

IMPORTANT: This notice (the “**Notice**”) is sent to you as a unitholder of Barings International Umbrella Fund (the “**Unit Trust**”). It is important and requires your immediate attention. If you have any questions about the content of this Notice or are in any doubt as to the action to be taken, you should seek independent professional advice and immediately consult your stockbroker, bank manager, solicitor or attorney or other professional advisor. If you have sold or otherwise transferred your holding in the Unit Trust, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the “Central Bank”) or by the Securities and Futures Commission (the “SFC”). As such, it is possible that changes thereto may be necessary to meet the requirements of the Central Bank and the SFC. The directors (the “Directors”) of Baring International Fund Managers (Ireland) Limited (the “Manager”), the manager of the Unit Trust, are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank and the SFC.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept full responsibility for the accuracy of the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the prospectus for the Unit Trust dated 28 December 2018, the Hong Kong Covering Document dated December 2018 and the Product Key Facts Statements of the relevant funds of Barings International Umbrella Fund dated April 2019 (collectively the “**Hong Kong Offering Documents**”).

BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED

*Registered Office
70 Sir John Rogerson’s Quay
Dublin 2
Ireland*

16 July 2019

Dear Unitholder,

Barings International Umbrella Fund (the “Unit Trust”)

- **Barings International Umbrella Fund - Barings ASEAN Frontiers Fund**
 - **Barings International Umbrella Fund - Barings Asia Growth Fund**
 - **Barings International Umbrella Fund - Barings Australia Fund**
 - **Barings International Umbrella Fund - Barings Europa Fund**
 - **Barings International Umbrella Fund - Barings Hong Kong China Fund**
- (each a “Fund”, collectively the “Funds”)

We are writing to you as a Unitholder to notify you of certain changes being made to the Unit Trust.

A. Increase Flexibility to Invest in China A Shares and China B Shares

Owing to the increased importance of China A shares and China B shares in the global market, with effect from 16 August 2019 (the “**Effective Date**”), the investment policies of the following Funds of the Unit Trust will be changed to increase the Funds’ flexibility to invest in China A shares and China B shares from “no more than 10%” to “no more than 20%” of the Fund’s Net Asset Value: *Barings ASEAN Frontiers Fund, Barings Asia Growth Fund and Barings Hong Kong China Fund* (the “**Relevant Funds**”).

Currently, the Relevant Funds may invest in China A shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Connect Schemes or indirectly through investment in other eligible collective investment schemes or participation notes. Starting from the Effective Date, the Funds may also invest in China A shares through the Investment Manager's quotas approved under the QFII Regulations and/or RQFII Regulations.

B. Updates to the German Investment Tax Act

With effect from 1 January 2018, a version of the Investmentsteuergesetz (InvStG) was implemented which affects the Fund level and the investor level taxation. Where a Fund is compliant with the said legislation, the benefit that it will provide German investors is dependent upon the categorisation of the fund (equity or mixed) and the investor (private or corporate).

The categorisation of a Fund as an "equity fund" or a "mixed fund" pursuant to the InvStG will depend on whether the Fund meets applicable equity investment thresholds. The Hong Kong Offering Documents will be updated to provide clarification on the methodology in calculating the equity investment thresholds:

“The fund's equity asset ratio will be calculated as a proportion of the fund's "total assets" (Aktivvermögen), as defined in Section 2 Paragraph 9a of the InvStG. This will be the fund's equity value as a proportion of the total value of the assets of the fund, excluding all liabilities.

Under certain conditions, the Investment Manager may measure the equity asset ratio using the fund's net asset value as the basis. In this case, when determining the value of the equity assets any borrowings will be deducted on a pro rata basis, where borrowings are defined in Section 26 Paragraph 7 of the InvStG.”

