



## **Barings Korea Feeder Fund**

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

### **Annual Report & Audited Financial Statements**

**For the financial year ended 30 April 2023**

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**Barings Korea Feeder Fund**  
**Annual Report and Audited Financial Statements**

**Contents**  
for the financial year ended 30 April 2023

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# Barings Korea Feeder Fund

## Directors and Other Information

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### Directors of the AIFM

Alan Behen (Irish)  
David Conway† (Irish)\*  
Barbara Healy† (Irish)  
Syl O'Byrne† (Irish)\*\*  
Paul Smyth (Irish)  
Julian Swayne (British)

\* David Conway resigned as a Director of the AIFM with effect from 31 December 2022.

\*\* Syl O'Byrne was appointed as a Director of the AIFM with effect from 3 January 2023.

† 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.

### Depository

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

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# Barings Korea Feeder Fund

## Introduction

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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 30 April 2023, the Fund had one class of units on offer. The Fund held 8,118,898 units (30 April 2022: 8,763,897) in the Unit Trust, which represents approximately 48.00% (30 April 2022: 51.66%) 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 28 April 2023, the valuation point of the Fund.

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## Barings Korea Feeder Fund

### Investment Objective and Policy

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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.

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## Barings Korea Feeder Fund

### Report of the Alternative Investment Fund Manager

For the financial year ended 30 April 2023

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#### Statement of the Alternative Investment Fund Manager's responsibilities

Baring International Fund Managers (Ireland) Limited (the "Alternative Investment Fund Manager ("AIFM")) is required by the Alternative Investment Fund Managers Directive (the "AIFMD") to prepare financial statements for each financial year. These financial statements are prepared in accordance with applicable Irish Law and Financial Reporting Standard 102 ("FRS 102"), "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council, to give a true and fair view of the state of affairs of the Barings Korea Feeder Fund (the "Fund") at the year-end and the Fund's results for the year then ended. In preparing these financial statements, the AIFM must:

- select and consistently apply 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 assume that the Unit Trust will continue in operation.

The AIFM is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the position of the Unit Trust and enable it to ensure that the financial statements are prepared in accordance with FRS 102 and comply with the provisions of the Trust Deed and the Unit Trusts Act, 1990. The AIFM is also responsible for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

Under the Central Bank of Ireland (the "CBI") Alternative Investment Fund ("AIF") Rulebook, the assets of the Unit Trust shall be entrusted to Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") for safekeeping, and therefore custody of the Fund's assets rests with Northern Trust Fiduciary Services (Ireland) Limited.

The financial statements are published at [www.barings.com](http://www.barings.com). The AIFM and Baring Asset Management Limited (the "Investment Manager") are responsible for the maintenance and integrity of the website as far as it relates to Barings funds. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

#### Transactions with connected parties

The CBI's AIF Rulebook requires that any transaction carried out with the Fund by a Promoter, the AIFM, Depositary, 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 year complied with this requirement.

#### Remuneration policy

As part of its authorisation as an AIFM, the AIFM has implemented a remuneration policy consistent with the European Securities and Markets Authority's ("ESMA's") remuneration guidelines and, in particular, the provisions of Annex II of Directive 2011/61/EU. Details of which are available on the Barings website at [www.barings.com/guest/content/remuneration-policies](http://www.barings.com/guest/content/remuneration-policies).

Please refer to Appendix 2 for the remuneration disclosure of the AIFM.

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## Barings Korea Feeder Fund

### Report of the Alternative Investment Fund Manager (continued)

For the financial year ended 30 April 2023

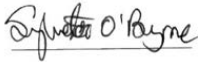
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#### Conflicts of interest

The Directors of the AIFM, the Investment Manager, Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and the Depositary and their respective affiliates, officers, directors and unitholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Unit Trust and/or their respective roles with respect to the Unit Trust. These activities may include managing or advising other funds (including other Investment Funds), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Unit Trust may invest. In particular, the AIFM and other companies within the Barings LLC Group may be involved in advising or managing other Investment Funds which have similar or overlapping investment objectives to or with the Unit Trust. Each of the Parties will use their reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of unitholders.

#### Alternative Investment Fund Manager's statement

These financial statements were approved by the Directors of the Alternative Investment Fund Manager ("AIFM"), Baring International Fund Managers (Ireland) Limited, on 17 August 2023 and signed by on its behalf by:

Director:   
Sylvester O'Byrne

Director:   
Alan Behen

17 August 2023

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## **Barings Korea Feeder Fund**

### **Annual Depositary Report to Unitholders**

For the financial year ended 30 April 2023

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We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Barings Korea Feeder Fund (the "Fund") provide this report solely in favour of the unitholders of the Fund for the year ended 30 April 2023 (the "Annual Accounting Period"). This report is provided in accordance with the current Depositary obligation under the Central Bank of Ireland Alternative Investment Fund Rulebook (the "AIF Rulebook"), Chapter 5 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rulebook, we have enquired into the conduct of the Alternative Investment Fund Manager (the "AIFM") for this Annual Accounting Period and we hereby report thereon to the unitholders of the Fund as follows:

#### **Opinion**

We are of the opinion that the Fund has been managed by the AIFM during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



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For and behalf of

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

**17 August 2023**





# ***Independent auditors' report to the unitholders of Barings Korea Feeder Fund***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Barings Korea Feeder Fund's financial statements:

- give a true and fair view of the Trust's assets, liabilities and financial position as at 30 April 2023 and of its results for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law).

We have audited the financial statements, included within the Annual Report & Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 30 April 2023;
  - the Statement of Comprehensive Income for the year then ended;
  - the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units for the year then ended;
  - the Schedule of Investments as at 30 April 2023; and
  - the notes to the financial statements, which include a description of the significant accounting policies.
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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.


Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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

## Our audit approach

### Overview

	<b>Materiality</b> <ul style="list-style-type: none"> <li>Overall materiality: 50 basis points (2022: 50 basis points) of Net Assets Value ("NAV") at 30 April 2023 (2022: 30 April 2022).</li> <li>Performance materiality: 75% of overall materiality.</li> </ul>
	<b>Audit scope</b> <ul style="list-style-type: none"> <li>The Trust is an open-ended investment Trust. We tailored the scope of our audit taking into account the types of investments within the Trust, the involvement of the third parties referred to below, the accounting processes and controls, and the industry in which the Trust operates.</li> </ul>
	<b>Key audit matters</b> <ul style="list-style-type: none"> <li>Valuation and existence of financial assets at fair value through profit or loss.</li> </ul>

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the manager made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the manager that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><i>Valuation and existence of financial assets at fair value through profit or loss</i></p> <p>Refer to note 2(c) for the accounting policies for Financial assets at fair value through profit or loss and the Schedule of Investments in the financial statements.</p> <p>The financial assets at fair value through profit or loss included in the Statement of Financial Position as at 30 April 2023 are valued in line with Generally Accepted Accounting Practice in Ireland.</p> <p>This is considered a key audit matter as it represents the principal element of the financial statements.</p>	<p>We tested the valuation and existence of the investment into the Barings Korea Trust (the "Unit Trust") as follows:</p> <p>We obtained independent confirmation from the administrator of the Unit Trust to confirm the valuation and existence of the investment and reconciled the confirmation to the underlying accounting records of the Fund. We compared the shares and net asset value per share used by the Fund to the independently obtained confirmation from the Unit Trust's administrator. We also considered the reliability of the provider of the information;</p> <p>We obtained the most recent set of audited financial statements for the Unit Trust. We agreed the net asset value per share as stated within the co-terminus audited</p>



	<p>financial statements of the Unit Trust to the net asset value per share used in the valuation of that investment in the accounting records of the Fund;</p> <p>We read the independent auditors' report included within the audited financial statements of the Unit Trust to ensure there were no modifications in the report. We considered whether the audit had been completed by a reputable auditor, whether the opinion was unqualified and whether the basis of preparation was appropriate.</p> <p>No material misstatements were identified as a result of the procedures performed.</p>
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*How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the industry in which it operates.

The AIFM controls the affairs of the Fund and is responsible for the overall investment policy which is determined by them. The AIFM has delegated certain responsibilities to Baring Asset Management Limited (the 'Investment Manager') and to Northern Trust International Fund Administration Service (Ireland) Limited (the 'Administrator'). The financial statements, which remain the responsibility of the AIFM, are prepared on their behalf by the Administrator. The Fund has appointed Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") to act as Depositary of the Fund's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Fund's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

*Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality as follows:

<b>Overall materiality and how we determined it</b>	50 basis points (2022: 50 basis points) of Net Assets Value ("NAV") at 30 April 2023 (2022: 30 April 2022).
<b>Rationale for benchmark applied</b>	We have applied this benchmark because the main objective of the Trust is to provide investors with a total return taking account of the capital and income returns.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Directors of the AIFM that we would report to them misstatements identified during our audit above 5 basis points of the Fund's NAV, for NAV per share impacting differences (2022: 5 basis points of the Fund's NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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**Conclusions relating to going concern**

Our evaluation of the manager's assessment of the Trust's ability to continue to adopt the going concern basis of accounting included:



- Obtaining an understanding of the key indicators that are monitored with respect to the going concern assumption and management's future plans for the Fund over the going concern period (being 12 months from the date of approval of the financial statements);
- Reviewing available board minutes during the period under audit and those available up to the date of this report;
- Considering post year end capital activity as recorded in the underlying accounting records;
- Making enquiries of management with respect to any planned significant redemptions of which they have been informed of;
- Considering the liquidity risk management techniques which are available to the Funds.

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

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

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

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

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## **Reporting on other information**

The other information comprises all of the information in the Annual Report & Audited Financial Statements other than the financial statements and our auditors' report thereon. The manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the manager for the financial statements*

As explained more fully in the Statement of the Alternative Investment Fund Manager's responsibilities set out on page 4, the manager is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view.

The manager is also responsible for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the manager intends to cease operations, or has no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

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

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



Based on our understanding of the Trust and industry, we identified that the principal risks of non-compliance with laws and regulations related to Unit Trust Acct 1990, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as European Union (Alternative Investment Fund Managers) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to Risk of management override of control.

Audit procedures performed by the engagement team included:

- Reviewing financial statements disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiring of management and the Directors of the AIFM concerning potential litigation and claims and any instances of non-compliance with laws and regulations;
- Reviewing all relevant minutes of meetings of the AIFM;
- Identifying and testing the appropriateness of topside journal entries and other adjustments, where material;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Testing significant judgements and accounting estimates and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- Maintaining professional scepticism throughout the audit.

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the unitholders as a body in accordance with the European Union (Alternative Investment Fund Managers) Regulations 2013 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.

A handwritten signature in black ink that reads 'Patricia Johnston'.

