

**IMPORTANT:** This document is important and requires your immediate attention. If you have any questions about the content of this document, you should seek independent professional advice. The Directors of Baring International Fund Managers (Ireland) Limited (the “Managers”) accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document misleading at the date of issuance.

Unless otherwise stated, capitalised terms in this notice shall have the same meaning as defined in the relevant Highlights.

Date: 27 September 2017

Dear Shareholder,

- **Baring Investment Funds plc – Baring China Select Fund**
- **Baring Investment Funds plc – Baring India Fund**
- **Baring Investment Funds plc – Baring MENA Fund**
- **Baring Investment Funds plc – Baring European Opportunities Fund**

(each a “Fund”, collectively the “Funds”)

We are writing to notify you of amendments made to the Highlights (as amended from time to time) (the “**Highlights**”) of the Baring Investment Funds plc (the “**Company**”) which came into effect on 6 September 2017 (the “**Effective Date**”) unless otherwise stated. A summary of the key amendments to the Highlights are explained below.

Please note that these changes do not require any action from you, but are nonetheless important.

## **Change 1 – Investment objectives, policies and strategies**

### **1. Enhancement to the investment policies and strategies of the Funds**

To enable the Investment Manager to better manage the liquidity of the Funds under exceptional circumstances, the investment policies of the Funds have been enhanced to allow the Funds to temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments or have substantial holdings in cash and cash equivalents under exceptional circumstances (e.g. due to economic conditions, political risks or world events, high downside risks during uncertainties, or closure of relevant market(s) due to unexpected events, such as political unrest, war or bankruptcy of large financial institutions).

In respect of the Funds, the disclosure concerning our investment approach currently described as “Growth at a Reasonable Price” has been enhanced to more fully describe the factors taken into account during the stock selection process.

### **2. Investment objective and policy wordings of Baring European Opportunities Fund**

The investment objective and policy wordings of Baring European Opportunities Fund have been updated to better and/or more clearly explain how the Fund is managed.

The changes are to clarify that the Fund will invest a minimum of 75% (instead of 70%) of the total assets of the Fund in equities (i.e. shares) and equity-related securities of smaller companies incorporated in Europe, or exercising the predominant part of their economic activity in Europe or quoted or traded on the stock exchanges in Europe. The definition of “Smaller European companies” has been changed from “those not included in European large cap benchmark indices such as the STOXX Europe 50 or FTSE Eurotop 100” to “those companies which are constituents of the bottom 30% of total market capitalisation of Europe’s listed companies”. However, for the remainder of the Fund’s total assets, the Fund maintains the discretion to invest in markets outside of Europe, as well as in larger companies, and in fixed income and cash. The Fund is also

able to invest in up to 10% of its net assets in other collective investment schemes.

Please refer to the attached Appendix 1 for current and updated investment objective, policy and strategy wordings of the Fund.

The changes set out above do not affect the Fund's risk profile. The Fund will continue to be managed in a manner which is in accordance with its investment objective and policies.

### **3. Provisions for flexibility for Baring China Select Fund for the investment via the Shenzhen-Hong Kong Stock Connect Scheme**

Currently, Baring China Select Fund may invest in China A shares directly via the Shanghai-Hong Kong Stock Connect Scheme. The investment policy of Baring China Select Fund has been revised to provide flexibility to invest in China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange directly through the Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Scheme (the "**Connect Schemes**"). For the avoidance of doubt, the direct and indirect exposure to China A shares and B shares will remain unchanged (i.e. not more than 10% of the Net Asset Value of the Fund).

