



Barings Korea Trust

Interim Report & Unaudited Financial
Statements

for the half year ended 31 October 2021

Barings Korea Trust
Interim Report and Unaudited Financial Statements

For the period ended 31 October 2021

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* These pages comprise the Manager's report.

Barings Korea Trust

Introduction

This Interim Report and Unaudited Financial Statements covers the period from 1 May 2021 to 31 October 2021 and reviews the performance and market outlook for the Barings Korea Trust (the "Trust") which is managed by Baring Fund Managers Limited (the "Manager").

The functional and presentational currency of the Trust is Sterling.

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

The Trust is authorised by the Securities and Futures Commission ("SFC") pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong ("SFO") and hence may be offered to the public of Hong Kong.

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

COVID-19

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

Barings Korea Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of the Trust is to achieve long-term capital growth by investing in Korea.

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

For the remainder of its total assets, the Trust may invest outside of Korea as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain exposure through American Depositary Receipts, Global Depositary Receipts and other equity-related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also invest in collective investment schemes and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

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

Performance Comparator

The Trust is not managed to a benchmark, however the Manager uses the Korea Composite Stock Price Index (KOSPI) to assess the Trust's performance.

The Manager considers the performance comparator to be an appropriate assessment tool because it tracks the performance of the largest companies in the South Korean stock market.

How the Trust is Managed

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

Risk Profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the base currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- One of the main risk factors associated with South Korean investments is the proximity to North Korea and the possibility of increased political tension which may mean your money is at greater risk.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Liquidity risk exists when a particular security or instrument is difficult to purchase or sell. If the amount of a transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Korea Trust

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

The Trust at a Glance on 31 October 2021

Total Trust size: 31 October 2021	£78.07million	
Total Trust size: 30 April 2021	£84.43million	
OCF*	31/10/2021	30/04/2021
Class A GBP Acc	1.66%	1.67%
Class I GBP Acc	0.91%	0.92%
Class I GBP Inc	0.91%	0.92%
Class I USD Acc	0.91%	0.92%
	Initial charge	Annual charge
Class A GBP Acc	Up to 5.00%	1.50%
Class I GBP Acc	Nil	0.75%
Class I GBP Inc	Nil	0.75%
Class I USD Acc	Nil	0.75%
	Minimum initial investment	Minimum subsequent investment
Class A GBP Acc	£1,000	£500
Class I GBP Acc	£10,000,000	£500
Class I GBP Inc	£10,000,000	£500
Class I USD Acc	US\$10,000,000	US\$2,500

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the period. It includes fees paid for investment management, trustee and general charges.

Price per unit	(pence/cents per unit)
Class A GBP Acc	407.00p
Class I GBP Acc	434.40p
Class I GBP Inc	425.70p
Class I USD Acc	601.40c

Barings Korea Trust

Trust Information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	31/10/2021	30/04/2021	30/04/2020	31/10/2021	30/04/2021	30/04/2020
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per unit						
Opening net asset value per unit	445.50	266.20	310.34	473.74	280.98	325.07
Return before operating charges	(35.38)	185.50	(39.36)	(37.73)	196.49	(41.31)
Operating charges	(3.62)	(6.20)	(4.78)	(2.12)	(3.73)	(2.78)
Return after operating charges	(39.00)	179.30	(44.14)	(39.85)	192.76	(44.09)
Distributions	–	–	–	–	(1.09)	(1.90)
Retained distributions on accumulation units	–	–	–	–	1.09	1.90
Closing net asset value per unit after direct transaction costs of*	406.50	445.50	266.20	433.89	473.74	280.98
	0.62	1.64	1.13	0.66	1.79	1.19
Performance						
Return after charges	(8.75)%	67.36%	(14.22)%	(8.41)%	68.60%	(13.56)%
Other information						
Closing net asset value ('000)	£60,832	£61,195	£51,495	£13,106	£18,483	£9,361
Closing number of units	14,964,663	13,736,377	19,344,322	3,020,675	3,901,530	3,331,775
Operating charges	1.66%	1.67%	1.69%	0.91%	0.92%	0.94%
Direct transaction costs	0.14%	0.44%	0.40%	0.14%	0.44%	0.40%
Prices**						
Highest unit price	459.90	476.60	311.20	489.70	505.80	326.00
Lowest unit price	386.40	261.30	211.50	412.20	275.70	223.00

