



**Barings Korea Feeder Fund**  
Prospectus

**31 October 2024**

**BARINGS KOREA FEEDER FUND**

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**HONG KONG COVERING DOCUMENT  
OCTOBER 2024**

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## INFORMATION FOR HONG KONG INVESTORS

**Important - If you are in any doubt about the contents of this document or any of the documents accompanying it, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser.**

This Hong Kong covering document (the “**Hong Kong Covering Document**”) is supplemental to and should be read in conjunction with the prospectus for Barings Korea Feeder Fund (the “**Unit Trust**”) dated October 2024 as supplemented from time to time (the “**Prospectus**”). Unless otherwise provided in this Hong Kong Covering Document, terms defined in the Prospectus have the same meaning in this Hong Kong Covering Document unless the context otherwise requires.

The Directors of Baring International Fund Managers (Ireland) Limited (the “**Manager**”), accept full responsibility for the accuracy of the information contained in the Prospectus, the Hong Kong Covering Document and the Product Key Fact Statement of Barings Korea Feeder Fund (“**KFS**”) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Unit Trust is a feeder fund investing solely in the Units of the Barings Korea Trust, a United Kingdom authorised unit trust scheme, which has also been authorised by the Securities and Futures Commission (“**SFC**”) in Hong Kong. Such authorisation does not in any way indicate or suggest endorsement or approval of the Barings Korea Trust as an investment.

Barings Korea Feeder Fund and the Barings Korea Trust been authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance of Hong Kong (“**SFO**”) and are available for sale to the public in 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.

### FUNDS AVAILABLE IN HONG KONG

**Warning:** In relation to the collective investment schemes as set out in the Prospectus, only the Unit Trust and the Barings Korea Trust are authorised by the SFC pursuant to Section 104 of the SFO and hence may be offered to the public in Hong Kong.

The Prospectus is a global offering document and therefore contains references to the following collective investment schemes managed by the Manager which are **not** authorised by the SFC:-

- Barings Component Funds
- Barings Global Investment Funds plc

No offer shall be made to the public of Hong Kong in respect of the above unauthorised collective investment schemes.

The issue of the Prospectus was authorised by the SFC only in relation to the offer of the Unit Trust to the public of Hong Kong. Intermediaries should take note of this restriction.

### IMPORTANT INFORMATION

In Hong Kong, distribution of the Prospectus and this Hong Kong Covering Document is not authorised unless accompanied by a copy of the then latest published annual report of the Unit Trust and, if published after such annual report, a copy of the latest semi-annual report. Before investing you must have received and read the KFS.

Units in the Unit Trust are offered only on the basis of the information contained in the Prospectus, the relevant Supplement, this Hong Kong Covering Document, the relevant KFS, the most recent annual report and, if subsequently published, the semi-annual report of the Unit Trust. Neither the delivery of the Prospectus or the relevant Supplement or this Hong Kong Covering Document nor the issue of Units shall, under any circumstances, create any implication that the affairs of the Unit Trust have not changed since

the respective dates of the documents or that the information contained therein is correct as of any time subsequent to the date of the relevant document.

Notwithstanding any disclosure in the Prospectus, for so long as the Unit Trust is authorised by the SFC, the Unitholder and the Manager agree to submit to the non-exclusive jurisdiction of the Irish courts and the jurisdiction of the courts of Hong Kong shall not be excluded from entertaining an action concerning the Unit Trust.

The website [www.barings.com](http://www.barings.com), [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin) and other websites (if any) set out in this Hong Kong Covering Document and the Prospectus have not been reviewed by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted at Hong Kong investors.

## DEFINITIONS

<b>“Code”</b>	the Code on Unit Trusts and Mutual Funds issued by the SFC (and applicable to those funds authorised by the SFC pursuant to the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in respect of a retail offering in Hong Kong) and includes any amendments or substitutions that may from time to time be made thereto;
<b>“Hong Kong Business Day”</b>	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business (which includes a day where banks provide their services under severe weather condition), unless the Manager and the Depositary determine otherwise or such other day or days as the Manager and the Depositary may determine;
<b>“Hong Kong Representative”</b>	Baring Asset Management (Asia) Limited;
<b>“severe weather condition”</b>	the hoisting of Typhoon Signal No. 8 or above, or the issuance of Black Rainstorm Warning by the Hong Kong Observatory, or a situation of “Extreme Conditions” announced by the Hong Kong Government.

## HONG KONG REPRESENTATIVE

Baring Asset Management (Asia) Limited has been appointed by the Manager as the Hong Kong Representative to represent the Manager in Hong Kong generally in relation to the affairs of the Unit Trust. As part of its function as the Hong Kong representative, it may receive applications for Units from prospective investors in Hong Kong and its localities and deal with redemption requests and other enquiries from Unitholders. The fees of the Hong Kong Representative in relation to the Unit Trust will be borne by the Manager.