Notwithstanding investments via the Connect Schemes are not expected to materially affect the overall risk profile of the Fund, please note that investments through the Connect Schemes are subject to additional risks, namely, quota limitations, legal / beneficial ownership, clearing and settlement risk, currency risk, corporate actions and shareholders' meetings, foreign shareholding restrictions, operational risk, regulatory risk, suspension risk, restrictions on selling imposed by front-end monitoring, differences in trading days and recalling of eligible stocks. Further, the Fund's investments through Northbound trading under Connect Schemes will not be covered by Hong Kong's Investor Compensation Fund. When investing in eligible China A shares through the Shenzhen-Hong Kong Stock Connect Scheme, the Fund will also be subject to the risks associated with the Small and Medium Enterprise Board of the Shenzhen Stock Exchange and/or ChiNext Board of the Shenzhen Stock Exchange.

For further information about the Connect Schemes, please refer to the "Investment Policies: General" section of the Highlights. Investors should also pay attention to the enhanced risk disclosure in "Investment via the Connect Schemes" in the "Fund Specific Risks" section of the Highlights.

### **Change 2 - Amendments to the Highlights regarding umbrella cash account and its associated risks**

The sub-section of the Highlights entitled 'Anti-Money Laundering and Counter Terrorist Financing Measures', a sub-section of the section entitled 'Application Procedure' and 'Winding up of the Company and Termination of Fund' has been updated to make certain clarificatory updates and to reflect that:

- (i) Where Shares have been compulsorily repurchased for failure to provide the information required for verification purposes, the proceeds of realisation will be held in an "Umbrella Cash Account" (i.e. an account opened in the name of the Depositary on behalf of the Company for the purpose of holding realisation proceeds due to an investor which cannot be transferred to the relevant investor) and such proceeds shall be treated as an asset of the relevant Fund. The relevant investor will rank as an unsecured creditor of the relevant Fund until such time as the Managers or the Administrator are satisfied that its anti-money laundering and counter terrorist financing procedures have been fully complied with, following which realisation proceeds will be released.
- (ii) In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the relevant Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due realisation proceeds which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore, in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.
- (iii) Accordingly, investors should ensure that all documentation required by the Managers or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Managers or Administrator when subscribing for Shares, as well as during the business relationship.
- (iv) Following the termination of a Fund, any unclaimed proceeds or monies which cannot be distributed to investors (e.g. where an investor has not provided the documentation required for client identification and verification purposes or where an investor cannot be traced) will be held in an Umbrella Cash Account.

### Change 3 – Enhancement of disclosures on securities financing transactions

Additional disclosure has been added to the Highlights to reflect the recent regulatory changes following the entry into force of the Securities Financing Transaction Regulation 2015 (2015/2365). In particular, the disclosures on maximum gross exposure and expected exposure to total return swaps has been included in the Highlights; please refer to attached Appendix 2 for details.

Investors should also note that entering into total return swaps are subject to risks such as counterparty risk, liquidity risk, legal risk, operational risks and the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Investors should pay attention to the enhanced risk disclosure in “Risks Associated with Securities Financing Transactions” in the “Fund Specific Risks” section of the Highlights.

For the avoidance of doubt, please note that this is an enhancement of disclosures only and there is no change to the maximum gross exposure and expected exposure that can be subject to total return swaps. This will not affect the way the Funds are currently managed or the overall risk profile of the Funds.

### Change 4 – Clarificatory update of the disclosure regarding hedged share classes

Due to a recent European Securities and Markets Authority’s opinion on UCITS share class, disclosure regarding hedged share classes has been updated to include the lower hedging limit for hedged positions (i.e. 95% of the Net Asset Value attributable to the relevant Class of Shares of the Fund). This is a clarification update and there is no change to the lower hedging limit for hedged positions.

### Change 5 – Reduction of administration fee for Class I and Class X

The current rate of administration fee for the following share classes of the following Funds has been reduced as follows:

Share Class	Current Administration Fee (per annum) (as a % of the Fund's net asset value)	Administration Fee from the Effective Date (per annum) (as a % of the Fund's net asset value attributable to the Class)
Baring China Select Fund		
Class I	0.45%	0.35%
Class X		
Baring European Opportunities Fund		
Class I	0.45%	0.25%
Class X		
Baring India Fund		
Class I	0.45%	0.25%
Class X		
Baring MENA Fund		
Class I	0.45%	0.25%
Class X		

Please note that the administration fee is subject to a monthly minimum fee of £2,500 at Fund level.