Patricia Johnston  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
23 August 2023

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# Barings Korea Feeder Fund

## Investment Managers' Report

For the financial year ended 30 April 2023

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### Performance

Barings Korea Feeder Fund (the "Fund") generated a gross return of -15.02% on the Class A USD Acc unit class and underperformed against the benchmark with a return of -12.90%\* during the reporting year. The Fund generated a net return of -16.96% on the Class A USD Acc unit class.

Korean equities extended market weakness over the past 12 months, as challenging global macro headwinds ranging from monetary tightening, weakening global demand, elevated inflation, to lingering recession risks and regional banks sector stress in the developed markets, continued to weigh on business outlook for companies as well as investor sentiment.

Over the period, relative underperformance was mainly driven by asset allocation at Unit Trust level in Communication Services and Industrials, while stock selection in Information Technology also detracted notably from relative performance amid weakness within technology globally. The largest relative detractor at a company level was EV (electric vehicle) battery manufacturer LG Energy Solution. Relative to the benchmark, the Fund had a lower exposure to the company in anticipation of a slowdown in car demand globally, however, following the announcement of the US IRA (Inflation Reduction Act) which offered significant subsidies to companies that sit within the EV supply chain, the unit price responded strongly.

Contributors included our holding in JYP Entertainment, a local entertainment agency specialist, which has benefited from the rapid growth of the K-pop market globally, alongside an expansion of its line-up of artists, and significant concert revenue expansion following the reopening from COVID-19.

### Market outlook

We remain constructive on Korean equities for 2023, as some of the 2022 macro headwinds have begun to turn into tailwinds, becoming a source of support. As the US Federal Reserve approaches a pause in its most aggressive interest rate hiking cycle, we anticipate a weakening of the US dollar, which would be a positive for Asian economies, and currencies, including Korea. Furthermore, a more stable exchange rate environment would give Asian central banks more degrees of freedom to adjust monetary policies suited to domestic conditions. Our optimism is also supported by China's earlier-than-expected exit from zero-COVID-19 policy and a decisive pivot back to growth, which should drive an economic recovery this year and shift the global growth momentum back to Asia.

Despite the most challenging earnings outlook in the region, Korean equities have been one of the strongest performing markets in Asia over the first quarter this year, as investors positioned for an anticipated rebound in technology demand, a key domestic industry, in the second half of the year. Within the technology sector, the semiconductor industry, where Korea is positioned as a global leader, is expected to see a sharp recovery as demand returns, which we believe investors are likely to reward in unit price appreciation. More broadly, we believe that the structural growth story in the technology sector remains, with opportunities continuing to expand over the longer term. Meanwhile, beneficiaries of the US IRA (Inflation Reduction Act) like Korean EV battery and solar power supply chains, are also poised to enjoy the secular growth prospects in the medium to longer run.

The Korea equity market is attractive from both growth and value perspectives, and the long-term outlook of Korean equities should be well supported by companies with global leadership in green transition, digital economy and intellectual property contents.

\* 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 Barings Korea Trust by  
Baring Asset Management Limited.  
May 2023**

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.

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## Barings Korea Feeder Fund

### Statement of Financial Position

As at 30 April 2023

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		<b>Barings Korea Feeder Fund 30 April 2023</b>	<b>Barings Korea Feeder Fund 30 April 2022</b>
	<b>Notes</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>			
Financial assets at fair value through profit or loss	2	32,309,931	41,793,874
Cash and cash equivalents	3	71,205	73,015
Receivable for units sold	2	57,584	67,636
Other assets		107	9
<b>Total assets</b>		<b><u>32,438,827</u></b>	<b><u>41,934,534</u></b>
<b>Liabilities</b>			
Payable for units redeemed	2	(22,283)	(24,471)
Securities purchased payable	2	(38,930)	(45,009)
Other payables and accrued expenses	5	(111,797)	(130,794)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b><u>(173,010)</u></b>	<b><u>(200,274)</u></b>
<b>Net assets attributable to holders of redeemable participating units</b>		<b><u>32,265,817</u></b>	<b><u>41,734,260</u></b>

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

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**BARINGS**

## Barings Korea Feeder Fund

### Statement of Comprehensive Income

For the financial year ended 30 April 2023

	Notes	Barings Korea Feeder Fund 30 April 2023 US\$	Barings Korea Feeder Fund 30 April 2022 US\$
<b>Income</b>			
Bank interest income	2	869	71
Net fair value loss on financial assets and financial liabilities at fair value through profit or loss	7	(6,681,883)	(13,993,002)
<b>Total expense</b>		<b>(6,681,014)</b>	<b>(13,992,931)</b>
<b>Expenses</b>			
Administration fees	9	(92,527)	(147,642)
Depositary fees	9	(7,907)	(12,617)
Operating expenses	6	(52,035)	(140,363)
<b>Total operating expenses</b>		<b>(152,469)</b>	<b>(300,622)</b>
<b>Net loss before finance costs and taxation</b>		<b>(6,833,483)</b>	<b>(14,293,553)</b>
<b>Finance costs</b>			
Bank interest expense	2	(91)	(355)
<b>Total finance costs</b>		<b>(91)</b>	<b>(355)</b>
<b>Decrease in net assets attributable to holders of redeemable participating units</b>		<b>(6,833,574)</b>	<b>(14,293,908)</b>

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.

**BARINGS**



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## Barings Korea Feeder Fund

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

For the financial year ended 30 April 2023

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	Notes	Barings Korea Feeder Fund 30 April 2023 US\$	Barings Korea Feeder Fund 30 April 2022 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the financial year		41,734,260	55,490,886
Decrease in net assets attributable to holders of redeemable participating units		(6,833,574)	(14,293,908)
Issue of redeemable participating units during the financial year	4	3,544,761	27,063,946
Redemption of redeemable participating units during the financial year	4	<u>(6,179,630)</u>	<u>(26,526,664)</u>
<b>Net assets attributable to holders of redeemable participating units at the end of the financial year</b>		<b><u>32,265,817</u></b>	<b><u>41,734,260</u></b>

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

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**BARINGS**

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# Barings Korea Feeder Fund

## Notes to the financial statements

For the financial year ended 30 April 2023

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### 1. Basis of measurement

In preparing the financial statements for the financial year ended 30 April 2023, Baring International Fund Managers (Ireland) Limited (the "Alternative Investment Fund Manager ("AIFM")) has applied 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), and these financial statements comply with that standard.

The Fund has been authorised by the Central Bank of Ireland (the "CBI") and the Hong Kong Securities and Futures Commission pursuant to the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed, supplemented or consolidated from time to time.

The annual report has been prepared on a going concern basis and in accordance with FRS 102 and Irish Statute comprising the Unit Trusts Act, 1990, and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council ("FRC").

The Fund meets all the conditions set out in FRS 102, Section 7, and consequently has availed of the exemption available to certain funds not to prepare a statement of cash flows.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements made about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### 2. Significant accounting policies

#### (a) 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 12p.m. (Irish time) on 28 April 2023, the valuation point for the Fund.

#### (b) Foreign exchange translation

Functional and presentation currency

The Fund's financial statements are presented in US dollars which is the functional currency (the "functional currency"). The functional currency is the currency of the primary economic environment in which the entity operates. The presentation currency of the Barings Korea Trust (the "Unit Trust") is sterling.

Transactions and balances

Foreign currency transactions are translated into the functional and presentation 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 2. Significant accounting policies (continued)

##### (b) Foreign exchange translation (continued)

Transactions and balances (continued)

Proceeds from subscriptions and amounts paid on redemption of redeemable participating units are translated into the functional and presentation currency using the exchange rates prevailing at the dates of the transactions.

##### (c) Financial assets at fair value through profit or loss

Classification

The Fund classified its investments in the Unit Trust as financial assets at fair value through profit or loss. These financial assets are classified as held for trading or designated by the Board of Directors of the AIFM at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that were managed and whose performance was evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Directors of the AIFM to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition/derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. The financial statements include all the trades received up until the valuation point for the Fund as disclosed on page 2. Any trades received subsequent to this point are not reflected in the financial statements. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Realised gains and losses on disposals of financial assets and liabilities classified as 'at fair value through profit or loss' are calculated using the First In First Out ("FIFO") method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value at the relevant valuation point of the Fund as disclosed on page 2. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the financial year in which they arise.

The Fund invests primarily in the Unit Trust. The quoted market price used for the Unit Trust is the last traded price where the last traded price falls within the bid-ask spread.

Fair value estimation

The investments in the Unit Trust are valued as at the year-end date using the unaudited Net Asset Value price of the Unit Trust. The fair value of financial instruments is based on quoted market prices at the Statement of Financial Position date. 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.

As a result of the Fund's decision to implement the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement, 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 12.00p.m. on the reporting date.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 2. Significant accounting policies (continued)

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

Fair value estimation (continued)

All financial instruments held by the Fund are held as part of an investment portfolio and are measured at fair value with changes in fair value recognised in the profit and loss account.

##### (d) Interest income and interest expense

Interest income and interest expense were recognised in the Statement of Comprehensive Income for cash using the effective interest method. The effective interest method was 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 year. The effective interest rate was 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 had been written down as a result of an impairment loss, interest income was recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

##### (e) Operating expenses

The Fund's AIFM is responsible for all normal operating expenses, including audit fees, stamp and other duties, and charges incurred on the acquisition and realisation of investments. Operating expenses are accounted for on an accruals basis. The AIFM meets all other expenses incurred by the Fund in connection with its services.

##### (f) Distribution policy

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

##### (g) Receivables

These 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 less provision for impairment.

##### (h) Payables

Payables are initially recognised at fair value plus transaction costs and subsequently stated at fair value. The difference between the proceeds and the amount payable is recognised over the settlement year of the payables using the effective interest method.

##### (i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

##### (j) Equity

Equity units are redeemable at the unitholder's option. The Fund's Net Asset Value per unit is calculated by dividing the net assets attributable to the holders of equity units by the total number of outstanding redeemable participating units.

In accordance with the provisions of the Trust Deed, the fair value of the investment in the Unit Trust is calculated by reference to the last traded market price of the Unit Trust where the last traded price falls within the bid-ask spread. This is consistent with the accounting policy of the Fund for the purpose of compliance with FRS 102.

## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

#### 2. Significant accounting policies (continued)

##### (k) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. They include fees and commissions paid to agents, advisers, brokers or dealers. See note 9, 'Significant agreements and fees', for further information on transaction costs.

#### 3. Cash and cash equivalents

Cash and cash equivalents are valued at fair value with interest accrued, where applicable. Cash deposits of US\$71,205 (30 April 2022: US\$73,015) are maintained with Northern Trust Fiduciary Services (Ireland) Limited (the "Depository").