Investors may contact the Hong Kong Representative if they have any complaints or enquiries in respect of the Unit Trust. Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Hong Kong Representative directly, or referred to the Manager/relevant parties for further handling. The Hong Kong Representative will, on a best effort basis, revert and address the investor’s complaints and enquiries as soon as practicable. The contact details of the Hong Kong Representative are set out in the section headed “Other Information” below.

## DEPOSITARY

The Depositary may not retire voluntarily except upon the appointment of a new depositary approved by the Central Bank and the SFC, acceptable to the Manager and approved by an Extraordinary Resolution of Unitholders. However, the Depositary may, with the prior approval of the Manager, the Central Bank and the SFC, retire in favour of an affiliate of the Depositary.

## INVESTMENT OBJECTIVE AND POLICIES

The Unit Trust does not currently use total return swaps, repurchase agreements, reverse repurchase agreements, buy-sell back or sell-buy back transactions and securities lending. In the event that the Unit

Trust does propose to utilise such techniques and instruments, Unitholders will be notified and the Hong Kong Covering Document and the Prospectus will be revised in accordance with the requirements of the Central Bank and the SFC. Due notification will be given to Unitholders and prior approval from the SFC (if required) will be sought if the Unit Trust proposes to utilise such techniques and instruments in the future.

As provided in the Prospectus, the Unit Trust may beneficially own any entity, including all or part of the issued share capital of any company or companies, which for fiscal or other reasons the Manager considers it necessary or desirable for the Depositary to incorporate or acquire or utilise for the purpose of holding all or some of the assets held for the Unit Trust. In addition to the requirements set out in the Prospectus, the holding of such entity shall be subject to the requirements under the Code.

#### Barings Korea Trust

The Prospectus contains a summary of the investment objective and policy of the Barings Korea Trust (the “Trust”), please also note that, other than the requirement to invest 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, the Barings Korea Trust may invest in any country and in securities issued by companies of any market size, of any industry or sector (as the case may be) in such proportions as BAML deems appropriate.

From time to time and in particular during periods of uncertain or volatile markets, BFM may choose to hold a substantial proportion of the property of a Trust in money-market instruments and/or cash deposits.

#### **NET DERIVATIVE EXPOSURE**

The Barings Korea Feeder Fund will not use FDIs for any purposes.

The Barings Korea Trust's net derivative exposure may be up to 50% of its Net Asset Value.

The net derivative exposure is defined in the Code issued by the SFC and is calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time. The net derivative limit set out above may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

#### **INVESTMENT RESTRICTIONS**

Insofar as the Unit Trust is authorised by the SFC, in addition to the investment restrictions set out in Appendix I of the Prospectus, the Unit Trust shall comply with the additional applicable requirements prescribed under Chapter 7 of the Code (save to the extent that any approval, permission or waiver in respect of any of the restrictions imposed by the Code has been obtained from the SFC or otherwise provided under the Code or any handbook, guideline and/or code issued by the SFC from time to time). More particularly, the power of the Unit Trust to invest in the Trust is subject to the below additional provisos:-

- (i) there is no increase in the overall total of Manager's fee, initial charges, redemption charges, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Unit Trust as the result of its investment in the Barings Korea Trust unless the SFC has otherwise allowed additional fees to be paid to the Manager or any of its Connected Persons in respect of additional or different services and expertise provided by the Manager or its Connected Persons for the benefit of the Unit Trust; and
- (ii) the Trust must be authorised pursuant to the SFO of Hong Kong or permitted by the SFC for investment for the account of the Unit Trust.

If any of the investment limits are breached, the Manager shall take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the Unitholders.

#### **RISK CONSIDERATIONS**

Investors should refer to the section headed “Risk Considerations” of the Prospectus and the following additional information in respect of the risks associated with investing in the Unit Trust.

Notwithstanding the statement in the section headed “Risk Considerations” in the Prospectus that “The following Risk Considerations detail particular risks associated with an investment in the Unit Trust, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the Unit Trust.”. To the best of the knowledge and belief of the Directors of the Manager, the Prospectus and the Hong Kong Covering Document contain explanations of the risks that may apply to the Unit Trust and that investors should be aware of as at the date of the Prospectus and the Hong Kong Covering Document. Investors should note that the Unit Trust is exposed to various risks depending on their respective investment policies. Investors should be aware that in a changing environment the Unit Trust may be exposed to risks that were not envisaged as at the date of the Prospectus and the Hong Kong Covering Document. Potential investors should consider the risks involved prior to investing in the Unit Trust to determine whether an investment in the Unit Trust is suitable to them.