### Change 6 – Clarificatory updates to the dilution adjustment policy

The disclosure regarding dilution adjustment policy have been updated to clarify that the Net Asset Value per Share may be adjusted downward in respect of realisations or upward in respect of subscriptions. and that the application of the pricing methodology will comply with the requirements of the Central Bank of Ireland. For the avoidance of doubt, this is a clarification only and there is no change to current practice.

### Change 7 – Clarificatory update to the application procedures for buying Shares

The Highlights have been enhanced to reflect that the Dealing Price at which Shares will be issued to any person whose application is received prior to 5 p.m. Hong Kong time or 12 noon Irish time on a Dealing Day, after the initial issue, will be calculated by reference to the Valuation Point on that Dealing Day. For the avoidance of doubt, this is an enhancement of disclosure and there is no change to the current practice.

In addition, the Highlights have been updated to remind Shareholders that if any of the details that are provided change, including the Shareholder's address, other contact details (e.g. telephone number, email address) or bank account details, the Shareholder should inform the Hong Kong Representative immediately by letter at the address listed below. Failure to do so may cause a delay in processing any subsequent orders.

#### **Change 8 – Report and accounts**

With effect from 1 November 2017, copies of the reports and accounts (available in English only) will be available at [www.baring.com](http://www.baring.com)<sup>1</sup> and will also be available on request for inspection at the offices of Hong Kong Representative within the timeframe as set out in the Highlights and notified to Shareholders. Hard copies of the reports and accounts will no longer be sent to Shareholders.

#### **Change 9 – Change of address of Baring Asset Management (Asia) Limited**

With effect from 1 July 2017, the office of Baring Asset Management (Asia) Limited, the Hong Kong Representative of the Company and the Sub-Investment Manager of Baring India Fund and Baring China Select Fund, has moved to Room 3401, 3409-3410 & 35/F, Gloucester Tower, 15 Queen's Road Central, Hong Kong.

For your easy reference, the Hong Kong Representative's and the Sub-Investment Manager's contact details are as follows:

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

Telephone: 2841 1411  
Facsimile: 2845 9050

The registered office address of the Hong Kong Representative and the Sub-Investment Manager is:

Room 3401, 3409-3410 & 35/F  
Gloucester Tower  
15 Queen's Road Central  
Hong Kong

#### **Change 10 – Miscellaneous updates to the Highlights**

The Highlights have been updated to include other miscellaneous updates summarized as follows and have become effective on the Effective Date:

1. Insertion of the definitions of "AIF", "Data Protection Legislation", "EMIR", "Global Exchange Market", "SFTR" and "Specified US Person" and removal of the definition of "Main Securities Market" as well as the related consequential updates;
2. Updates to the definitions of "Administrator Agreement", "Irish Stock Exchange", "Official List" and "Preliminary Charge";
3. Updating references from "Dublin time" to "Irish time" and from "non-UCITS" to "AIFs" and the related consequential updates;
4. Updates to the initial offer period of unlaunched Classes of Shares of the Funds;
5. Updates under the section headed "Investment Objectives and Policies" to include clarificatory disclosure relating to the use of derivatives (for Baring China Select Fund only) and to reflect that the "Value at Risk" methodology for the Funds will be calculated daily using the Monte Carlo approach, a one-tailed 99% confidence level, a 10 day holding period and a one year (instead of three years) historical observation period with an 11 day half-life;
6. Enhancement of disclosures regarding investment in derivatives, counterparty requirements and collateral management;

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<sup>1</sup> 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.