Together with the clarification above, the investment policies of the following Funds of the Unit Trust will be clarified that the Funds intend to meet the requirements to be classified as being an "equity fund" and will invest at least 50% of its assets in direct equities: *Barings ASEAN Frontiers Fund, Barings Asia Growth Fund, Barings Australia Fund, Barings Europa Fund and Barings Hong Kong China Fund.*

There is no change to the way in which the Funds are currently managed and there is no change to the investment strategies of the Funds. The Hong Kong Offering Documents will be updated to reflect the current interpretation of the requirements under InvStG.

C. Updates to exposure to domestic Chinese bonds

For greater investment flexibility, the Hong Kong Offering Documents will be updated to provide that a Fund of the Unit Trust may invest in domestic Chinese bonds (including urban investment bonds) via the CIBM initiative (the regime launched in February 2016 for foreign institutional investors to invest in the Mainland China interbank bond markets) and/or Bond Connect (an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China) provided that such investment is in accordance with the requirements of the Central Bank and the relevant authorities in the People's Republic of China. It is further provided that unless otherwise specified in the relevant Supplement for a Fund, a Fund does not intend to invest more than 10% of its Net Asset Value in domestic Chinese bonds (including urban investment bonds). Investments in domestic Chinese bonds (including urban investment bonds), if considered appropriate by the Investment Manager, will only be made after the Effective Date. Investment in domestic Chinese bonds (including urban investment bonds) will only be made insofar as such investment is consistent with and within the investment policy of the relevant Fund. Investing in the Chinese securities market means that the Funds are subject to emerging market risks and also country specific risks. Please refer to the revised Hong Kong Offering Documents once available to review these risks.

D. Amendments to reflect requirements under the Revised Code on Unit Trusts and Mutual Funds

1. Background

The Unit Trust is authorised by the SFC and hence is subject to the applicable requirements under the Code on Unit Trusts and Mutual Funds ("Code") issued by the SFC. The Code has been revised.

2. Changes pursuant to the revised Code

The following key changes ("Changes") will be made to the Hong Kong Offering Documents to reflect applicable requirements under the revised Code:

(i) Enhancement of disclosures on net derivative exposure

The Hong Kong Covering Document and the Product Key Facts Statements of the Funds will be amended to include disclosures on the expected maximum net derivative exposure arising from derivative instruments. The net derivative exposure of the Funds is calculated in accordance with the requirements and guidance issued by the SFC, which may be updated from time to time.

Each Fund's net derivative exposure may be up to 50% of its Net Asset Value.

(ii) Other amendments

The Hong Kong Offering Documents will also be revised to incorporate other amendments and enhancement of disclosures to reflect the requirements of the revised Code, the key updates include the following:

- (a) amendments to further clarify that the Manager, the Investment Manager(s) or any person acting on behalf of the Funds or the Manager or Investment Manager(s) may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme;
- (b) a summary of the arrangements in handling unclaimed proceeds of Unitholders during the termination process;
- (c) enhancements of risk disclosures where appropriate, e.g. custody risk; and
- (d) other miscellaneous and enhancements of disclosure.

Please refer to the revised Hong Kong Offering Documents for further details of the Changes and updates.

E. Updates to the Hong Kong Offering Documents

The Hong Kong Offering Documents will also be updated to reflect other updates such as:

- the appointment of Alan Behen and Paul Smyth as new directors of the Manager (these appointments were effective on 4 February 2019 and 19 March 2019 respectively);
- enhancement of risk disclosures (including enhancement to the risks relating to investments in China and investments in urban investment bonds);
- updates of disclosure to remove EMX as one of the channels where investors may subscribe/redeem/convert the Units via electronic messaging services. It is also clarified that investors wishing to utilise electronic messaging services for subscription, redemption or conversion of Units will need to obtain agreement from the Administrator. For the avoidance of doubt, there will be no impact to the existing Unitholders of the Funds;
- enhancement of disclosure to reflect that the Trust Deed permits the Manager to issue Units at the Net Asset Value per Unit in consideration of in specie securities or other assets as approved by the Manager and the Depositary which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. The costs associated with such in specie subscriptions shall be borne by the investor. The Manager may decline any request for in specie subscription at its discretion;
- update to the description of the Depositary;
- update to the list of eligible securities and derivatives markets to include Shanghai Futures Exchange and China Interbank Bond Market;
- update to the remuneration policy;
- enhancement to the summary of liquidity risk management policies; and
- other miscellaneous, administrative and editorial updates and enhancements of disclosure.

