption price during the period/year

	31 October 2021	30 April 2021	30 April 2020	30 April 2019	30 April 2018
Class A USD Acc	27.00	16.97	12.69	20.18	22.15

Lowest redemption price during the period/year (continued)

	08 August 2017	08 August 2016	08 August 2015	08 August 2014	08 August 2013
Class A USD Acc	18.54	18.87	20.63	20.12	19.13

Barings Korea Feeder Fund

Appendix 2 – AIFMD Related Periodic Investor Reporting

For the financial period ended 31 October 2021

Introduction

Pursuant to the European Alternative Investment Fund Managers Directive (Directive 2011/61/EU of the European Parliament and the Council of the European Union, or “AIFMD”) Baring International Fund Managers (Ireland) Limited (“BIFMI”), as an Alternative Investment Fund Manager (“AIFM”), is required to periodically disclose certain information to investors in the Alternative Investment Funds (“AIFs”) for which it acts as the AIFM. This impacts Barings Korea Feeder Fund as a RIAIF managed by BIFMI and all Funds of this umbrella entity.

Periodic Reporting

In accordance with Article 23(4) of AIFMD and Articles 108 of Delegated Regulation (EU) No 231/2013, BIFMI is required to disclose to investors the following information for the financial period ended 31 October 2020, at the same time as the annual report is made available to investors of Barings Korea Feeder Fund (the “Fund”):

- There were no assets held that are subject to special arrangements arising from their illiquid nature.
- There were no new arrangements for managing the liquidity of the Fund.

The current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks are included on pages 20 - 21.

There have been no changes to the risk profiles or risk management systems for the Fund in the financial period ended 31 October 2021.

Barings Korea Feeder Fund

Appendix 3 – Risk Management Systems and Risk Profile Summary

For the financial period ended 31 October 2021

Overview of Risk Management Systems

Summary Organisational Features

The AIFMD related risk management Barings Korea Feeder Fund (the “Fund”) is carried out by the Designated Person for Risk of Baring International Fund Managers (Ireland) Limited (the “AIFM”) and risk management team, who form part of the Permanent Risk Management function at the AIFM. The AIFM risk management team is also supported by the AIFM’s intra company delegated risk management functions within Barings Asset Management Limited and Barings LLC. The Risk Management Function within Barings is independent of Barings’ operating units, including the portfolio management teams. The Designated Person for Risk of the AIFM reports to the Chief Executive Officer and Board of the AIFM.

Primary Risk Types

The Fund primarily invests in equities via investing in units of Barings Korea Trust. Examples of the types of risk to which the Fund managed by the AIFM are exposed include:

- Market risks: including sensitivity of NAV to changes in interest rates, credit spreads, price volatility and currency exchange rates, extent of leverage permitted/utilised.
- Credit risks: including probability of default and loss on the debt instruments held by each sub-fund. The fund currently holds no debt instruments, but is allowed to do so as per the fund offering documents.
- Liquidity risks: including cash requirements for investment and hedging settlements, and cash requirements for servicing redemption requests.
- Counterparty risks: including those relating to open unsettled asset trades, and OTC derivative counterparty exposure on currency hedging trades.
- Operational risks: including those relating to the volume of trade activity in the assets of a fund and the shares issued by a fund, as well as the complexity of the asset types held by the Fund.

Risk Management Systems and Controls

For the Fund, the Risk Manager works with the portfolio management teams to agree a set of quantitative and qualitative measures and limits which are used to identify, measure, manage and monitor the risks to which the AIFs are exposed. These measures and limits are set to be consistent with the risk profile of the Fund. The risk management team assesses each measure and limit at a prescribed interval based on data sourced independently from the portfolio management teams. The risk measures calculated are evaluated both as point in time data points and also in time series analysis to identify trends and outliers. The risk management team also undertakes periodic stress tests and scenario analysis to evaluate the impact of potential changes in interest rates, credit spreads and currency exchange rates that might adversely impact the Fund.

The performance of the risk management function is reviewed by the AIFM’s board at least annually. Risk management policies and procedures are also updated from time to time to reflect internal or external events (e.g. launching a new Fund) and to reflect any material changes made to the investment strategy and objectives of an existing sub-fund managed by the AIFM.

Barings Korea Feeder Fund

Appendix 3 – Risk Management Systems and Risk Profile Summary (continued)

For the financial period ended 31 October 2021

Fund Specific Summary Risk Profile

Fund Name	Barings Korea Feeder Fund
As at Date	31 October 2021
Summary Investment Objective	<p>The investment objective of the Fund is to achieve capital growth by investing in units of Barings Korea Trust (the "Unit Trust"), which is a unit trust constituted in the United Kingdom and authorised by the FCA. The investment objective of the Unit Trust is to achieve long-term capital growth by investing in Korea.</p> <p>The Unit Trust will seek to achieve its investment objective by investing at least 70% of its total assets directly and indirectly in equities and equity-related securities of companies incorporated in, or exercising the predominant part of their economic activity in Korea, or quoted or traded on the stock exchanges in Korea.</p> <p>For the remainder of its total assets, the Unit Trust may invest directly or indirectly in equities and equity-related securities outside of Korea as well as in fixed income and cash.</p>
Primary Asset Type(s)	Korean equities
Degree of diversification	Relatively Concentrated
Rating Profile	Large Cap unrated equities
Sensitivity of NAV to Price Volatility Risk	High – Majority of the fund is invested in equities, which have large exposure to price volatility by their nature
Sensitivity of NAV to Interest Rate Risk	Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of 31 October 2021
Sensitivity of NAV to Credit Spread Risk	Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of 31 October 2021
Sensitivity of NAV to Currency Movements	Medium – investments are primarily denominated in South Korean won dollars but portfolio base currency is USD
Extent of Leverage	No leverage for investment purposes
Short term liquidity facility in place	Yes
Dealing Frequency	Daily
Redemption Notice Period	3 days

Registered address:

Baring International Fund Managers (Ireland) Limited
70 Sir John Rogerson's Quay
Dublin 2
D02 R296
Ireland

Contact:

Tel: + 353 1 542 2930
Fax: + 353 1 670 1185
www.barings.com

Important information:

This document is approved and issued by Baring International Fund Managers (Ireland) Limited.

Disclosure:

Baring International Fund Managers (Ireland) Limited
Authorised and regulated by the Central Bank of Ireland
70 Sir John Rogerson's Quay, Dublin 2, D02 R296, Ireland

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