7. Enhancement of risk disclosures;
8. Updates to the amount of assets under custody of the Northern Trust Group;
9. Enhancement of disclosure regarding the administrator and registrar of the Company;
10. Change of directors of the Managers and the Mauritius Vehicle (for details of the resignation dates of resigned directors and appointment dates of new directors, please contact the Hong Kong Representative at the contact details listed below);
11. Updates to the estimated fee of the Mauritius Administrator;
12. Enhancement of disclosure to reflect that the fees and expenses payable by the Managers to the Investment Manager out of its management fee are for the discretionary managements of the assets of the Company;
13. Enhancement of disclosure under the sub-section headed "Commissions/Brokerage" under the section headed "Fund Charges and Expenses" to reflect that the Investment Manager, as part of providing investment management services to the Funds, has entered into arrangements with certain brokers under which a proportion of the commission paid to them on equity transactions may be used to pay for execution and/or research services provided by the broker and/or a third party;
14. Updates to clarify that the Preliminary Charge is charged on the Dealing Price (i.e. up to 5% of the Dealing Price) instead of up to 5% of the gross subscription proceeds as currently disclosed under the section headed "Preliminary Charge" in the Highlights. For the avoidance of doubt, there is no change to actual practice and that the Preliminary Charge has been always been charged against the Dealing Price and that the Highlights are updated for clarity and consistency;
15. Updates to clarify that the Realisation Charge is charged on the Dealing Price instead of the Net Asset Value as currently disclosed under the section headed "Realisation Charge" in the Highlights. For the avoidance of doubt, the Funds do not currently charge any Realisation Charge and that it has always been intended that Realisation Charge (if any) would be charged against the Dealing Price; thus the Highlights are updated for clarity;
16. Updates regarding the amortized/unamortized cost of establishment of the Funds;
17. Enhancement of disclosure under the section headed "Calculation of Net Asset Value", for example, to reflect that the Managers have delegated the determination of the Net Asset Value and the Net Asset Value per Share to the Administrator and to set out the duties and liabilities of the Administrator;
18. Enhancement of disclosure under the section headed "Data protection" regarding the Data Protection Legislation;
19. Insertion of a summary of the liquidity risk management policy of the Company and the Funds;
20. Update to taxation disclosure (including foreign account tax compliance provisions (FATCA));
21. Enhancement of disclosures regarding the automatic exchange of information for international tax compliance;
22. Updates to the list of permissible markets and exchanges in Appendix I of the Highlights;
23. The contents of the First Addendum to the Highlights dated 5 July 2016 have been incorporated into the Highlights; and
24. Other miscellaneous formatting, administrative and/or clarificatory updates to address latest regulatory requirements, for better consistency with the Irish Prospectus and/or for better clarity.

### **Updates to the Highlights and Product Key Facts Statements**

The Highlights and Product Key Facts Statements for the Funds have been updated to reflect the above changes where appropriate. A copy of these documents are available free of charge at the office of the Hong Kong Representative at the address listed below.


### **Action to be taken**

The updates described above will not result in any material change in the investment objective and policy of the Funds and the risk profiles of the Funds. The changes will not amount to a material change to the Company and the Funds and do not materially prejudice the rights or interests of the Shareholders.

There is no action required on your part and these changes have been implemented on 6 September 2017 (unless otherwise specified). If, when you purchased your Shares in the Company, you used the services of a financial adviser you should consult him or her for advice on what the above changes mean for you.

Should you have any questions with regard to the contents of this letter, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at HK.Mutual.Fund.Sales@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,

  
Director

For and on behalf of,  
Baring International Fund Managers (Ireland) Limited

## Appendix 1

The current and updated investment objective, policy and strategy wordings of Baring European Opportunities Fund is set out below:

<b>Current investment objective, policy and strategy wordings</b>
<p>The Fund will seek to achieve long-term capital growth primarily through investment in the securities of smaller European companies.</p> <p>The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equity and equity-related securities of smaller companies incorporated and/or exercising the predominant part of their economic activity, in Europe and/or listed or traded on eligible European stock exchanges or markets. For this purpose, total assets exclude cash and ancillary liquidities. Smaller European companies are those not included in European large cap benchmark indices such as the STOXX Europe 50 or FTSE Eurotop 100.</p> <p>The Fund will seek to primarily identify investments through “bottom-up” investment analysis. Bottom-up investment relates to the analysis of characteristics of particular companies, such as their profitability, cash flow, earnings and pricing power and how these relate to the valuation of the investments. Qualitative and quantitative research is undertaken to identify those companies, industries and countries that the Investment Manager expects to produce above average investment performance.</p> <p><i>Strategy</i></p> <p>The Fund is managed using a quality “Growth at a Reasonable Price” or GARP investment philosophy, based on earnings growth as the principal driver of equity market performance over the medium to long-term and the Investment Manager’s conviction that high quality companies can outperform the market on a risk-adjusted basis. This approach emphasises structured fundamental research and a disciplined investment process combining quality, growth and valuations as a way of identifying attractively priced, long-term growth companies with the potential to outperform the market.</p> <p>In addition up to 30% of the total assets of the Fund may be invested in, or provide exposure to:</p> <ul style="list-style-type: none"><li>• the equities and equity related securities of smaller companies incorporated in and/or exercising the predominant part of their economic activity in countries outside of Europe.</li><li>• the equities and equity related securities of larger companies incorporated in and/or exercising the predominant part of their economic activity in countries worldwide.</li><li>• debt securities of issuers worldwide. The debt securities in which the Fund may invest may be fixed or floating rate, issued by governments, supranationals, agencies and companies. Debt securities may be rated investment grade or sub-investment grade by Standard &amp; Poor’s (S&amp;P) or another internationally recognized rating agency, or which are, in the opinion of the Managers, of similar credit status or may be unrated. Asset-backed securities and mortgage-backed securities will not exceed 10% of the net assets of the Fund. There are no limits or restrictions on credit rating, maturity or duration of any debt or equity-related security (such as debt securities convertible into equities) which may be held by the Fund. Investment in sub-investment grade debt securities and unrated debt securities will not exceed 10% of the Net Asset Value of the Fund.</li><li>• cash and ancillary liquidities such as deposits, treasury bills, government bonds or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.</li></ul> <p>The Fund is not expected to invest more than 10% of its net assets in securities issued and/or guaranteed by a single sovereign (including its government, a public or local authority of that country) which is rated below investment grade by an internationally recognised rating agency. In the event of split rating, the highest credit rating accredited to the relevant sovereign issuer will be deemed the reference credit rating.</p> <p>With the exception of permitted investment in unlisted securities, the Fund will only invest in securities that are listed or traded on markets and exchanges drawn from the list contained in Appendix I of the Highlights.</p> <p>To assist in achieving the investment objective of the Fund, it may invest in American Depositary Receipts, Global Depositary Receipts and other equity-related securities including but not limited to structured notes, participation notes, equity linked notes and debt securities convertible into equities. These instruments comprise transferable securities of the issuer, whilst their value is ultimately linked to an underlying equity or</p>

group of equities. Notes are typically used as a substitute for direct investment in an equity or group of equities and their value is linked to the underlying equity or group of equities. In practice the Fund will purchase such instruments from an issuer and the instrument will track the underlying equity or group of equities. The issuer of such instruments will generally be investment banks and companies and it should be noted that the Fund's counterparty exposure in relation to these instruments will be to the issuer of these instruments. However, it will also have an economic exposure to the underlying securities themselves. These instruments involve special types of risk, including credit risk, interest rate risk, counterparty risk and liquidity risk. Investment in such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. These instruments are usually unleveraged, although certain types of notes may contain embedded leverage (see Section 5 below). Investment in those instruments that are not listed or traded on a regulated market but which otherwise meet the above requirements of a transferable security is restricted to 10% of net assets.