#### 4. Redeemable units

##### Financial year ended 30 April 2023

	<b>Class A USD Acc No. of Units</b>
Balance as at 1 May 2022	1,705,787
Issued	167,651
Redeemed	(285,182)
Balance as at 30 April 2023	<b>1,588,256</b>

##### Financial year ended 30 April 2022

	<b>Class A USD Acc No. of Units</b>
Balance as at 1 May 2021	1,732,958
Issued	886,264
Redeemed	(913,435)
Balance as at 30 April 2022	<b>1,705,787</b>

#### 5. Other payables and accrued expenses

	<b>30 April 2023 US\$</b>	<b>30 April 2022 US\$</b>
Administration fees payable	(14,500)	(20,272)
Depository fees payable	(2,586)	(2,636)
Audit fees payable	(13,152)	(10,000)
Legal fees payable	(52,594)	(59,877)
Professional fees payable	(14,529)	(20,621)
Other operating expenses payable	(14,436)	(17,388)
	<b>(111,797)</b>	<b>(130,794)</b>

#### 6. Operating expenses

	<b>30 April 2023 US\$</b>	<b>30 April 2022 US\$</b>
Audit fees	(11,991)	(10,000)
Legal fees	–	(40,000)
Professional services	(8,245)	(22,000)
Other operating expenses	(31,799)	(68,363)
	<b>(52,035)</b>	<b>(140,363)</b>

## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

#### 7. Net fair value loss 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 14. This requirement complies with the CBI's Alternative Investment Fund ("AIF") Rulebook.

	30 April 2023	30 April 2022
	US\$	US\$
Realised gains on sale of investments	17,498	3,883,798
Realised losses on sale of investments	(450,264)	(28,017)
Realised currency gains	93,339	257,849
Realised currency losses	(66,709)	(260,003)
Unrealised losses on investments	(6,275,987)	(17,846,655)
Unrealised currency gains	356	201
Unrealised currency losses	(116)	(175)
	<b>(6,681,883)</b>	<b>(13,993,002)</b>

#### 8. Distributions

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

#### 9. Significant agreement 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 financial year ended 30 April 2023 (30 April 2022: 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 trustee of the Barings Korea Trust is entitled to receive a periodic fee as agreed with Baring Fund Managers and is subject to a current maximum of 0.15% of net asset value per annum (plus Value added Tax) of the Barings Korea Trust. 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\$92,527 have been charged for the financial year 30 April 2023 (30 April 2022: US\$147,642) of which US\$14,500 (30 April 2022: US\$20,272) was outstanding at the financial year-end.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 9. Significant agreement 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\$7,907 have been charged for the financial year 30 April 2023 (30 April 2022: US\$12,617) of which US\$2,586 (30 April 2022: US\$2,636) was outstanding at the financial year-end.

##### Transaction cost

There were no transaction costs incurred by the Fund for the year ended 30 April 2023 (30 April 2022: US\$ Nil).

##### Legal fee

The fees paid to Deacons during the financial year amounted to US\$ Nil (30 April 2022: US\$3,498). The fees paid to Matheson during the year amounted to US\$7,284 (30 April 2022: US\$20,701).

#### 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 was a non-executive Director, independent of the Investment Manager, prior to his resignation on 31 December 2022. Syl O'Byrne who was appointed on 3 January 2023 and Barbara Healy are both non-executive Directors, independent of the Investment Manager. 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 30 April 2023, 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 2022: Nil)	Nil (30 April 2022: Nil)	Nil (30 April 2022: Nil)

#### 11. Financial risk management

In accordance with FRS 102: Disclosure, this note details the way in which the Unit Trust managed risks associated with the use of financial instruments.

The Fund is exposed to a variety of financial risks in pursuing its stated investment objectives and policies. These risks include, but are not limited to, credit risk, liquidity risk and market risk (which in turn includes foreign currency risk, interest rate risk and market price risk). The Fund assumes exposure to these risks to generate investment returns on its portfolios, although these risks can also potentially result in a reduction in the Fund's net assets.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 11. Financial risk management (continued)

The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Fund's performance where it can do so while still managing the investments of the Fund in a way that is consistent with the Fund's investment objectives and policies.

In accordance with the investment objectives and policies of the Fund, it may only invest in redeemable participating units in the Unit Trust. The Fund may hold ancillary liquid assets in order to cover the ongoing costs and expenses of the Fund. Liquid assets in this context include bank deposits, commercial paper and treasury bills.

A review of the performance for the year is available on page 11.

The underlying investments in the Unit Trust are subject to normal market fluctuations and other risks inherent in investing in securities, and there can be no assurance that any appreciation in value will occur. The value of investments, and therefore the value of the units relating to them, can go down as well as up, and an investor may not realise the amount originally invested.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below. These policies have remained substantially unchanged since the beginning of the financial year to which these financial statements relate.

#### Market risk

Market risk embodies the potential for both losses and gains and included foreign currency risk, interest rate risk and price risk, which are discussed in detail under separate headings within this note.

The Fund's exposure to market risk is that the value of assets will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry that the Fund invested in.

The Fund's market risk is managed on a daily basis by the Investment Managers in accordance with policy and procedures in place. The Fund's overall market positions are reported to the Directors of the AIFM on a monthly basis.

As the majority of the financial instruments are carried at fair value through the profit or loss, all changes in market conditions directly impact the net assets of the Fund.

#### Foreign currency risk

Foreign currency risk is defined in FRS 102 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 Fund is exposed to foreign currency risk as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Fund, which is the US dollar. It is also exposed to the foreign currency risk via holdings in Barings Korea Trust.

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 of the Unit Trust monitors the Unit Trust's currency exposures on a daily basis and reports regularly to the Directors of the AIFM, which reviews the information provided by the Investment Manager on any significant exposures at its periodic meetings.

The Investment Manager may have used forward foreign currency contracts on the Unit Trust as a tool and technique to hedge the Unit Trust's currency exposure.

The table overleaf represents the Fund's exposure to foreign currency as at 30 April 2023 and 30 April 2022. All amounts are stated in the functional currency of the Fund.



## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

#### 11. Financial risk management (continued)

##### Foreign currency risk (continued)

##### 30 April 2023

	Financial assets at fair value through profit or loss US\$	Cash and cash equivalents US\$	Other assets and liabilities US\$	Derivatives US\$	Net exposure US\$	% of Net Assets
EUR	–	7,121	1	–	7,122	0.02
GBP	32,309,931	214	(38,930)	38,931	32,310,147	100.14

##### 30 April 2022

	Financial assets at fair value through profit or loss US\$	Cash and cash equivalents US\$	Other assets and liabilities US\$	Derivatives US\$	Net exposure US\$	% of Net Assets
EUR	–	28	–	–	28	–
GBP	41,793,874	209	(45,019)	45,009	41,794,073	100.14

##### Sensitivity analysis

The below currency sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future rate movements and correlations between currencies could vary significantly from those experienced in the past.

At 30 April 2023, had the exchange rate between the US Dollar and other currencies increased or decreased by 5% (30 April 2022: 5%) with all other variables held constant, the increase or decrease in the value of the Net Assets attributable to holders of redeemable participating units would be US\$1,615,863 (30 April 2022: US\$2,089,705).

##### Interest rate risk

Interest rate risk is defined in FRS 102 as “the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates”.

As the Fund invests substantially all of its assets into the Unit Trust and has a relatively small cash/overdraft balance, it has an insignificant level of direct exposure to interest rate risk. The Fund would, however, be indirectly subject to fluctuations in the prevailing levels of market interest rates impacting on the underlying investments of the Unit Trust.

##### Market price risk

Market price risk is defined in FRS 102 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 Fund invests solely in the Unit Trust and is therefore impacted by the inherent risks of the Unit Trust’s investments. The AIFM monitors the Unit Trust’s positions on a monthly basis and reviews the information on the Unit Trust’s overall market exposures provided by the Investment Manager of the Unit Trust at its periodic meetings.

The Investment Manager uses three techniques to help in the risk management process: monitoring compliance with quantitative limits, prevention of limit breaches, and trade monitoring. These techniques allow the Investment Manager to ensure that the Fund remains in compliance with the restrictions in the Prospectus and the AIF Rulebook which the Fund is 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, as determined by market forces, 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.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 11. Financial risk management (continued)

##### Market price risk (continued)

The maximum risk arising from an investment is determined by the fair value of the financial instruments. The overall market exposures and concentration of risk can be seen on the Schedule of Investments and Statement of Financial Position of the Fund. The Fund's market price risk is affected by two components: changes in market prices and currency exchange rates.

##### Sensitivity Analysis

The below price sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data.

If the price of the underlying Investment Fund held by the Fund had increased or decreased by 5% at 30 April 2023 (30 April 2022: 5%) with all other variables held constant, this would have increased or decreased the Net Assets Attributable to equity holders by US\$1,615,497 (30 April 2022: US\$2,089,694).

##### Liquidity risk

Liquidity risk is defined in FRS 102 as "the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset".

The Fund and the Unit Trust are exposed to daily cash redemptions of units. However, the AIFM is entitled, with the approval of the Depositary, 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 AIFM may, with the approval of the Depositary, temporarily suspend 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 Fund invests the majority of its assets in the Unit Trust, which is considered to be liquid, as these 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 Fund's policy, the AIFM monitors the Fund's liquidity on a daily basis and reviews any significant exposures at its periodic meetings. At 30 April 2023 and 30 April 2022, the Fund's financial liabilities, as disclosed on the Statement of Financial Position were all due within one month.

There is a bank overdraft facility in place with The Northern Trust Company ("TNTC"). An "uncommitted" multi-currency loan facility has been made available by TNTC to the Fund. As at 30 April 2023, there was no amount drawn down on this facility (30 April 2022: same).

##### Credit risk

Credit risk is defined in FRS 102 as "the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation". The Fund is indirectly exposed to credit risk due to its investment in the Unit Trust.

##### Credit risk statement

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at year-end date 30 April 2023, NTC had a long term credit rating from Standard & Poor's of (A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands, and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund's ownership of Other Assets, (as defined under Other Assets, Art 21(8)(b) of Directive 2011/61/EU, by assessing whether the Fund holds the ownership, based on information or documents provided by the Fund or, where available, on external evidence.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 11. Financial risk management (continued)

##### Credit risk (continued)

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separate from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Funds on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of the insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), are no longer held on the Balance Sheet of TNTC. For these off-book currencies, clients' cash exposure is directly to the relevant local sub-custodian / financial institution in the market.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depository, and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market.

The Investment Manager of the Unit Trust reviews concentrations of credit risk on a fortnightly basis. All exposures to counterparty credit risk are monitored by Baring Asset Management Limited's Counterparty Credit Committee and are subject to Baring Asset Management Limited's Counterparty Credit Policy ("CCP"). Baring Asset Management Limited requires a minimum credit rating of Dunn and Bradstreet ("D&B") 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 the CCP are acted on immediately without exception. Application for Initial Public Offerings ("IPOs"), for example, is subject to the credit rating of the entity to whose Statement of Financial Position the application will expose the investing fund. Where no satisfactory rating is applied, the Investment Manager insists that monies are paid into a ring-fenced 'Client Money' account, hence avoiding exposure not permitted by the CCP.