	Class I GBP Inc - Distribution units			Class I USD Acc - Accumulation units		
	31/10/2021	30/04/2021	30/04/2020	31/10/2021	30/04/2021	30/04/2020
	(p)	(p)	(p)	(c)	(c)	(c)
Change in net assets per unit						
Opening net asset value per unit	464.23	275.75	320.96	661.92	352.43	424.36
Return before operating charges	(36.97)	192.77	(40.81)	(58.31)	315.61	(68.27)
Operating charges	(2.07)	(3.58)	(2.75)	(2.93)	(6.12)	(3.66)
Return after operating charges	(39.04)	189.19	(43.56)	(61.24)	309.49	(71.93)
Distributions	–	(0.71)	(1.65)	–	(0.67)	–
Retained distributions on accumulation units	–	–	–	–	0.67	–
Closing net asset value per unit after direct transaction costs of*	425.19	464.23	275.75	600.68	661.92	352.43
	0.65	1.71	1.17	0.92	2.94	1.56
Performance						
Return after charges	(8.41)%	68.61%	(13.57)%	(9.25)%	87.82%	(16.95)%
Other information						
Closing net asset value ('000)	£3,936	£4,536	£3,604	\$272	\$300	\$1
Closing number of units	925,757	977,153	1,307,006	45,259	45,259	259
Operating charges	0.91%	0.92%	0.94%	0.91%	0.92%	0.94%
Direct transaction costs	0.14%	0.44%	0.40%	0.14%	0.44%	0.40%
Prices**						
Highest unit price	479.80	496.40	321.90	681.70	695.20	427.10
Lowest unit price	404.00	270.60	220.20	562.00	343.30	258.20

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings Korea Trust

Report of the Investment Manager

Performance

During the reporting period from 1 May 2021 to 31 October 2021, the Barings Korea Trust (the “Trust”) registered a net return of -8.74% on the A GBP Acc Unit Class and outperformed the performance comparator with a return of -9.26% over the 6 months. The Trust also registered positive net returns over 1 and 3 years, but was marginally behind the performance comparator, largely due to relatively negative exposure in some of the value cyclical sectors such as Industrials and Energy that rebounded sharply in 2021 on positive economic reopening expectations. The table below shows the 6 month, 1 year, 3 year and 5 year annualised net return for the Class A GBP Acc units against the performance comparator.

	6 months	1 year	3 years	5 years
Barings Korea Trust	-8.74%	18.35%	9.14%	5.50%
KRX KOSPI Korea PR KRW	-9.26%	20.02%	9.98%	5.23%

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 Trust’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 Trust’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.

Significant trades over the past 6 months included Hansol Chemical, as the share price enjoyed a rally after we built up position on the back of solid earnings delivery and improving profitability thanks to better product mix, and thus we subsequently took partial profit and trimmed the Trust’s exposure in the company. That being said, the company remained as one of the key holdings within the portfolio. Another notable trade was regarding passive chip components & semiconductor IC (Integrated Circuits) substrates manufacturer Samsung Electro-Mechanics. The Trust locked in partial profits from the company at the beginning of the review period after share price registered stellar performance earlier of the year, but as we retained a positive view on the company, we later added back the exposure in light of attractive valuations post a sharp pull-back of the share price. Similarly for the trades in Samsung SDI, a semiconductor materials & rechargeable battery provider. We trimmed the exposure in the stock to take profit at the beginning of the review period but still kept it as one of the key holdings within the portfolio, and have subsequently increased position again as valuations turned attractive.