The changes set out in this Notice do not amount to material changes to the Unit Trust and the Funds and are not expected to lead to material change or increase in the overall risk profile of the Unit Trust and the Funds. The changes are not expected to have any material adverse impact on Unitholders' rights or interests (including changes that may limit Unitholders' ability in exercising their rights). In addition, the changes set out above will not result in any change

in the current level of fees and charges payable by the Funds or the Shareholders, do not impact the way in which the Funds are operated and do not impact the way in which the Funds are being managed (except for the changes under Parts A and C above).

The fees and expenses incurred in connection with the proposed changes will be borne by the Funds. The Manager considers that such fees and expenses are not significant in terms of the current net asset value of the Funds.

Revised Trust Deed

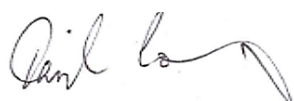
The Trust Deed was revised by a second supplemental trust deed dated 18 July 2018 (the “**Second Supplemental Deed**”) to reflect the requirements under the General Data Protection Regulation (Regulation (EU) 2016/679). Inadvertently, the jurisdiction clause of the Second Supplemental Deed provided that the parties to the Second Supplemental Deed are subject to the exclusive jurisdiction of the Irish courts. Such an exclusivity provision was not intended and the Manager and the Depositary agree to submit to the non-exclusive jurisdiction of the Irish courts for the purpose of the Second Supplemental Deed. In addition, the Manager and the Depositary have entered into a third supplemental trust deed to rectify the jurisdiction clause of the Second Supplemental Deed. From the effective date of the third supplemental trust deed, the jurisdiction clause of the Second Supplemental Deed will no longer provide that the parties to such deed are subject to the exclusive jurisdiction of the Irish courts (i.e. an action relating to the Second Supplemental Deed may be brought to the courts of Hong Kong.). The revised Trust Deed (as amended by the supplemental trust deeds from time to time) may be obtained or inspected free of charge at the office of the Hong Kong Representative at the address listed below.

Action to be taken

Please note that no Unitholder meeting or vote is necessary in connection with the above proposed updates and therefore no action is required by you. Copies of the Unit Trust’s revised prospectus will be available at the registered office of the Manager after the Effective Date. It is anticipated that the effective date for these changes will occur on the Effective Date unless otherwise indicated. If you do not agree with the proposed changes, you may redeem your Units or switch to any other SFC-authorized¹ Barings fund(s) which are made available to you free of charge until the Dealing Day before the Effective Date (as defined below) in accordance with the provisions of the Hong Kong Offering Documents. Please note that we will not impose any charges in respect of your redemption and/or switching instructions. However, your bank or financial adviser may charge you additional fees (such as redemption fees, switching fees or transaction fees) or expenses at their own discretion in respect of such instructions and they may apply different procedures from what is stated in the Hong Kong Offering Documents. You are advised to contact your bank, distributor or financial adviser should you have any questions. The revised Hong Kong Offering Documents will be updated to reflect the above changes where appropriate after the Effective Date. A copy of the revised Hong Kong Offering Documents will be available free of charge at the office of the Hong Kong Representative at the address listed below and on www.baring.com² after the Effective Date.

Should you have any questions relating to the matters dealt with in this Notice, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at BDG.HK.Wealth.Retail@barings.com, or by letter at the following address: 35th Floor, Gloucester Tower, 15 Queen’s Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

Yours faithfully



David Conway
Director
For and on behalf of
BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED

¹ SFC authorization 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.

² Please note that the website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.