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

- Fair value – there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet of the Unit Trust, and their fair value.
- Derivatives and other financial instruments – transactions in derivatives, warrants and forward currency contracts may be used for the purpose of hedging and meeting the investment objective of the Unit Trust. In pursuing the Unit Trust's objectives, Baring Fund Managers Limited may make use of a variety of instruments in accordance with the rules.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement year involved. The maximum exposure related to unsettled trades equals the amounts shown on the Statement of Financial Position. There were no past due or impaired assets as of 30 April 2023 and 30 April 2022.

# Barings Korea Feeder Fund

## Notes to the financial statements (continued)

For the financial year ended 30 April 2023

### 11. Financial risk management (continued)

#### Credit risk (continued)

The Fund invests solely into the Unit Trust and is therefore indirectly exposed to the Unit Trust's investments. The net assets (fair value of investments, cash and receivables relating to securities) exposed to credit risk at year-end amounted to:

Fund	30/04/2023 US\$	30/04/2022 US\$
Barings Korea Feeder Fund	32,381,136	41,866,889

#### Fair value hierarchy

FRS 102 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:

- 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).

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 30 April 2023

Barings Korea Feeder Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investment Funds	–	32,309,931	–	32,309,931
<b>Total</b>	<b>–</b>	<b>32,309,931</b>	<b>–</b>	<b>32,309,931</b>

#### As at 30 April 2022

Barings Korea Feeder Fund Financial assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investment Funds	–	41,793,874	–	41,793,874
<b>Total</b>	<b>–</b>	<b>41,793,874</b>	<b>–</b>	<b>41,793,874</b>

### 12. Efficient portfolio management

During the financial year ended 30 April 2023, the Fund did not engage in any efficient portfolio management techniques (30 April 2022: same).

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 13. NAV per redeemable participating units

Net assets attributable to holders of redeemable participating units	30 April 2023	30 April 2022	30 April 2021
Barings Korea Feeder Fund	US\$32,265,817	US\$41,734,260	US\$55,490,886
NAV per redeemable participating units			
Class A USD Acc	US\$20.32	US\$24.47	US\$32.02

#### 14. Exchange rates

	As at 30 April 2023	As at 30 April 2022
Euro	0.9104	0.9465
Pound sterling	0.8023	0.7956

#### 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 (30 April 2022: same).

#### 16. Contingent liabilities

There are no contingent liabilities at financial year-end 30 April 2023 and financial year-end 30 April 2022.

#### 17. 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.

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## Barings Korea Feeder Fund

### Notes to the financial statements (continued)

For the financial year ended 30 April 2023

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#### 18. 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 year ended 30 April 2023 and during the financial year ended 30 April 2022, the Fund has drawn down on this facility.

#### 19. Material changes to the Prospectus

An updated Prospectus of the Fund was issued on 18 July 2022 and 1 December 2022. The following is the change made on 18 July 2022:

- Updated to reflect the amendments made to the investment objective and strategy of the Barings Korea Trust Prospectus. The Prospectus of Barings Korea Trust was amended to clarify the Unit Trust's financial objective and introduced a target benchmark to offer investors a more readily measurable means of assessing whether the Unit Trust has met its investment objective. The investment objective and policy of the Barings Korea Feeder Fund remained unchanged and the Fund will continue to invest its assets in the Unit Trust.

The following is the change made on 1 December 2022:

- Providing additional disclosures to bring the Prospectus into compliance with Level 2 of the Sustainable Finance Disclosure Regulation ("SFDR").

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

#### 20. Significant events

The Prospectus of the Fund was updated on 18 July 2022 and 1 December 2022. The material changes to the Prospectus are outlined in note 19.

Mr. David Conway resigned as a Director of the AIFM with effect from 31 December 2022.

Mr. Syl O'Byrne was appointed as a Director of the AIFM with effect from 3 January 2023.

##### Russia/Ukraine conflict

In response to the Russian invasion of Ukraine, the EU, the U.S., the UK and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia's Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target the Fund, the Unit Trust, the AIFM or the Portfolio Investments and their issuers and industries in which the issuers of the Portfolio Investments operate, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Additionally, any new or expanded sanctions that may be imposed by the U.S., EU, UK, or other countries may materially adversely affect the AIFM's operations, including the Fund and the Portfolio Investments.

There have been no other significant events to the financial year-end which, in the opinion of the Directors of the AIFM, that may have had an impact on the financial statements for the financial year ended 30 April 2023.

#### 21. Subsequent events

Mr. Julian Swayne resigned as a Director of the AIFM with effect from 4 August 2023.

Ms. Rhian Williams was appointed as a Director of the AIFM with effect from 14 August 2023.

There have been no other events subsequent to the year-end which, in the opinion of the Directors of the AIFM may have a material impact on the financial statements for the financial year ended 30 April 2023.

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## **Barings Korea Feeder Fund**

**Notes to the financial statements** (continued)

For the financial year ended 30 April 2023

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### **22. Approval of financial statements**

The financial statements were approved by the Directors of the AIFM on 17 August 2023.

## Barings Korea Feeder Fund

### Schedule of Investments

As at 30 April 2023

#### As at 30 April 2023

Investment Unit Trust	Holding as at 30/04/2022	Nominal purchases	Nominal sales	Holding as at 30/04/2023	Fair value in US\$ as at 30/04/2023	% of Net Assets
Barings Korea Trust (cost US\$38,424,971.17)	8,763,897	370,048	(1,015,047)	8,118,898	32,309,931	100.14
Cash and cash equivalents					71,205	0.22
Other net liabilities					(115,319)	(0.36)
<b>Total net assets attributable to holders of redeemable participating units</b>					<b>32,265,817</b>	<b>100.00</b>

#### As at 30 April 2022

Investment Unit Trust	Holding as at 30/04/2021	Nominal purchases	Nominal sales	Holding as at 30/04/2022	Fair value in US\$ as at 30/04/2022	% of Net Assets
Barings Korea Trust (cost US\$41,668,427.07)	8,949,954	3,619,254	(3,805,311)	8,763,897	41,793,874	100.14
Cash and cash equivalents					73,015	0.17
Other net liabilities					(132,629)	(0.31)
<b>Total net assets attributable to holders of redeemable participating units</b>					<b>41,734,260</b>	<b>100.00</b>



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## Barings Korea Feeder Fund

### General information (Unaudited)

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#### 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.

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## Barings Korea Feeder Fund

### Appendix 1 – Additional information Hong Kong Code (Unaudited)

For the financial year ended 30 April 2023

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#### Highest issue and lowest redemption prices

##### Highest issue price during the year

	30 April 2023	30 April 2022	30 April 2021	30 April 2020	30 April 2019
Class A USD Acc	24.87	32.87	33.73	21.24	27.61

##### Highest issue price during the year (continued)

	30 April 2018	08 August 2017	08 August 2016	08 August 2015	08 August 2014
Class A USD Acc	28.19	24.16	24.27	25.95	24.69

##### Lowest redemption price during the year

	30 April 2023	30 April 2022	30 April 2021	30 April 2020	30 April 2019
Class A USD Acc	17.19	24.15	16.97	12.69	20.18

##### Lowest issue price during the year (continued)

	30 April 2018	08 August 2017	08 August 2016	08 August 2015	08 August 2014
Class A USD Acc	22.15	18.54	18.87	20.63	20.12

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## Barings Korea Feeder Fund

### Appendix 2 – Disclosure of Remuneration (Unaudited)

For the financial year ended 30 April 2023

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Baring International Fund Managers (Ireland) Limited's (the "Alternative Investment Fund Manager ("AIFM")) remuneration policy ensures the remuneration arrangements as defined in ESMA's "Guidelines on Sound Remuneration Policy under the AIFMD" (ESMA 2016/411) (the 'ESMA Guidelines') (as amended) are:

- (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or constitution of the AIFM or the Fund; and
- (ii) consistent with the AIFM's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The AIFM complies with the remuneration principles in a way and to the extent that is appropriate to its size and business.

#### **Remuneration committee**

Due to the size and nature of the AIFM, the Board of Directors of the AIFM (the "AIFM Board") considers it appropriate to dis-apply the requirement to appoint a remuneration committee.

The AIFM is part of the Barings Europe Limited (UK) group of companies ("Barings") which is governed by the Remuneration Panel and the Barings LLC Human Resources Committee. The Remuneration Panel and the Barings LLC Human Resources Committee ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

#### **Remuneration Code Staff**

The AIFM has determined its Remuneration Code Staff as the following:

a) Senior Management

Senior Management comprises the Board of Directors.

b) Control Functions

All Central Bank of Ireland ("CBI") Pre Approved Control Functions ("PCFs") are included within the definition of Remuneration Code Staff.

c) Risk takers

Risk Takers are defined as the investment managers of the AIFs. Investment management is delegated to firms' subject to an equivalent remuneration regime and therefore the AIFM currently has no risk takers outside of senior management.

d) Employees in the same remuneration bracket as risk takers

The AIFM will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Fund.

e) Staff responsible for heading the investment management, administration, marketing and human resources.

There are no staff in this category that are not captured in other categories.

## Barings Korea Feeder Fund

### Appendix 2 – Disclosure of Remuneration (Unaudited) (continued)

For the financial year ended 30 April 2023

#### Remuneration disclosure:

The disclosure below details fixed and variable remuneration paid to the AIFM's Remuneration Code Staff (for the financial year end 30 April 2023).

	Number of beneficiaries	Total Remuneration	Total Fixed Remuneration	Total Variable remuneration
Total remuneration paid by BIFMI in relation to the Fund*	11	€1,252	€778	€474
Total Senior Management Remuneration paid by BIFMI**	6	€1,159,980	€641,364	€518,617
Risk Takers remuneration	0	€0	€0	€0
Employees in the same remuneration bracket a risk takers	0	€0	€0	€0
Carried interest paid by the fund	n/a	n/a	n/a	n/a

The AIFM's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. No material changes have been made throughout the year or as a result of the review; no irregularities were identified.

The above disclosures are made in line with Barings interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to the Fund not being comparable to the disclosures made in the prior financial year, or in relation to other Barings fund disclosures in that same year.

#### Notes:

\*The AIFM does not make any direct payments to staff who are paid by other Barings Group entities. Figures are apportioned on a funds AUM basis as a proportion of Barings total AUM as at 30 April 2023. Accordingly the figures are not representative of any individual's actual remuneration.

\*\*Senior management remuneration is apportioned on the basis of the AIFM's total AUM as a proportion of Barings' total AUM.

Variable remuneration consists of Short-Term Incentive awards. Long Term Incentive awards and any other variable payment including benefits in kind and discretionary pension awards.

The Fund does not pay performance fees.

There has been no reward of carry interest in the period.

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## Barings Korea Feeder Fund

### Appendix 3 – AIFMD Related Periodic Investor Reporting (Unaudited)

For the financial year ended 30 April 2023

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#### 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.

