BARINGS

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. The directors of Baring Fund Managers Limited (the "Manager") accept full responsibility for the accuracy of the information contained in this letter 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 letter misleading at the date of issuance.

28 June 2017

To: All Unitholders in Baring German Growth Trust

Dear Unitholder

NOTICE OF CHANGES TO BARING GERMAN GROWTH TRUST (the "Trust")

We are writing to you as an investor in the Trust to give you notice of some changes we are making to the Trust. This letter serves as a formal notice of these changes, which are intended to take effect from 29 August 2017 (the "Effective Date") unless otherwise specified. **Although you do not need to take any action, we recommend that you read this letter.**

The changes set out in this letter follow a review we have undertaken of a number of features of the Trust (and of a number of the other funds in our range) in order to improve and modernise the way the funds are run. We feel the changes will better reflect market practice and be more efficient for us in managing the Trust and will benefit investors in the Trust, as set out in further details below.

Change 1 – Investment Objective and Policy

The investment objective and policy wording is being updated to better and more clearly explain how the Trust is managed. The changes do not affect how the Trust is managed or its risk profile. The Financial Conduct Authority has confirmed that the changes do not affect the ongoing authorisation of the Trust.

The changes are to clarify that a minimum of 75%of the total assets of the Trust will be invested in equities (i.e. shares) and equity-related securities of companies incorporated in Germany, or exercising the predominant part of their economic activity in Germany. However, for the remainder of the Trust's total assets, we maintain the discretion to invest in markets outside of Germany, as well as in fixed income and cash, if required. We are also able to invest in other funds and other transferable securities. The Trust may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging) however the Trust may not use derivatives extensively for investment purposes.

Further, with effect from the Effective Date, the Trust may obtain exposure in China A shares directly through the Shanghai Hong Kong Stock Connect Scheme and Shenzhen Hong Kong Stock Connect Scheme (the "**Connect Schemes**"). Currently, the Trust does not have any exposure to China A and/or B shares. With effect from the Effective Date, the Trust's exposure to China A shares via the Connect Schemes will be limited to less than 10% of its total assets.

Notwithstanding investments via the Connect Schemes are not expected to materially affect the overall risk profile of the Trust, 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 Trust'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 Trust 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 "Hong Kong Stock Connect Schemes" section of the Prospectus. Investors should also pay attention to the enhanced risk disclosure in "Investment via the Connect Schemes" in the "Fund Specific Risks" section of the Prospectus.

The current and updated investment objective and policy wording is set out below:

Current Investment Objective and Policy

"The investment objective of the Trust is to achieve long-term capital growth through investment in the German markets.

The Manager's policy is to invest not less than 51% in companies but, when appropriate, in bonds, convertible securities or warrants as well. As long as the Trust is authorised for distribution in Switzerland and/or Hong Kong, its investment policy will be to invest not less than 75% of the assets of the Trust, at any one time, in companies which are not only listed on German securities markets but are also either incorporated in Germany or realise the preponderant part of their commercial activity in Germany.

Providing this Trust invests at least 75% of its assets into qualifying securities i.e. shares and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) Country, except Liechtenstein, and subject to corporate income tax under normal conditions the Trust will be suitable for French investors to take advantage of the French PEA Savings Plan "PEA" (Plan d'Epargne en Actions equity savings plans)."

Updated Investment Objective and Policy

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

The Trust will seek to achieve its investment objective by investing at least 75% 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 Germany, or quoted or traded on the stock exchanges in Germany.

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

While the Trust will aim to diversify its investments, allocation to certain 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 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.

The Trust's exposure via the Connect Schemes will be limited to less than 10% of its total assets. For further details, please refer to the sub-section above headed "Hong Kong Stock Connect Schemes" in this section of the Prospectus.

The Trust may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging) however the Trust may not use derivatives extensively for investment purposes.

Investment Strategy

The Investment Manager considers that equity markets are inefficient and looks to exploit this inefficiency through fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP).