Barings Korea Trust

Report of the Investment Manager (continued)

Performance (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
Cheil Worldwide	1,892	KB Financial	2,182
LX Semicon	1,707	Kakao	2,084
SIMMTECH	1,668	SK Materials	1,597
Big Hit Entertainment	1,535	LG Electronics	1,445
BH	1,507	Samsung Electro-Mechanics	1,261
SK Hynix	1,353	POSCO	1,229
Samsung Electro-Mechanics	1,329	Samsung SDI	1,209
Hansol Chemical	1,267	Studio Dragon Corporation	1,124
Samsung SDI	1,219	Tokai Carbon Korea	1,059
SK Innovation	1,122	Hansol Chemical	1,015

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 favourable 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 Trust

Report of the Investment Manager (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.

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

Baring Asset Management Limited

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

Barings Korea Trust

Portfolio Statement

as at 31 October 2021

Holdings	Investments	Percentage Bid-Market of total net Value (£)	assets (%)
	Equities: 99.62% (100.14%)		
	Auto Manufacturers: 4.20% (6.01%)		
8,861	Hyundai Motor	1,141,506	1.46
40,484	Kia Motors	2,136,386	2.74
		3,277,892	4.20
	Auto Parts & Equipment: 0.72% (1.44%)		
3,576	Hyundai Mobis	558,358	0.72
	Biotechnology: 4.06% (2.74%)		
7,365	Hugel	826,244	1.06
4,331	Samsung Biologics	2,339,294	3.00
		3,165,538	4.06
	Building Materials: 1.32% (1.36%)		
40,217	GS Engineering & Construction	1,032,435	1.32
	Chemicals: 7.87% (9.41%)		
13,016	Hansol Chemical	2,658,587	3.40
5,202	Kumho Petrochemical	553,875	0.71
4,361	LG Chem	2,260,737	2.90
4,148	Soulbrain Co	673,680	0.86
		6,146,879	7.87
	Consumer Products: 0.53% (2.05%)		
3,710	Amorepacific	418,050	0.53
	Cosmetics/Personal Care: 1.16% (1.78%)		
1,246	LG Household & Health Care	905,842	1.16
	Diversified Financial Services: 3.96% (6.11%)		
83,363	Hana Financial	2,326,379	2.98
21,929	KB Financial	769,210	0.98
		3,095,589	3.96
	Diversified Manufacturing: 2.42% (2.72%)		
13,664	DL E&C	1,145,220	1.47
6,682	SKC	738,421	0.95
		1,883,641	2.42
	Electric: 0.00% (1.20%)		
	Electronics: 7.36% (6.83%)		
114,480	BH	1,325,519	1.70
17,815	Daejoo Electronic Materials	1,153,580	1.48
16,592	LG Electronics	1,236,111	1.58
20,571	Samsung Electro-Mechanics	2,030,626	2.60
		5,745,836	7.36
	Financials: 1.77% (0.00%)		
5,300	Kakao Pay	296,139	0.38