#### 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 year ended 30 April 2023, 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 36 - 37.

There have been no changes to the risk profiles or risk management systems for the Fund in the financial year ended 30 April 2023.

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## Barings Korea Feeder Fund

### Appendix 4 – Risk Management Systems and Risk Profile Summary (Unaudited)

For the financial year ended 30 April 2023

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#### 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 units 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 4 – Risk Management Systems and Risk Profile Summary (Unaudited) (continued)

For the financial year ended 30 April 2023

#### Fund Specific Summary Risk Profile

Fund Name	Barings Korea Feeder Fund
As at Date	30 April 2023
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 provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the Korea Composite Stock Price Index (KOSPI) over a rolling five year period by investing in equity and equity related securities 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 30 April 2023
Sensitivity of NAV to Credit Spread Risk	Very Low – Fund allows for fixed income instrument investment, but has no debt exposure as of 30 April 2023
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

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## Barings Korea Feeder Fund

### Appendix 5 – Periodic Disclosure of Promoted Environmental and Social Characteristics (Unaudited)

For the financial year ended 30 April 2023

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#### ESG Risk

The Investment Manager integrates Environmental, Social and Governance (“ESG”) information into the investment process across all asset classes. Through bottom-up, fundamental analysis, the Investment Manager seeks to gain a comprehensive understanding of the factors that influence the sustainability of investments. The Investment Manager considers ESG information alongside other crucial variables that may impact an investment’s risks and returns over time. In particular, the Investment Manager considers ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, the Investment Manager continues to monitor each investment to ensure their thesis, including that on ESG matters, remains intact and that an investment’s risk and return profile remains attractive relative to other opportunities available in the market. Sustainability risks that the Investment Manager may consider are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment, examples of which include physical environmental risks, transition risk (e.g. investee company assets losing their financial value because of tightening of environmental legislation) or liability risk (e.g. risk of liability due to a breach of human/employee rights considering the jurisdiction of the investee company).

The investments underlying the Unit Trust and the Fund do not take into account the EU criteria for environmentally sustainable economic activities.



**Registered address:**

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

**Contact:**

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**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.



## **Barings Korea Trust**

Annual Report & Audited Financial  
Statements

for the year ended 30 April 2023

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**Barings Korea Trust**  
**Annual Report and Audited Financial Statements**

For the year ended 30 April 2023

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\* These pages comprise the Manager’s report.

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# Barings Korea Trust

## Introduction

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This Annual Report and Audited Financial Statements covers the year from 1 May 2022 to 30 April 2023 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**

While the degree of disruption and market volatility within international markets resulting from the impact of COVID-19 continues to decline, the ongoing prevalence of the disease has an ongoing impact not only on demand for goods and services, but also supply chains. Concerns about the spread of COVID-19 and other outbreaks of health epidemics and contagious diseases in the past have caused governments at various times to take measures to prevent the spread of viruses, including restrictions on travel and public transport and prolonged closures of workplaces which may recur upon a new outbreak, recurrence or mutation of COVID-19 or other communicable diseases. Such occurrences on a global scale may affect investment sentiment and result in volatility in global capital markets or adversely affect regional or global economies, which may in turn give rise to significant costs to the Trust and adversely affect the Trust's business and financial results.

### **Russia/Ukraine Crisis**

In response to the Russian invasion of Ukraine, the EU, the U.S., the UK and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia's Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target the Manager, the Trust or the Portfolio Investments and their issuers and industries in which the issuers of the Portfolio Investments operate, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Additionally, any new or expanded sanctions that may be imposed by the U.S., EU, UK, or other countries may materially adversely affect the Manager's operations, including the Trust and the Portfolio Investments.

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## Barings Korea Trust

### Investment Objective and Policy and Trust at a Glance

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#### Investment Objective and Policy

The investment objective of the Trust is to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the Korea Composite Stock Price Index (KOSPI) over a rolling five year period, by investing in equity and equity related securities 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.

#### Benchmark

The target benchmark is the Korea Composite Stock Price Index (KOSPI). The benchmark has been selected as it tracks the performance of the largest companies in the South Korean stock market.

The Trust is actively managed and targets outperformance of the benchmark over a five year period. There is however no guarantee that this objective will be achieved over any time period. The Trust is not constrained by the benchmark and can make investments in securities that are not included in the benchmark. Differences in the performance of the Trust compared to the benchmark may also arise as a result of application of the UK UCITS Rules prescribing portfolio concentration and liquidity limits, which are not applied to the benchmark. The Manager considers the benchmark is appropriate based on the investment policy of the Trust.

#### 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 environment, 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.

## Barings Korea Trust

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

#### Risk Profile (continued)

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

Please refer to the Prospectus for the full risk profile.

#### The Trust at a Glance on 30 April 2023

Total Trust size: 30 April 2023	£55.10 million	
Total Trust size: 30 April 2022	£65.52 million	
OCF*	30/04/2023	30/04/2022
Class A GBP Acc	1.70%	1.70%
Class I GBP Acc	0.95%	0.95%
Class I GBP Inc	0.95%	0.95%
Class I USD Acc	0.95%	0.95%
	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 year. It includes fees paid for investment management, trustee and general charges.

Price per unit	(pence/cents per unit)
Class A GBP Acc	319.30p
Class I GBP Acc	344.70p
Class I GBP Inc	336.30p
Class I USD Acc	431.40c

## Barings Korea Trust

### Trust Information

	Class A GBP Acc - Accumulation units			Class I GBP Acc - Accumulation units		
	30/04/2023	30/04/2022	30/04/2021	30/04/2023	30/04/2022	30/04/2021
	(p)	(p)	(p)	(p)	(p)	(p)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	380.60	445.50	266.20	407.77	473.74	280.98
Return before operating charges	(55.84)	(57.84)	185.50	(59.95)	(61.75)	196.49
Operating charges	(5.72)	(7.06)	(6.20)	(3.43)	(4.22)	(3.73)
Return after operating charges	(61.56)	(64.90)	179.30	(63.38)	(65.97)	192.76
Distributions	(0.13)	–	–	(2.94)	(1.69)	(1.09)
Retained distributions on accumulation units	0.13	–	–	2.94	1.69	1.09
Closing net asset value per unit after direct transaction costs of*	319.04	380.60	445.50	344.39	407.77	473.74
	0.91	1.09	1.64	0.98	1.16	1.79
<b>Performance</b>						
Return after charges	(16.17)%	(14.57)%	67.36%	(15.54)%	(13.93)%	68.60%
<b>Other information</b>						
Closing net asset value ('000)	£38,827	£49,708	£61,195	£13,408	£12,229	£18,483
Closing number of units	12,169,764	13,060,303	13,736,377	3,893,246	2,999,072	3,901,530
Operating charges	1.70%	1.70%	1.67%	0.95%	0.95%	0.92%
Direct transaction costs	0.27%	0.26%	0.44%	0.27%	0.26%	0.44%
<b>Prices</b>						
Highest unit price	385.30	459.90	476.60	413.00	489.70	505.80
Lowest unit price	303.10	360.40	261.30	326.00	385.70	275.70

	Class I GBP Inc - Distribution units			Class I USD Acc - Accumulation units		
	30/04/2023	30/04/2022	30/04/2021	30/04/2023	30/04/2022	30/04/2021
	(p)	(p)	(p)	(c)	(c)	(c)
<b>Change in net assets per unit</b>						
Opening net asset value per unit	397.90	464.23	275.75	514.79	661.92	352.43
Return before operating charges	(58.50)	(60.51)	192.77	(79.40)	(141.82)	315.61
Operating charges	(3.36)	(4.13)	(3.58)	(4.30)	(5.31)	(6.12)
Return after operating charges	(61.86)	(64.64)	189.19	(83.70)	(147.13)	309.49
Distributions	(2.83)	(1.69)	(0.71)	(3.65)	(2.32)	(0.67)
Retained distributions on accumulation units	–	–	–	3.65	2.32	0.67
Closing net asset value per unit after direct transaction costs of*	333.21	397.90	464.23	431.09	514.79	661.92
	0.95	1.14	1.71	1.22	1.46	2.94
<b>Performance</b>						
Return after charges	(15.55)%	(13.92)%	68.61%	(16.26)%	(22.23)%	87.82%
<b>Other information</b>						
Closing net asset value ('000)	£2,707	£3,399	£4,536	\$195	\$233	\$300
Closing number of units	812,481	854,209	977,153	45,259	45,259	45,259
Operating charges	0.95%	0.95%	0.92%	0.95%	0.95%	0.92%
Direct transaction costs	0.27%	0.26%	0.44%	0.27%	0.26%	0.44%
<b>Prices</b>						
Highest unit price	403.00	479.80	496.40	522.30	681.70	695.20
Lowest unit price	318.00	378.00	270.60	362.80	505.80	343.30

\*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.

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## Barings Korea Trust

### Report of the Investment Manager

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#### Performance

Over the 12-month period to 30 April 2023, the Barings Korea Trust (the “Trust”) declined by 15.84% on the A GBP Acc Unit Class (net of fees) and underperformed against the benchmark, which fell by 12.99%. The table below shows the 1 year and 5 year annualised net return for the Class A GBP Acc units against the benchmark.

	1 year	5 years
Barings Korea Trust	(15.84)%	(3.19)%
KOSPI Korea PR KRW*	(12.99)%	(2.75)%

\*From 18 July 2022, the Korea Composite Stock Price Index (KOSPI) is the target benchmark.

Korean equities extended market weakness over the past 12 months due to challenging global macro headwinds. These were caused by monetary tightening, weakening global demand, elevated inflation, lingering recession risks and regional banks sector stress in the developed markets – all of which continued to weigh on business outlook for companies as well as investor sentiment.

Over the period, both stock selection and asset allocation contributed negatively to relative performance. Stylistically, Value style equities outperformed Growth, which proved to be a headwind for the Trusts Growth at a Reasonable Price investment approach and contributed to the drawdown experienced in relative performance.

Relative underperformance was mainly driven by asset allocation within the Communication Services and Industrials sectors, while stock selection within Information Technology also detracted notably from relative performance amid weakness within technology globally. The largest relative detractor at a company level was electric vehicle (“EV”) battery manufacturer LG Energy Solution. Relative to the benchmark, the Trust had a lower exposure to the company in anticipation of a slowdown in car demand globally, however, following the announcement of the US IRA (Inflation Reduction Act), which offered significant subsidies to companies that sit within the EV supply chain, the share price responded strongly.

Contributors included a holding in JYP Entertainment, a local entertainment agency specialist, which has benefited from the rapid growth of the K-pop market globally, alongside an expansion of its line-up of artists, and significant concert revenue expansion following the reopening from COVID-19.