The Investment Manager considers that long term earnings growth is the driver of stock market performance and that structured fundamental research and a disciplined investment process combining growth, upside/valuation and quality disciplines can identify attractively priced, growth companies. The Investment Manager also considers that the best way of finding unrecognised growth is to identify quality companies with visibility of earnings over a longer time period of three to five years especially as market consensus data tends to be only available for shorter term periods.

The Investment Manager's strategy favours companies with well-established business franchises, strong management and improving balance sheets. We regard these companies as higher quality as they provide transparency and allow our investment professionals to forecast earnings with greater confidence. This should facilitate the construction of funds which exhibit lower volatility over time.

"Bottom up" investment analysis is therefore central to the Investment Manager's investment thesis. However, macro concerns are integral to the Investment Manager's company analysis and country and other macro factors are incorporated in the Investment Manager's analysis through the use of an appropriate Cost of Equity to arrive at price targets for the equities of companies held by the Trust or which the Investment Manager is considering purchasing.

The attention of investors is drawn to the fact that the Trust is eligible to the personal equity plan ("plan d'epargne en actions" or "PEA") in France. In this context, the Manager undertakes that the Trust will invest on a permanent basis at least 75% of its assets in securities or rights eligible to the to the French PEA Savings Plan "PEA" regime, that is shares and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEA) Country, except Liechtenstein, and subject to corporate income tax under normal conditions the Trust will be suitable for French investors.*"*

Change 2 – Change to Dilution Adjustment Policy

The use of single pricing for the Trust means that when an investor acquires Units in the Trust the price they pay may be lower than the price the Trust would have to pay if it were to buy the equivalent value of underlying assets. Equally, when a Unitholder redeems Units, the Unit price they receive may be higher than the price at which the Trust can sell assets to meet the redemption. The effect of this mis-match is to slightly reduce the value of the Trust for continuing Unitholders in the Trust when Unitholders acquire or redeem Units in the Trust. This effect is called "dilution". We take steps to protect the Unitholders against this dilution by moving, or 'swinging', the price of a Trust upwards or downwards to reflect the costs attributable to the Trust's net inflows or net outflows. This is known as a "dilution adjustment".

Currently, we may move to swing the price of a Trust where the value of the net outflows or net inflows on a given dealing day exceeds 0.06% per Unit of the net asset value of the Trust. From the Effective Date we may swing the price of a Trust where the aggregate net investor inflows or outflows exceed a pre-determined threshold (as determined from time to time by the Manager); and/or where in the opinion of the Manager that it is in the best interests of investors. A full list of the factors is set out in the Prospectus.

We believe these changes will allow us to better protect the interests of Unitholders already in, or remaining in, the Trust when large levels of net inflows or net outflows take place by ensuring that the costs of these purchases or sales are borne by the relevant Unitholders entering or exiting the Trust.

Change 3 – Change to In-Specie Redemption Policy

The normal course of action is to settle any redemption or cancellation of Units in cash. However, where the Manager considers the redemption to be substantial in relation to the total size of the Trust concerned or in some way advantageous or detrimental to the Trust or otherwise at its discretion, it may, with the prior approval of the relevant redeeming Unitholder, settle that redemption request by giving the Unitholder the actual assets (known as "in specie") rather than cash. Any taxes payable on the transfer of assets may be borne by the relevant Unitholder.

The updated policy requires the prior approval of the relevant Unitholder before an in specie redemption can be implemented. We believe the updated policy is in line with current market practice and in the interest of all Unitholders.