Barings Korea Trust
Portfolio Statement (continued)
as at 31 October 2021

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)
	Equities: 99.62% (100.14%) (continued)	
	Financials: 1.77% (0.00%) (continued)	
27,739	KakaoBank	1,084,948 1.39
		1,381,087 1.77
	Food Producers: 0.91% (0.00%)	
3,007	CJ CheilJedang	709,405 0.91
	Insurance: 2.87% (1.70%)	
10,525	Samsung Fire & Marine Insurance	1,509,425 1.93
17,560	Samsung Life Insurance	733,697 0.94
		2,243,122 2.87
	Internet: 12.17% (12.98%)	
37,721	Kakao	2,927,323 3.75
23,891	NAVER	6,029,375 7.72
1,398	NCSOft	544,192 0.70
		9,500,890 12.17
	Iron/Steel: 1.65% (3.53%)	
6,999	POSCO	1,286,190 1.65
	Media & Entertainment: 5.09% (2.47%)	
7,709	Big Hit Entertainment	1,600,927 2.05
118,273	Cheil Worldwide	1,751,263 2.24
11,707	Studio Dragon Corporation	625,786 0.80
		3,977,976 5.09
	Mining: 2.02% (0.49%)	
4,744	Korea Zinc	1,575,708 2.02
	Miscellaneous Manufacturing: 0.52% (1.49%)	
1,717	SK Materials	405,284 0.52
	Oil & Gas: 2.11% (0.98%)	
10,919	SK Innovation	1,643,887 2.11
	Pharmaceuticals: 0.69% (1.46%)	
3,782	SK Bioscience	540,041 0.69
	Retail: 1.59% (2.65%)	
8,078	Shinsegae	1,243,750 1.59
	Semiconductors: 22.49% (21.14%)	
9,508	Leeno Industrial	1,010,579 1.29
24,577	LX Semicon	1,672,310 2.14
149,648	Samsung Electronics	6,484,907 8.31
87,699	SIMMTECH	1,666,071 2.13
92,733	SK Hynix	5,929,922 7.60
10,271	Tokai Carbon Korea	797,077 1.02
		17,560,866 22.49
	Software: 0.00% (0.54%)	

Barings Korea Trust
Portfolio Statement (continued)
as at 31 October 2021

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)
	Equities: 99.62% (100.14%) (continued)	
	Technology: 6.63% (4.04%)	
116,414	Fine Technix	787,788 1.01
39,702	KoMiCo	2,006,385 2.57
3,410	Krafton	993,957 1.27
4,433	SK Holdings	668,777 0.86
6,939	SK IE Technology	715,126 0.92
		5,172,033 6.63
	Telecommunications: 5.51% (4.13%)	
4,594	Samsung SDI	2,093,459 2.68
11,503	SK Telecom	2,210,290 2.83
		4,303,749 5.51
	Transportation: 0.00% (0.89%)	
	Portfolio of investments: 99.62% (100.14%) (Cost: £65,484,127)	77,774,048 99.62
	Net other assets	297,211 0.38
	Net assets	78,071,259 100.00

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 30 April 2021.

Barings Korea Trust

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

for the period ended 31 October 2021

Statement of Total Return

	31/10/2021		31/10/2020	
	£'000	£'000	£'000	£'000
Income				
Net capital (losses)/gains		(7,047)		18,253
Revenue	195		101	
Expenses	(610)		(569)	
Net expense before taxation	(415)		(468)	
Taxation	(43)		(22)	
Net expense after taxation		(458)		(490)
Change in net assets attributable to unitholders from investment activities		(7,505)		17,763

Statement of Change in Net Assets Attributable to Unitholders

	31/10/2021		31/10/2020	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders*		84,430		64,461
Amounts receivable on issue of units	17,645		19,121	
Amounts payable on cancellation of units	(16,499)		(22,099)	
		1,146		(2,978)
Changes in net assets attributable to unitholders from investment activities		(7,505)		17,763
Closing net assets attributable to unitholders		78,071		79,246

* The opening net assets attributable to unitholders for 31 October 2021 differs to the closing position in 31 October 2020 by the movement between the two interim periods of the Trust.

Barings Korea Trust
Balance Sheet
as at 31 October 2021

	31/10/2021	30/04/2021
	£'000	£'000
Assets		
Investment assets	77,774	84,551
Current assets:		
Debtors	245	1,053
Cash and bank balances	593	597
Total assets	78,612	86,201
Liabilities		
Creditors:		
Bank overdrafts	(311)	(199)
Distribution payable on income units	-	(7)
Other creditors	(230)	(1,565)
Total liabilities	(541)	(1,771)
Net assets attributable to unitholders	78,071	84,430

Barings Korea Trust
Notes to the Financial Statements
as at 31 October 2021

Note to the Financial Statements
for the period ended 31 October 2021

The interim financial statements have been prepared on the same basis as the annual audited financial statements for the year ended 30 April 2021. They are in accordance with the historical cost convention, as modified by the revaluation of investments and the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 (the "IMA SORP 2014"). The financial statements have been prepared on a going-concern basis.