A proportion of the Fund's investment in listed equity and equity related securities of smaller European companies may be relatively illiquid due to smaller capitalisation. Such exposure should not affect the Managers' ability to meet requests for the realisation of Shares in the Fund. Subject to the Regulations the Fund may also invest, up to a maximum of 10% of its net assets, in the shares of companies which are not yet listed but are expected to obtain a stock market quotation within one year.

Investment may also be made in cash and ancillary liquidities such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

The Fund may gain exposure either directly and/or indirectly such as through the use of derivatives, exchange traded funds ("ETFs"), exchange traded certificates ("ETCs") and collective investment schemes. ETFs which are not classified as collective investment schemes (as referred to below) are treated as transferable securities. ETCs are investment vehicles that track the performance of commodities, indices and other investments, including but not limited to inter alia gold, silver, platinum, diamonds, palladium, uranium, coal, oil, gas, copper and crop. ETCs are liquid securities issued by investment banks and brokers and are traded on a regulated exchange or market in the same way as an equity. ETCs enable investors to gain indirect exposure to commodities, indices and other investments without trading futures or taking physical delivery of assets.

As stated above, the Fund may invest either directly or indirectly in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund. Investment in collective investment schemes will include ETFs which are classified as collective investment schemes in accordance with the Central Bank's requirements. Investment in collective investment schemes will primarily be for the purposes of obtaining an indirect exposure to European companies, and the use of money market funds for cash management purposes.

The Fund may use derivatives for efficient portfolio management and for investment purposes and details in relation to such derivatives and the context in which they may be used are set out in Section 5 below.

The Fund is expected to have a high volatility profile. However, the actual volatility may be lower depending on market conditions.

The minimum investment requirement of 70% as referenced above, will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issue, switching or realisation of Shares. In particular, in seeking to achieve the Fund's investment objective investment may be made into transferable securities other than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. For example, during these periods, the Fund may invest more than 30% of its total assets in cash, deposits, treasury bills, government bonds or short-term Money Market Instruments.

The Fund will invest at least 75% of its assets in equities and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) Country, except Lichtenstein, with the intention that the Fund is eligible to the PEA regime (Plan d'Epargne en Actions equity savings plan) in France.

#### **Updated investment objective, policy and strategy wordings**

The Fund will seek to achieve long-term capital growth primarily through investment in the securities of smaller European companies.

The Fund will seek to achieve its investment objective by investing at least 75% of its total assets in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their



economic activity in Europe or quoted or traded on the stock exchanges in Europe. For this purpose, total assets exclude cash and ancillary liquidities.

Smaller European companies can be defined as those companies which are constituents of the bottom 30% of total market capitalisation of Europe's listed companies.

For the remainder of its total assets, the Fund may invest outside of Europe as well as in larger companies, and in fixed income and cash.

While the Fund will aim to diversify its investments, allocation to certain countries, industries or sectors may be more than 30% of its total assets depending on the Investment Manager's assessment at different times.

In order to implement the investment policy the Fund 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 Fund may also invest up to 10% of its net assets in collective investment schemes.

The Fund will invest at least 75% of its assets in equities and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEC) Country, except Lichtenstein, with the intention that the Fund is eligible to the PEA regime (Plan d'Epargne en Actions equity savings plan) in France.

### Strategy

The Investment Manager believes that equity markets are inefficient and seeks to identify these inefficiencies through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis with a disciplined investment process. The evaluation of growth companies' includes analysis of their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years to find investment opportunities.

The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused, minority shareholder friendly management and balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the investment manager to offer funds which should exhibit lower volatility over time.

## Appendix 2

<b>Fund Name</b>	<b>Maximum gross exposure of total return swaps</b>	<b>Expected exposure calculated using the sum of the notionals</b>
Baring China Select Fund	200% of the Net Asset Value of the Fund	0%-10% of the Net Asset Value of the Fund
Baring European Opportunities Fund		0%-10% of the Net Asset Value of the Fund
Baring India Fund		0%-10% of the Net Asset Value of the Fund
Baring MENA Fund		0%-10% of the Net Asset Value of the Fund