Significant trades over the review period included purchases of semiconductor manufacturer SK Hynix, which looked increasingly attractive from a valuation perspective following the fall in share prices in the technology sector, which based on the Investment Managers analysis, stood in contrast to the growth the company offered, and the outlook for the market. In addition, the Trust also initiated a new position in telecom company KT at the beginning of the review period, driven by its attractive valuation and yield, which did not fully capture the growth potential of its cloud and media businesses. However, the Trust later exited from the company due to rising uncertainties emanating from a change in management, which the Investment Managers believed would significantly impact the company's ability to deliver its growth trajectory. Elsewhere, the Trust reduced its position in leading local internet conglomerate NAVER at the start of the period due to rising concerns on the company's decelerating earnings growth momentum. Subsequently, this exposure was added back towards the end of the period as earnings began to improve, alongside notable improvements in corporate governance stemming from more friendly shareholder-return policies.

Over five years the Trust has declined in absolute terms and not delivered on its objective to deliver capital growth. This however was largely due to the drawdown experienced in the market over 1 year. From a relative performance perspective, the Trust outperformed on a gross of fees basis, driven by stock selection, but failed to outperform net of fees. Asset Allocation did detract from relative returns over the period, and was driven by a lack of exposure within the technology sector.



## Barings Korea Trust

Report of the Investment Manager (continued)

### Performance (continued)

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

Purchases	Costs £'000	Sales	Proceeds £'000
SK Hynix	2,435	NAVER	2,007
KT	2,012	Cheil Worldwide	1,931
LG Energy Solution	1,989	Hana Financial	1,899
NAVER	1,947	KT	1,856
Hyundai Motor	1,881	LG Household & Health Care	1,807
Hyundai Marine & Fire Insurance	1,874	SK Hynix	1,660
L&F	1,830	Korea Zinc	1,624
LG Chem	1,815	CJ CheilJedang	1,595
Hanwha Solutions	1,708	SK Telecom	1,551
Shinhan Financial	1,646	LG Innotek	1,338

### Market outlook

The Investment Managers have a positive outlook for Korean equities for 2023, as some of the issues facing the market in 2022, are now beginning to reverse and provide benefit. As the US Federal Reserve approaches a pause in its most aggressive interest rate hiking cycle, the Investment Managers anticipate a weakening of the US dollar, which would be a positive for Asian economies and currencies, including Korea. Furthermore, a more stable exchange rate environment would give Asian central banks more degrees of freedom to adjust monetary policies suited to domestic conditions. The Investment Managers optimism is also supported by China's earlier-than-expected exit from zero-COVID-19 policy and a decisive pivot back to growth, which should drive an economic recovery this year and shift the global growth momentum back to Asia.

Despite the most challenging earnings outlook in the region, Korean equities have been one of the strongest performing markets in Asia over the first quarter this year, as investors positioned for an anticipated rebound in technology demand, a key domestic industry, in the second half of the year. Within the technology sector, the semiconductor industry, where Korea is positioned as a global leader, is expected to see a sharp recovery as demand returns, which the Investment Managers believe investors are likely to be rewarded in share price appreciation. More broadly, the Investment Manager believes that the structural growth story in the technology sector remains, with opportunities continuing to expand over the longer term. Meanwhile, beneficiaries of the US IRA like Korean EV battery and solar power supply chains, are also poised to enjoy the secular growth prospects in the medium to longer run.

**Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager; and  
Barings Singapore Pte. Limited, appointed as delegate of 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.*

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## Barings Korea Trust

### Responsibilities of the Manager and the Trustee

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#### Responsibilities of the Manager

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

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

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

#### Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Korea Trust (the “Trust”) for the year ended 30 April 2023

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

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

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

The Trustee must ensure that:

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

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

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## Barings Korea Trust

Responsibilities of the Manager and the Trustee (continued)

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### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Korea Trust (the "Trust") for the year ended 30 April 2023** (continued)

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

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

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services

London 26 July 2023

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## Barings Korea Trust

### Directors' Statement

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The financial statements on pages 18 to 31 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

J. SWAYNE Director

London 26 July 2023

## Barings Korea Trust

### Portfolio Statement

as at 30 April 2023

Holdings	Investments	Percentage Bid-Market of total net Value (£)	assets (%)
	<b>Equities: 98.39% (97.95%)</b>		
	<b>Aerospace &amp; Defense: 1.09% (0.00%)</b>		
9,767	Hanwha Aerospace	<b>601,320</b>	<b>1.09</b>
	<b>Auto Manufacturers: 6.24% (4.20%)</b>		
13,077	Hyundai Motor	1,546,711	2.81
37,328	Kia Motors	1,890,887	3.43
		<b>3,437,598</b>	<b>6.24</b>
	<b>Auto Parts &amp; Equipment: 1.43% (0.36%)</b>		
6,053	Hyundai Mobis	<b>787,416</b>	<b>1.43</b>
	<b>Biotechnology: 4.48% (1.70%)</b>		
6,701	Celltrion	645,148	1.17
3,905	Samsung Biologics	1,825,953	3.31
		<b>2,471,101</b>	<b>4.48</b>
	<b>Chemicals: 7.27% (2.08%)</b>		
49,145	Hanwha Solutions	1,412,674	2.56
5,856	LG Chem	2,594,296	4.71
		<b>4,006,970</b>	<b>7.27</b>
	<b>Cosmetics/Personal Care: 1.03% (1.58%)</b>		
25,963	AmoreG	<b>569,652</b>	<b>1.03</b>
	<b>Diversified Financial Services: 4.68% (8.02%)</b>		
20,052	Hana Financial	503,670	0.91
50,447	KB Financial	1,495,463	2.72
27,707	Shinhan Financial	580,511	1.05
		<b>2,579,644</b>	<b>4.68</b>
	<b>Diversified Manufacturing: 0.00% (3.18%)</b>		
	<b>Electronics: 7.23% (10.75%)</b>		
78,248	BH	1,081,230	1.96
3,802	Daejoo Electronic Materials	224,048	0.40
13,450	LG Electronics	880,479	1.60
1,208	LG Innotek	191,181	0.35
18,659	Samsung Electro-Mechanics	1,608,501	2.92
		<b>3,985,439</b>	<b>7.23</b>
	<b>Energy: 6.41% (1.00%)</b>		
5,261	L&F	834,196	1.51
7,759	LG Energy Solution	2,697,788	4.90
		<b>3,531,984</b>	<b>6.41</b>
	<b>Engineering &amp; Construction: 3.30% (0.00%)</b>		
9,494	Samsung C&T	623,214	1.13
68,557	Samsung Engineering	1,193,911	2.17
		<b>1,817,125</b>	<b>3.30</b>
	<b>Financials: 0.00% (0.50%)</b>		

**Barings Korea Trust**  
**Portfolio Statement** (continued)  
as at 30 April 2023

Holdings	Investments	Percentage Bid-Market of total net Value assets (£) (%)	Value (£)	assets (%)
	<b>Equities: 98.39% (97.95%)</b> (continued)			
	<b>Food Producers: 1.96% (1.77%)</b>			
12,482	Orion		<b>1,079,753</b>	<b>1.96</b>
	<b>Insurance: 4.82% (2.31%)</b>			
18,524	DB Insurance		931,689	1.69
52,063	Hyundai Marine & Fire Insurance		1,170,400	2.13
2,461	Samsung Fire & Marine Insurance		330,471	0.60
5,579	Samsung Life Insurance		221,071	0.40
			<b>2,653,631</b>	<b>4.82</b>
	<b>Internet: 6.35% (7.30%)</b>			
16,606	Kakao		577,387	1.05
19,061	NAVER		2,196,206	3.99
3,201	NCsoft		722,478	1.31
			<b>3,496,071</b>	<b>6.35</b>
	<b>Iron/Steel: 3.66% (1.48%)</b>			
8,935	POSCO		<b>2,019,342</b>	<b>3.66</b>
	<b>Media &amp; Entertainment: 4.95% (5.67%)</b>			
6,084	Big Hit Entertainment		982,929	1.78
32,377	JYP Entertainment		1,748,781	3.17
			<b>2,731,710</b>	<b>4.95</b>
	<b>Medical Equipment and Services: 1.05% (0.00%)</b>			
112,034	Jeisys Medical		<b>578,937</b>	<b>1.05</b>
	<b>Mining: 0.77% (2.93%)</b>			
1,381	Korea Zinc		<b>424,703</b>	<b>0.77</b>
	<b>Oil &amp; Gas: 3.27% (3.86%)</b>			
10,916	SK Innovation		1,132,751	2.06
14,930	S-Oil		667,687	1.21
			<b>1,800,438</b>	<b>3.27</b>
	<b>Retail: 2.01% (1.67%)</b>			
6,134	BGF retail		686,167	1.25
7,157	E-MART		417,892	0.76
			<b>1,104,059</b>	<b>2.01</b>
	<b>Semiconductors: 21.89% (27.90%)</b>			
24,096	ISC		566,968	1.03
2,555	Leeno Industrial		204,478	0.37
7,154	LX Semicon		450,311	0.82
139,238	Samsung Electronics		5,458,955	9.91
18,871	SIMMTECH		323,545	0.59
94,274	SK Hynix		5,052,467	9.17
			<b>12,056,724</b>	<b>21.89</b>
	<b>Technology: 0.00% (1.60%)</b>			
	<b>Telecommunications: 4.50% (5.93%)</b>			
4,567	Samsung SDI		1,891,835	3.44

**Barings Korea Trust**  
**Portfolio Statement** (continued)  
as at 30 April 2023

<b>Holdings</b>	<b>Investments</b>	<b>Bid-Market Value</b> <b>(£)</b>	<b>Percentage of total net assets</b> <b>(%)</b>
	<b>Equities: 98.39% (97.95%)</b> (continued)		
	<b>Telecommunications: 4.50% (5.93%)</b> (continued)		
20,491	SK Telecom	585,943	1.06
		<b>2,477,778</b>	<b>4.50</b>
	<b>Transportation: 0.00% (2.16%)</b>		
	<b>Portfolio of investments: 98.39% (97.95%)</b> <b>(Cost: £51,948,260)</b>	<b>54,211,395</b>	<b>98.39</b>
	Net other assets	887,323	1.61
	<b>Net assets</b>	<b>55,098,718</b>	<b>100.00</b>

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 2022.

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## Barings Korea Trust

### Independent auditors' report to the Unitholders of Barings Korea Trust

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#### Report on the audit of the financial statements

##### Our opinion

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

- give a true and fair view of the financial position of the Trust as at 30 April 2023 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 April 2023; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables and the Notes to the Financial Statements, which include a description of the of significant accounting policies.