Post balance sheet events

Subsequent to the period end, the net asset value per unit of the A GBP Accumulation unit class increased from 407.00p to 427.40p, I GBP Accumulation unit class from 434.40p to 456.60p, I GBP Income unit class from 425.70p to 447.40p and I USD Accumulation unit class from 601.40c to 609.30c as at 17 December 2021. This movement takes into account routine transactions. The Manager continues to monitor investment performance in line with investment objectives.

Barings Korea Trust
The Risk and Reward Profile

	SRR I risk category* 31/10/2021	SRR I risk category* 30/04/2021
Class A GBP Acc	6	6
Class I GBP Acc	6	6
Class I GBP Inc	6	6
Class I USD Acc	6	6

* The Synthetic Risk and Reward Indicator ("SRR I") is not a measure of the risk of capital loss, but a measure of the Trust's price movement over time; the higher the number, the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Trust. The risk category shown is in line with the Key Investor Information Document ("KIID") at period-end, is not guaranteed and may change over time. The risk categories are measured from 1–7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Trust is classified in the category indicated due to past movements in the Trust's price. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest. The SRR I figures shown have not changed during the period.

Barings Korea Trust

Important Information

Constitution

The Barings Korea Trust (the "Trust") is constituted by a Trust Deed between Baring Fund Managers Limited (the "Manager") and NatWest Trustee and Depositary Services Limited (the "Trustee").

The Trust is an authorised unit trust scheme as defined in section 243 of the Financial Services and Markets Act 2000 and has been established as an Undertakings for Collective Investments in Transferable Securities ("UCITS").

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

Performance

Past performance is no indication of current or future performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Any references in the report to other investments held within the Trust should not be read as a recommendation to the investor to buy or sell the same, but are included as illustration only.

Key changes during the period

The Prospectus of the Trust was updated on 6 December 2021. There are no material changes to the Prospectus relating to the Trust.

Market timing

Repeatedly purchasing and selling units in the Trust in response to short-term market fluctuations – known as 'market timing' – can disrupt the Manager's investment strategy and increase the Trust's expenses to the prejudice of all unitholders.

The Trust is not intended for market timing or excessive trading. To deter these activities, the Manager may refuse to accept an application for units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Trust.

The Manager also reserves the right to redeem units which it reasonably believes have been purchased by unitholders engaged in market timing.

Publication of prices

The prices of units are published on the Barings website at www.barings.com. You can also obtain prices by telephone by calling +44 (0) 333 300 0372.

Dealing basis

The Manager's basis for dealing in purchases and sales of the Trust's units is "forward". This means that the price used for any deal will be calculated at the next valuation point following receipt of the investor's instruction.

Fees and expenses

The Manager's periodic charge is calculated on each business day, based on the value of the property of the Trust on the immediately preceding business day, and is paid to the Manager monthly, in arrears, on the first business day of the calendar month immediately following. The current annual management fees charged to the Trust are shown on page 5.

Revenue allocations and reports

Revenue allocations are made on 31 July (final) of each year, where applicable, and forwarded to unitholders together with tax vouchers. The most recent annual report and audited financial statements and interim report and unaudited financial statements will be available on the Baring Asset Management Limited website at www.barings.com.

Prospectus and Manager's reports

Copies of the Prospectus, the Key Investor Information Document(s) ("KIID(s)"), and the most recent annual or interim report and financial statements are available to all persons free of charge from the Manager upon request. PricewaterhouseCoopers LLP (the "Independent Auditor") expresses its opinion on the English version of the annual report and financial statements, and accepts no responsibility for any translations of those financial statements.

Barings Korea Trust

Important Information (continued)

Value Assessment

As part of the FCA's Asset Management Market Study, Authorised Fund Managers are now required to produce an annual Value Assessment for all UK authorised funds. The Manager published its annual Value Assessment for the Barings funds as part of a broader composite report in December 2021. This is made available on the Barings website at www.baring.com.

