



IMPORTANT: This letter requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. The Directors of the Baring International Fund Managers (Ireland) Limited (“Managers”) accept responsibility for the accuracy of the contents of this letter.

Capitalised terms used herein but not defined shall have the meaning ascribed to such terms under the Highlights for Baring Investment Funds plc, dated March 2016, together with the First Addendum dated 5 July 2016 to the Highlights (collectively the “Highlights”).

Date: 17 March 2017

Dear Shareholder,

Proposed Termination of the Baring Emerging Markets Debt Local Currency Fund (the “Fund”), a sub-fund of Baring Investment Funds plc (the “Company”)

Following the merger between Babson Capital Management and Baring Asset Management in September 2016, and after a careful analysis of the firm’s emerging market offerings and of the Fund’s operations, we wish to advise of the decision made by the Directors of the Company to terminate the Fund (the “**Termination**”). This is in consideration of the Fund’s economic viability and ability to operate in a cost-efficient manner due to its small asset size and in the context of the existing emerging markets platform and its dedicated emerging markets local debt strategy. As at 28 February 2017, the assets of the Fund were US\$15.2 million. A merger was considered within the existing emerging market offerings but, due to operational and distribution differences, no suitable fund was available. Barings remains committed to providing clients with a wide range of emerging market debt solutions and, under the leadership of Ricardo Adrogue, focused on building out our market leading emerging market debt platform.

We believe the Termination is in the best interest of Shareholders and the Depositary has no objection to the Termination.

The total expense ratio for the various classes of Shares of the Fund were as follows: Class A EUR Inc, Class A GBP Hedged Inc, Class A HKD Inc, Class A USD Inc, Class A EUR Acc, Class A USD Acc Shares: 1.50% and Class I EUR Inc, Class I USD Inc Shares: 0.90%. The total expense ratio represents the total operating expenses chargeable to the respective share class for the 12-month period ended 31 October 2016 expressed as a percentage of the average net asset value of the respective share class for the same period.

There are no unamortised preliminary expenses.

We hereby give you notice of the closure of the Fund pursuant to Clause 36.01 of the Memorandum and Articles of Association which provides that the Directors may at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to compulsorily redeem all shares of the Fund and terminate the Fund and that all of your Shares in the Fund will be compulsorily redeemed on 17 May 2017 (the “**Compulsory Redemption Date**”).

The Termination (including all classes of Shares) will take effect on 17 May 2017 (the “**Effective Date**”).

With immediate effect, the Managers will no longer accept subscription for Shares in the Fund from new investors and the Fund is no longer allowed to be marketed to the public in Hong Kong.

Action to be taken by you

You may wish to take the opportunity to switch your holdings, free of charge, to shares/units of the same class in any other Barings funds which are authorized by the SFC in Hong Kong¹, subject to the provisions of the relevant offering documents, between now and the last Dealing Day on 16 May 2017 (the “**Last Dealing Day**”) provided such request is received by the Hong Kong Representative no later than 5.00pm (Hong Kong time) on the Last Dealing Day. Should you wish to switch to another Barings fund, please refer to the offering documents of the relevant Barings fund before you invest as the investment objective as well as risk profiles of such funds may be different to the Fund. Full details of the funds can be found on the Investment Managers’ website at www.barings.com². If you have any queries about the switching of shares/units into other Barings’ funds, please contact the Hong Kong Representative (details of the contact information are set out below) during normal business hours.

Please note that this letter is not an offer to subscribe for shares/units in any such funds nor does it constitute investment advice in relation to any such subscription. We always recommend that you consult with your own legal, tax and financial advisers for independent advice in relation to any such investment.

You may also redeem your Shares free of charge (in accordance with the normal redemption procedures set out in the Highlights of the Fund) on any Dealing Day up to 5.00pm (Hong Kong time) on the Last Dealing Day.

We will not impose any charges in respect of your redemption and/or switching instructions. However, your bank or financial adviser may charge you a redemption, switching or transaction fees in respect of such instructions. You are advised to contact your bank, distributor or financial adviser should you have any questions.

If you do not switch or redeem your holding prior to the Compulsory Redemption Date, your Shares will be automatically redeemed on the Compulsory Redemption Date. Investors will receive redemption proceeds in proportion to their respective interests in the Fund normally within three Business Days from the Compulsory Redemption Date. Please note if we require further information or documentation (such as a copy of your passport, driving license or utility bill etc.) from you then the proceeds cannot be released until these have been received.

Under current law and practice in Hong Kong, shareholders will not be liable for Hong Kong tax in respect of any income or gains made on the issue, redemption, conversion or other disposal in Hong Kong of shares, save that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong. Individual shareholders should seek independent advice on taxation and other consequences of the Termination referred hereto.

Please note that as the Fund will be winding down, it is likely that a high proportion of the Fund may be held in cash assets up until the Compulsory Redemption Date as the Investment Manager will endeavour to maximise liquidity in the portfolio relative to liquidity needs.

The Termination costs will be paid by the Managers, which are estimated to be £26,500.

Additional Information

Should you have any questions relating to these matters please contact your usual contact at Barings or Hong Kong investors should 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: 19th Floor, Edinburgh Tower, 15 Queen’s Road Central, Central, Hong Kong. Alternatively you may

¹SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund 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 reviewed by the Securities and Futures Commission (“SFC”) and may contain information of funds which are not authorised by the SFC.

wish to speak to your Financial Adviser. The Memorandum and Articles of Association and the offering documents of the Fund are available for inspection, free of charge, at the office of the Hong Kong Representative.

Yours faithfully,

A handwritten signature in black ink, appearing to be the initials 'JL' or similar, written in a cursive style.

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