Change 4 - Renaming of Existing Unit Classes as Class A

For Unitholders whose Units are at the moment simply termed accumulation or income Units, from the Effective Date you will notice a change to the way in which we refer to the Units you currently hold in the Trust(s). In order to avoid confusion on the introduction of new Unit Classes, these current Units will be reclassified as Class A Income or Class A Accumulation respectively. A summary of the changes in respect of the Trust is as follows:

Existing Class Name	New Class Name
EUR Inc Class	Class A EUR Inc
EUR Acc Class	Class A EUR Acc
GBP Inc Class	Class A GBP Inc
GBP Acc Class	Class A GBP Acc

Change 5 –Updates to the Distribution Policy

With effect from 29 August 2017, the Prospectus will be updated to clarify that in relation to the Income Units, income is automatically reinvested to acquire further Units of the same Class in the Trust if a Unitholder has opted for the income reinvestment, unless the Unitholder requests in writing, giving 30 days' notice prior to a distribution date, to receive all the income allocated to their Income Units in cash, and in each case provides relevant bank account details. The Prospectus will also be updated to reflect that the Manager will automatically reinvest any distribution entitlements in further Units of the same Class in the relevant Trust where the Unitholder's anti-money laundering documentation is incomplete or has not been completed to the satisfaction of the Manager or the Administrator and that the Manager may make an additional allocation of income during an accounting period in accordance with The Collective Investment Schemes Sourcebook (COLL) and subjects to the Trust Deeds.

Change 6 – Report and Accounts

The Prospectus will be updated to reflect that copies of the reports and accounts will be available at www.barings.com[1] and are also available on request for inspection at the offices of the Manager and Hong Kong Representative.

Change 7 – Clarificatory update to the section headed "Appendix I - Investment and Borrowing Powers of the Trusts"

With effect from 29 August 2017, the sub-sections headed "Spread: general", "Spread: government and public securities" and "Stock lending" will be updated for clarificatory purposes and to reflect the latest regulatory requirements.

Change 8 – Miscellaneous Updates to the Prospectus

The Prospectus will be updated to include other miscellaneous updates summarized as follows which will be effective on 29 August 2017:

1. Change of directors of the Manager;
2. Updates to the description of the Trustee and Administrator;
3. Enhancement of disclosures regarding the automatic exchange of information for international tax compliance;
4. Enhancement of risk disclosures;
5. Clarificatory update to the section headed "In Specie Redemptions";
6. Enhancement of disclosure under the section headed "Suspension of Dealing in Units";
7. Insertion of a summary of the liquidity risk management policy of the Trust;
8. Updates to the taxation disclosures;
9. Clarificatory update to the section headed "General Information";
10. Insertion of new sub-section headed "Leverage and Value at Risk" under the section headed "Investment Objectives and Policies";
11. General updates to the table summarizing the details of the Unit Classes available to investors;
12. Update to the income allocation dates table to include accounting period and XD date. XD date is the record date in relation to distribution payments in that Unitholders will have to be in the relevant Trust's Register on the record date in order to qualify for distribution;
13. Updates to the registration status of the Trust in other jurisdictions;

[1] Please note that the website has not been authorised by the SFC and may contain information which is not targeted to Hong Kong investors.

14. Combination of and updates to the eligible securities and derivatives markets list. For the avoidance of doubt, the updates to the eligible securities and derivatives markets do not represent a change of the investment restriction of the Trust;
15. Update to the list of the custodian/sub-custodians;
16. Inclusion of a directory of the parties;
17. Other miscellaneous formatting, administrative and/or clarificatory updates to address latest regulatory requirements, for better consistency with the UK Prospectus and/or for better clarity.

Updates to the Prospectus and Product Key Facts Statement

From the Effective Date, the Prospectus and Product Key Facts Statement of the Trust will be amended to reflect the above changes where appropriate. A copy of these documents will be available free of charge at the office of the Hong Kong Representative at the address listed below from 29 August 2017.

Action to be taken

The updates described above will not result in any material change in the investment objective and policy of the Trust and the risk profiles of the Trust. There will be no change to the level of fees payable by the Trust and the Unitholders. The changes will not materially prejudice the interests of Unitholders.

There is no action required on your part and these changes will be implemented on 29 August 2017 unless otherwise specified. If, when you purchased your Units in the Trust, 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: 19th Floor, Edinburgh Tower, 15 Queen’s Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

Yours sincerely

David Stevenson
Director
For and on behalf of
Baring Fund Managers Limited