Barings Korea Trust

Disclosure for Overseas Investors

Special risks resulting from additional German tax publication requirements in Germany

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

Information for investors in Switzerland

The Manager has appointed BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. Units are distributed in Switzerland by BNP Paribas (Switzerland) Limited at the above address. Investors can obtain free of charge the Prospectus, KIID(s), the latest annual and interim reports, copies of the Trust Deed (and any amendments thereto) as well as a list of the purchases and sales made on behalf of the Barings Korea Trust (the "Trust"), in French, from the representative at the above address. Official publications for the Trust are found on the internet at www.fundinfo.com. Unit prices (Net Asset Value with the words "plus commissions") are published daily on the internet at www.fundinfo.com.

Important information to the performance tables on page 19

The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units, nor the effect of the Manager's preliminary charge.

In conformity with a Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is providing the below additional information regarding performance.

Total Expense Ratio ("TER")

Following the Guideline of the Swiss Funds Association ("SFA") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the Trust for the 6 months to 31 October 2021. The TER has been established by the Manager and draws upon the data contained in the "Statement of total return" (Manager's management fee, registration fees, trustee fees, safe custody charges, audit fees, Financial Conduct Authority ("FCA") and other regulatory fees and taxation fees as well as any further fees and costs listed in the "Statement of total return" account which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above guideline.

The TERs for each class for the period ended 31 October 2021 and the year ended 30 April 2021 are as follows:

	TER as at 31 October 2021 %	TER as at 30 April 2021 %
Class A GBP Acc	1.66	1.67
Class I GBP Acc	0.91	0.92
Class I GBP Inc	0.91	0.92
Class I USD Acc	0.91	0.92

Barings Korea Trust

Disclosure for Overseas Investors (continued)

Trailer fees and reimbursements

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

- authorised sales agents (distributors) within the meaning of Article 19, Para 1, Collective Investment Schemes Act (“CISA”);
- sales agents (distributors) exempted from the authorisation requirement within the meaning of Article 19, Para 4, CISA;
- sales partners who place trust units exclusively with institutional investors with professional treasury facilities; and/or;
- sales partners who place trust 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 trust units for third parties:

- life insurance companies (in respect of trust 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 trust units held for the account of beneficiaries);
- investment foundations (in respect of trust units held for the account of in-house funds);
- Swiss fund management companies (in respect of trust units held for the account of the trusts managed); and
- foreign fund management companies and providers (in respect of trust units held for the account of managed trusts and investing unitholders).

Performance record to 31 October 2021 (including distribution payments where applicable)

	01/05/2021 - 31/10/2021 %	01/05/2020 - 30/04/2021 %	01/05/2019 - 30/04/2020 %	01/05/2018 - 30/04/2019 %	09/08/2017 - 30/04/2018 %
Barings Korea Trust - Class A GBP Acc (GBP terms)	(8.74)	63.55	(12.23)	(17.23)	12.03
Korea SE Composite Index (KOSPI) (GBP terms)	(9.26)	61.29	(12.43)	(15.37)	4.12
Barings Korea Trust - Class I GBP Acc (GBP terms)	(8.41)	64.80	(11.56)	(16.65)	12.67
Barings Korea Trust - Class I GBP Inc (GBP terms)	(8.41)	64.84	(11.58)	(16.65)	12.62
Barings Korea Trust - Class I USD Acc (USD terms)	(8.34)	67.10	(12.10)	(20.98)	18.00

Performance figures are shown net of fees and charges, on a published NAV per unit basis, with gross revenue reinvested.

Source: Morningstar/Barings/KOSPI.

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The Trust was launched on 3 November 1992.

Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units. Please note that changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.