##### Basis for opinion

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

##### *Independence*

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

##### Conclusions relating to going concern

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

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

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

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

##### Reporting on other information

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



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## Barings Korea Trust

Independent auditors' report to the Unitholders of Barings Korea Trust (continued)

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### Reporting on other information (continued)

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

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

#### *Manager's Report*

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

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the Manager for the financial statements*

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

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

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

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;

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## Barings Korea Trust

Independent auditors' report to the Unitholders of Barings Korea Trust (continued)

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- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

### *Use of this report*

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

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

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

#### **Collective Investment Schemes sourcebook exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
26 July 2023

## Barings Korea Trust

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

for the year ended 30 April 2023

#### Statement of Total Return

	Notes	30/04/2023		30/04/2022	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	2		(10,443)		(11,905)
Revenue	3	1,293		1,315	
Expenses	4	(854)		(1,162)	
Net revenue before taxation		<u>439</u>		<u>153</u>	
Taxation	5	(283)		(289)	
Net revenue/(expense) after taxation			<u>156</u>		<u>(136)</u>
<b>Total return before distributions</b>			<b>(10,287)</b>		<b>(12,041)</b>
Distributions	6		(156)		(66)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(10,443)</b>		<b>(12,107)</b>

#### Statement of Change in Net Assets Attributable to Unitholders

	30/04/2023		30/04/2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>65,522</b>		84,430
Amounts receivable on issue of units	10,750		24,523	
Amounts payable on cancellation of units	(10,862)		(31,376)	
		(112)		(6,853)
Changes in net assets attributable to unitholders from investment activities		(10,443)		(12,107)
Retained distribution on accumulation units	6	132		52
<b>Closing net assets attributable to unitholders</b>		<b>55,099</b>		<b>65,522</b>

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**Barings Korea Trust****Balance Sheet**as at 30 April 2023

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	<b>Notes</b>	<b>30/04/2023 £'000</b>	<b>30/04/2022 £'000</b>
<b>Assets</b>			
Investment assets		<b>54,211</b>	64,181
Current assets:			
Debtors	8	<b>175</b>	943
Cash and bank balances	9	<b>1,096</b>	1,469
Total assets		<b>55,482</b>	66,593
<b>Liabilities</b>			
Creditors:			
Bank overdraft	9	<b>(170)</b>	(168)
Distribution payable on income units	6	<b>(23)</b>	(14)
Other creditors	10	<b>(190)</b>	(889)
Total liabilities		<b>(383)</b>	(1,071)
<b>Net assets attributable to unitholders</b>		<b>55,099</b>	65,522

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# Barings Korea Trust

## Notes to the Financial Statements

For the year ended 30 April 2023

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### 1. Accounting policies

#### Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017. The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

#### Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 28 April 2023, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

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

#### Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 28 April 2023.

#### Revenue Recognition

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

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

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

#### Special Dividends

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

#### Distribution Policy

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

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

#### Treatment of Expenses

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

#### Taxation

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

#### Dilution Adjustment

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

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## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

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#### 1. Accounting policies (continued)

##### Unclaimed Distributions

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

#### 2. Net capital losses

The net capital losses during the year comprise:

	30/04/2023 £'000	30/04/2022 £'000
Non-derivative securities	(10,427)	(11,877)
Currency losses	(3)	(15)
Forward currency contracts	–	(3)
Transaction charges	(13)	(10)
Net capital losses on investments	<u>(10,443)</u>	<u>(11,905)</u>

#### 3. Revenue

	30/04/2023 £'000	30/04/2022 £'000
Bank interest	6	–
Overseas dividends	1,287	1,315
	<u>1,293</u>	<u>1,315</u>

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## Barings Korea Trust

Notes to the Financial Statements (continued)

For the year ended 30 April 2023

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### 4. Expenses

	30/04/2023 £'000	30/04/2022 £'000
<b>Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager:</b>		
Manager's service charge	753	1,030
	<u>753</u>	<u>1,030</u>
<b>Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee:</b>		
Trustee fees	12	17
Safe custody charges	41	68
	<u>53</u>	<u>85</u>
<b>Other expenses:</b>		
Administration fees	1	2
Audit fees	12	12
Professional fees	3	(13)
Registrar and transfer agency fees	24	29
Standing charges	3	3
Taxation fees*	5	14
	<u>48</u>	<u>47</u>
<b>Total expenses</b>	<u><u>854</u></u>	<u><u>1,162</u></u>

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

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 5. Taxation

	30/04/2023 £'000	30/04/2022 £'000
<b>a) Analysis of tax charges for the year:</b>		
Overseas withholding tax	283	289
Current tax charge (note 5b)	283	289

#### b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (30 April 2022: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (30 April 2022: 20%). The differences are explained below:

	30/04/2023 £'000	30/04/2022 £'000
Net revenue before taxation	439	153
Corporation tax at 20%	88	31
Effects of:		
Overseas withholding tax	283	289
Excess management expenses not utilised	170	232
Non taxable overseas dividends	(258)	(263)
Current tax charge for the period (note 5a)	283	289

#### c) Provision for the deferred tax

At the year-end, there was an unrecognised potential tax asset of £4,294,657 (30 April 2022: £4,124,962) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains/losses changes.

#### 6. Distributions

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

	30/04/2023 £'000	30/04/2022 £'000
Final Distribution	23	14
Final Accumulation	132	52
	155	66
Add: Revenue deducted on cancellation of units	25	6
Deduct: Revenue received on issue of units	(24)	(6)
	1	-
<b>Total distributions</b>	<b>156</b>	<b>66</b>

Details of the distributions per unit are set out in the Distribution Tables on page 32.



## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 7. Movement between net revenue and distributions

	30/04/2023	30/04/2022
	£'000	£'000
Net revenue after taxation	156	(136)
Income deficit	–	202
	<b>156</b>	<b>66</b>

#### 8. Debtors

	30/04/2023	30/04/2022
	£'000	£'000
Accrued revenue	85	75
Amount receivable for creation of units	90	55
Sales awaiting settlement	–	813
	<b>175</b>	<b>943</b>

#### 9. Cash and bank balances

	30/04/2023	30/04/2022
	£'000	£'000
Bank overdraft	(170)	(168)
Cash and bank balances	1,096	1,469
	<b>926</b>	<b>1,301</b>

#### 10. Other creditors

	30/04/2023	30/04/2022
	£'000	£'000
Accrued expenses	109	132
Amounts payable for cancellation of units	81	47
Currency deals awaiting settlement	–	4
Purchases awaiting settlement	–	706
	<b>190</b>	<b>889</b>

#### 11. Contingent liabilities

There were no contingent liabilities at the year-end date (30 April 2022: £nil).

#### 12. Equalisation

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

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## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

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#### 13. Financial instruments

In pursuing its investment objective set out on page 4, the Trust may hold a number of financial instruments. These comprise:

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

#### 14. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate (30 April 2022: same):

##### Market price risk

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

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

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

##### Market price risk sensitivity analysis

As at 30 April 2023, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £2.711 million (30 April 2022: £3.209 million).

##### Foreign currency risk

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

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

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 14. Risks of financial instruments (continued)

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

##### Currency exposure for the year ended 30 April 2023:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
South Korean won	54,211	41	54,252
	<u>54,211</u>	<u>41</u>	<u>54,252</u>

##### Currency exposure for the year ended 30 April 2022:

	Portfolio of investments £'000	Net other assets £'000	Total £'000
South Korean won	64,181	770	64,951
	<u>64,181</u>	<u>770</u>	<u>64,951</u>

#### Foreign currency risk sensitivity analysis

At 30 April 2023, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.543 million (30 April 2022: £0.650 million).

#### Interest rate risk

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

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

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 14. Risks of financial instruments (continued)

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

	Floating rate 30/04/2023 £'000	Fixed rate 30/04/2023 £'000	Non-interest bearing 30/04/2023 £'000	Total 30/04/2023 £'000
Portfolio of investments	–	–	54,211	54,211
Cash at bank	926	–	–	926
Other assets	–	–	175	175
Liabilities	–	–	(213)	(213)
	<b>926</b>	<b>–</b>	<b>54,173</b>	<b>55,099</b>

	Floating rate 30/04/2022 £'000	Fixed rate 30/04/2022 £'000	Non-interest bearing 30/04/2022 £'000	Total 30/04/2022 £'000
Portfolio of investments	–	–	64,181	64,181
Cash at bank	1,301	–	–	1,301
Other assets	–	–	943	943
Liabilities	–	–	(903)	(903)
	<b>1,301</b>	<b>–</b>	<b>64,221</b>	<b>65,522</b>

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

#### Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 30 April 2023 (30 April 2022: same).

#### Liquidity risk

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

#### Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 30 April 2023, the Trust did not hold any open forward currency contracts with any counterparty (30 April 2022: same). The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

#### Derivatives and other financial instruments

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

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 15. Fair value

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

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

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

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

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

#### Valuation technique for the year ended 30 April 2023:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	54,211	–	–	54,211
	54,211	–	–	54,211

#### Valuation technique for the year ended 30 April 2022:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Equities	64,181	–	–	64,181
	64,181	–	–	64,181

#### 16. Portfolio transaction costs

	30/04/2023 £'000	30/04/2022 £'000
<b>Analysis of total purchase costs:</b>		
Purchases before transaction costs*	51,096	48,009
Commissions:		
Equities total value paid	23	42
Total transaction costs	23	42
<b>Gross purchases total</b>	<b>51,119</b>	<b>48,051</b>

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 16. Portfolio transaction costs (continued)

	<b>30/04/2023</b>	30/04/2022
	<b>£'000</b>	£'000
<b>Analysis of total sale costs:</b>		
Sales before transaction costs*	<b>50,795</b>	56,707
Commissions:		
Equities total value paid	<b>(23)</b>	(31)
Taxes:		
Equities total value paid	<b>(111)</b>	(130)
Total transaction costs	<b>(134)</b>	(161)
<b>Total sales net of transaction costs</b>	<b>50,661</b>	56,546

\* Not included in 2023 and 2022 figures are purchases and sales in cash funds totalling £Nil million and £Nil million, respectively, where there are no transaction costs applicable.

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

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

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

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

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

	<b>30/04/2023</b>	30/04/2022
	<b>%</b>	%
Analysis of total purchase costs:		
Commissions:		
Equities percentage of total equities purchases costs	<b>0.04</b>	0.09
Equities percentage of average NAV	<b>0.04</b>	0.05

## Barings Korea Trust

### Notes to the Financial Statements (continued)

For the year ended 30 April 2023

#### 16. Portfolio transaction costs (continued)

	30/04/2023	30/04/2022
	%	%
Analysis of total sale costs:		
Commissions:		
Equities percentage of total equities sales costs	(0.04)	(0.05)
Equities percentage of average NAV	(0.04)	(0.04)
Taxes:		
Equities percentage of total equities sales costs	(0.22)	(0.23)
Equities percentage of average NAV	(0.19)	(0.17)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.14% (30 April 2022: 0.22%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

#### 17. Unit classes

The Trust currently has four unit classes: A GBP Acc, I GBP Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 5. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on page 6. The distribution per unit class is given in the distribution tables on page 32. All classes have the same rights on winding up.