Barings Korea Trust

Unit Price History

	A GBP Acc (p)	I GBP Acc [^] (p)	I GBP Inc* (p)	I USD Acc [†] (c)
2021** High Low	459.90 386.40	489.70 412.20	479.80 404.00	681.70 562.00
2021 High Low	476.60 261.30	505.80 275.70	496.40 270.60	695.20 343.30
2020 High Low	311.20 211.50	326.00 223.00	321.19 220.20	427.10 258.20
2019 High Low	389.50 304.60	405.40 318.40	400.90 314.90	546.90 403.20
2018 High Low	381.80 320.00	396.20 331.20	393.20 328.80	555.70 433.80
2017 High Low	349.80 271.90	361.50 279.80	286.50 273.90	473.00 359.50
2016 High Low	332.30 243.40	324.90 248.80	324.20 248.30	462.30 358.60
2015 High Low	331.10 249.00	320.50 252.50	320.30 252.30	493.00 440.00
2014 High Low	300.40 236.90	289.40 238.60	289.20 238.40	N/A N/A
2013 High Low	296.80 224.00	260.70 251.60	283.20 224.90	N/A N/A
2012 High Low	280.30 219.00	N/A N/A	267.00 243.50	N/A N/A

* Class I GBP Inc units were launched on 17 December 2012, hence, no data available from 2011.

[^] Class I GBP Acc units were launched on 2 December 2013, hence, no data available from 2011 to 2012.

[†] Class I USD Acc units were launched on 26 May 2015, hence, no data available from 2011 to 2014.

[‡] The Trust changed its accounting year from 8 August to 30 April starting 2017.

** Interim high low is for the period 1 May 2021 to 31 October 2021.

Barings Korea Trust

Directory

Manager

Baring Fund Managers Limited

Authorised and regulated by the Financial Conduct Authority ("FCA").

Investment Manager

Baring Asset Management Limited

20 Old Bailey

London, EC4M 7BF

Authorised and regulated by the FCA.

Sub-Investment Manager

Barings Asset Management (Asia) Limited

35th Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

Directors

J. Armstrong (non-executive)

E. Browning

R. Kent

J. Swayne

K. Troup (non-executive)

Registered Office

20 Old Bailey

London, EC4M 7BF

Trustee

NatWest Trustee and Depositary Services Limited

250 Bishopsgate

London, EC2M 4AA

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA.

Administrator & Registrar

Northern Trust Global Services SE

6 rue Lou Hemmer,

Senningerberg

Luxembourg, L-1748

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

Northern Trust Global Services SE UK Branch

50 Bank Street

London, E14 5NT

Authorised by the PRA and regulated by the FCA and PRA.

Independent Auditors

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow, G2 7EQ

Barings Korea Trust

Directory (continued)

Austrian paying agent

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Wien
Austria

French paying agent

BNP Paribas Securities Services
9 rue du Débarcadère
93 761 Pantin Cedex
France

German paying and information agent

Deutsche Bank AG
Global Transaction Banking
Issuer Services - Global Securities Services
Post IPO Services
Taubusanlage 12
60325 Frankfurt am Main
Germany

Further German information agent

Baring Asset Management Limited GmbH
Guillettstraße 54
60325 Frankfurt am Main
Germany

Swedish paying agent

Skandinaviska Enskilda Banken AB (publ)
Merchant Banking
Global Funds, RB6
Rissneleden 110
SE-106 40 Stockholm
Sweden

Swiss paying agent

BNP Paribas Securities Services, Paris
Succursale de Zurich
Selnaustrasse 16
8002 Zurich
Switzerland

The Prospectus, the Key Investor Information Document(s) (“KIID(s)”), a list of portfolio changes, the Trust Deed as well as the annual and the interim reports and financial statements are available on www.barings.com, or via the office of the Austrian, French, German, Swedish, and Swiss paying agents.

Address:

Baring Asset Management Limited
20 Old Bailey
London, EC4M 7BF

Contact:

Tel: +44 (0)20 7628 6000
Fax: +44 (0)20 7638 7928
www.barings.com

BARINGS

The logo for Barings, featuring the word "BARINGS" in a bold, dark blue, sans-serif font. Below the text is a horizontal line that is green on the left and blue on the right.