	Class A GBP Acc	Class I GBP Acc	Class I GBP Inc
Opening units	13,060,303	2,999,072	854,209
Units created	978,315	2,019,077	94,623
Units liquidated	(1,846,832)	(1,145,326)	(136,351)
Units converted	(22,022)	20,423	–
<b>Closing units</b>	<b>12,169,764</b>	<b>3,893,246</b>	<b>812,481</b>

	Class I USD Acc
Opening units	45,259
Units created	–
Units liquidated	–
Units converted	–
<b>Closing units</b>	<b>45,259</b>

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## Barings Korea Trust

Notes to the Financial Statements (continued)

For the year ended 30 April 2023

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### 18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 30 April 2023, no amounts due from or to the Investment Manager in respect of unit transactions (30 April 2022: £nil).

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

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

### 19. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Accumulation class has increased from 319.30p to 340.20p, I GBP Accumulation class has increased from 344.70p to 367.90p, I GBP Income class has increased from 336.30p to 355.90p and I USD Accumulation class has increased from 431.40c to 484.30c as at 14 July 2023. This movement takes into account routine transactions. The Manager continues to monitor investment performance in line with investment objectives.



## Barings Korea Trust

### Distribution Tables

Group 1: Units purchased prior to 1 May 2022

Group 2: Units purchased between 1 May 2022 and 30 April 2023

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

Group	Net Revenue	Equalisation (Note 12)	2023 Accumulation Payable	2022 Accumulation Paid*
1	0.1325	0.0000	0.1325	Nil
2	0.0045	0.1280	0.1325	Nil

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

Group	Net Revenue	Equalisation (Note 12)	2023 Accumulation Payable	2022 Accumulation Paid
1	2.9386	0.0000	2.9386	1.6929
2	1.8144	1.1242	2.9386	1.6929

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

Group	Net Revenue	Equalisation (Note 12)	2023 Distribution Payable	2022 Distribution Paid
1	2.8306	0.0000	2.8306	1.6928
2	1.0846	1.7460	2.8306	1.6928

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

Group	Net Revenue	Equalisation (Note 12)	2023 Accumulation Payable	2022 Accumulation Paid
1	3.6463	0.0000	3.6463	2.3209
2	3.6463	0.0000	3.6463	2.3209

\*During the distribution period ending 30 April 2022, the total revenue for the Class A GBP Acc unit class was less than its expenses, resulting in a revenue shortfall.

**Barings Korea Trust**  
**The Risk and Reward Profile**

	<b>SRRI risk category*</b> <b>30/04/2023</b>	<b>SRRI risk category*</b> <b>30/04/2022</b>
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 ("SRRI") is not a measure of the risk of capital loss, but a measure of the Trust's price movement over time; the higher the number, the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Trust. The risk category shown is in line with the Key Investor Information Document ("KIID") at year-end, is not guaranteed and may change over time. The risk categories are measured from 1–7 (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 SRRI figures shown have not changed during the year.

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## Barings Korea Trust

### Important Information

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#### 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 year

Emma Browning resigned as a Director of the Manager on 3 May 2022.

Alan Behen was appointed as a Director of the Manager effective 27 July 2022.

The Prospectus of the Trust was updated on 18 July 2022.

The material changes to the Prospectus on 18 July 2022 are outlined as follows:

- Amending the investment objective of the Trust in order to clarify its financial objective and to introduce a target benchmark to offer investors a more readily measurable means of assessing whether the Trust has met its investment objective.
- Added wording to allow the Manager to compulsorily redeem/switch investors holding below minimum investment levels.

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

#### Key change subsequent to the year end

On 27 June 2023, the Board resolved to appoint Martin Horne as a Director of the Manager, subject to FCA approval. Once FCA approval of the appointment of the new Director is received, Julian Swayne will resign as a Director of the Manager.

#### 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.baring.com](http://www.baring.com). You can also obtain prices by telephone by calling +44 (0) 333 300 0372.

#### Dealing basis

The Manager’s basis for dealing in purchases and sales of the 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.

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## Barings Korea Trust

### Important Information (continued)

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#### **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](http://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.

#### **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 2022. This is available on the Barings website at [www.barings.com](http://www.barings.com). The Value Assessment for 2023 will be published in the 4th Quarter 2023.

#### **Remuneration (unaudited)**

The Manager's Remuneration Policy ensures the remuneration arrangements, as defined in the FCA's rules for UCITS and AIFs are:

- (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or the Trust; and
- (ii) consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is subject to the Financial Conduct Authority's ("FCA's") UCITS and AIFM Remuneration Codes (SYSC 19B and 19E) and complies with the remuneration principles in a way and to the extent appropriate to its size and business.

#### **Remuneration Committee**

Due to the size and nature of the Manager, the Board of Directors considers it appropriate not to apply the requirement to appoint a remuneration committee.

The Manager is part of the Barings Europe Limited (UK) group of companies ("Barings") which is governed by the Remuneration Panel and the Barings LLC Human Resources Committee. The Remuneration Panel and the Barings LLC Human Resources Committee ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

#### **Remuneration Code Staff**

The Manager has determined its Remuneration Code Staff as the following:

##### **1. Senior Management**

Senior Management comprises the Board of Directors, all SMFs and all members of the European Management Team ("EMT").

All control functions detailed in section 2 below are also senior managers.

**Barings Korea Trust**  
**Important Information** (continued)

**Remuneration Code Staff** (continued)

2. Control Functions

The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

3. Risk Takers

Risk Takers are defined as the investment managers of the Trust. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to Baring Asset Management Limited ("BAML"). Accordingly, the Manager currently has no risk takers outside of the senior management.

BAML is a MIFIDPRU firm and subject to the Investment Firms Prudential Regime (IFPR) which has equivalent remuneration rules.

4. Employees in the same remuneration bracket as risk takers

The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Trust. Accordingly, the Manager currently has no staff in this category.

5. Staff responsible for heading the investment management, administration, marketing and human resources to the extent that the Manager's staff fall within this category, they are also control function staff falling within section 2 above.

**Remuneration Disclosure (unaudited)**

The disclosure below details fixed and variable remuneration paid to Baring Fund Managers Limited ("BFM") staff and BFM Remuneration Code Staff (for the financial year ended 30 April 2023).

	Number of beneficiaries	Total remuneration	Total fixed remuneration	Total variable remuneration
<b>Total remuneration paid by BFM in relation to the Trust*</b>	19	£21,934	£4,279	£17,655
Total Senior Management Remuneration paid by BFM**	19	£606,189	£118,268	£487,921
<b>Risk Takers remuneration</b>	0	£0	£0	£0
Employees in the same remuneration bracket as risk takers	0	£0	£0	£0
<b>Carried interest paid by the Trust</b>	0	£0	£0	£0

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. No material changes have been made throughout the year or as a result of the review; no irregularities were identified.

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**Barings Korea Trust**  
**Important Information** (continued)

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**Remuneration Disclosure (unaudited)** (continued)

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Barings fund disclosures in that same year.

**Notes:**

\*Manager does not make any direct payments to staff who are paid by other Barings Group entities. Figures shown are apportioned on a fund Asset Under Management ("AUM") basis as a proportion of Barings total AUM as at 30 April 2023. Accordingly, the figures are not representative of any individual's actual remuneration.

\*\*Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM as at 30 April 2023.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind and discretionary pension awards.

The Trust does not pay performance fees.

There has been no award of carry interest in the year.

## Barings 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 year.

#### Information for investors in Switzerland

The Manager has appointed BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. Units are distributed in Switzerland by BNP PARIBAS, Paris at the above address. Investors can obtain free of charge the Prospectus, the Key Information Document(s) ("KID(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") from the representative at the above address. Official publications for the Trust are found on the internet at [www.fundinfo.com](http://www.fundinfo.com). Unit prices (Net Asset Value with the words "plus commissions") are published daily on the internet at [www.fundinfo.com](http://www.fundinfo.com).

#### Important information to the performance tables on page 39

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 Asset Management Association Switzerland ("AMAS") dated 16 May 2008, the Manager is providing the below additional information regarding performance.

#### Total Expense Ratio ("TER")

Following the Guideline of the Asset Management Association Switzerland ("AMAS") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the Trust for the 12 months to 30 April 2023. 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 year ended 30 April 2023 and the year ended 30 April 2022 are as follows:

	TER as at 30 April 2023 %	TER as at 30 April 2022 %
Class A GBP Acc	1.70	1.70
Class I GBP Acc	0.95	0.95
Class I GBP Inc	0.95	0.95
Class I USD Acc	0.95	0.95

## 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 30 April 2023 (including distribution payments where applicable)

	01/05/2022 - 30/04/2023 %	01/05/2021 - 30/04/2022 %	01/05/2020 - 30/04/2021 %	01/05/2019 - 30/04/2020 %	01/05/2018 - 30/04/2019 %
Barings Korea Trust - Class A GBP Acc (GBP terms)	(15.84)	(14.93)	63.55	(12.23)	(17.23)
Korea SE Composite Index (KOSPI) (GBP terms)	(12.99)	(16.38)	61.29	(12.43)	(15.37)
Barings Korea Trust - Class I GBP Acc (GBP terms)	(15.18)	(14.32)	64.80	(11.56)	(16.65)
Barings Korea Trust - Class I GBP Inc (GBP terms)	(15.21)	(14.31)	64.84	(11.58)	(16.65)
Barings Korea Trust - Class I USD Acc (USD terms)	(15.92)	(22.57)	67.10	(12.10)	(20.98)

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)
2023 High Low	385.30 303.10	413.00 326.00	403.00 318.00	522.30 362.80
2022 High Low	459.90 360.40	489.70 385.70	479.80 378.00	681.70 505.80
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

† Class I USD Acc was launched on 26 May 2015, hence, no data available for 2014.

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

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## Barings Korea Trust

### Directory

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#### **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

#### **Delegate of Sub-Investment Manager**

Barings Singapore Pte. Limited

Guoco Tower #25-01

1 Wallich Street

Singapore 078881

#### **Directors**

J. Armstrong (non-executive)

A. Behen (appointed 27 July 2022)

E. Browning (resigned 3 May 2022)

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.*

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## Barings Korea Trust

Directory (continued)

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### Independent Auditors

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow, G2 7EQ

### Paying agent

Société Générale Luxembourg\*

11, avenue Emile Reuter

L-2420 Luxembourg

Operational Centre:

28/32 Place de la Gare

L-1616 Luxembourg

\*Effective 9 December 2022, Société Générale Luxembourg was appointed as paying agent, replacing the jurisdictional paying agents previously in place.

### Swiss representative and paying agent

BNP PARIBAS, Paris

Zurich Branch

Selnaustrasse 16

8002 Zurich

Switzerland

The Prospectus, the Key Information Document(s) ("KID(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](http://www.barings.com), or via the office of the paying agent and the Swiss representative and paying agent.

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**BARINGS**

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