#### ***Risk relating to master/feeder fund structure***

The Unit Trust’s performance may not be equal to the performance of Barings Korea Trust due to the master/feeder fund structure and additional costs that may have been incurred at feeder fund level. The Unit Trust will be subject to the risks associated with Barings Korea Trust. The Unit Trust does not have control of the investments of Barings Korea Trust and there is no assurance that the investment objective and strategy of the Barings Korea Trust will be successfully achieved which may have a negative impact to the net asset value of the Fund.

The Unit Trust may be adversely affected by the suspension of dealing of the master fund, Barings Korea Trust. Dealing of the Unit Trust may be suspended and the payment of redemption proceeds may be delayed during the period when dealing of the Barings Korea Trust is suspended. There is also no guarantee that the Barings Korea Trust will have sufficient liquidity to meet the Unit Trust’s redemption requests as and when made.

#### ***Investment in Other Funds***

In addition to the risks set out under the risk factor headed “Investment in Other Funds” relating to risk factors applicable to the Barings Korea Trust in the Prospectus, investors should note that the underlying collective investment schemes in which the Barings Korea Trust may invest may not be regulated by the SFC.

#### ***Risk related to hedging techniques***

Investors should note that in adverse situations, the Barings Korea Trust’s use of FDIs for hedging and/or efficient portfolio management may become ineffective and the Trust may suffer significant losses.

#### ***Conflicts of interest***

Transactions between the Unit Trust and the Manager, Baring Asset Management Limited (“**BAML**”), the Depositary, the Administrator or entities related to the Manager, BAML, the Depositary or the Administrator (or the respective officers, directors or executives) as principal may only be made with the prior written consent of the Depositary.

#### **DISTRIBUTION POLICY**

As stated in the Prospectus, it is not intended to distribute to Unitholders any income by way of dividend, all such income is accumulated within the Unit Trust.

#### **AVAILABLE UNITS IN HONG KONG**

As at the date of this Hong Kong Covering Document, the following Class of Unit is offered to the public of Hong Kong. Please refer to the Prospectus for further information relating to the Unit Class.

Class A USD Acc

Other Classes of Units which are not mentioned above are not available to the public in Hong Kong.

Under the Trust Deed the Manager is given the exclusive right to effect for the account of the Unit Trust the issue of Units of any Class and to create, subject to the requirements of the SFC (and other relevant authorities)(if any), new Classes and has absolute discretion to accept or reject in whole or in part any application for Units.

## **SUBSCRIPTIONS AND REDEMPTIONS OF UNITS BY HONG KONG INVESTORS**

The below sets out the subscription and redemption procedures for Hong Kong investors. Full details of subscription and redemption procedures, all charges payable and other important information concerning the subscription and redemption of Units are set out in the Prospectus; and Hong Kong investors should read the relevant sections carefully in conjunction with this Hong Kong Covering Document.

Investors should note that different distributor(s) may impose different dealing cut-off times before the dealing deadlines for receiving instructions for subscription and/or redemption and may have different dealing arrangements/procedures. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing deadline (which may be earlier than the Unit Trust's dealing deadline) and the distributor's dealing arrangements/procedures.

### ***Application Procedures***

Initial subscriptions should be made by completing the Account Opening Form and the Subscription Form, together with the supporting documents in relation to anti-money laundering requirements and submitted to the Hong Kong Representative by 5 p.m. Hong Kong time for onward transmission to the Manager c/o the Administrator on a Dealing Day.

Subsequent subscriptions may be made in writing by submitting the signed originals of the Subscription Form to the Hong Kong Representative for onward transmission to the Manager c/o the Administrator or directly to the Manager c/o the Administrator. Subsequent subscriptions may also be made in writing by completing the Subscription Form and submitted by facsimile directly to the Manager c/o the Administrator. In addition, Hong Kong investors can, with the agreement of the Manager (or the Hong Kong Representative) and the Administrator, submit the subscription applications via electronic messaging services such as SWIFT, or via other means as agreed by the Manager or the Hong Kong Representative from time to time. Both the Account Opening Form and the Subscription Form may be obtained from the Hong Kong Representative.

Units of each Class may be issued with effect from each Dealing Day pursuant to applications received by the Hong Kong Representative by 5 p.m. Hong Kong time or received by the Manager by 12 noon Irish time on that Dealing Day. The dealing price at which Units will be issued, after the initial issue, is calculated by reference to the Net Asset Value per Unit determined as at the Valuation Point on that Dealing Day. Applications received by the Manager after 12 noon Irish time on a Dealing Day will be treated as having been received on the following Dealing Day. Notwithstanding the aforesaid, any subscription applications received by the Hong Kong Representative after 5 p.m. Hong Kong time on a Hong Kong Business Day or treated as having been received by the Hong Kong Representative on a Dealing Day which is not a Hong Kong Business Day will be deemed to have been received by the Hong Kong Representative on the next Hong Kong Business Day that is also a Dealing Day.

Hong Kong investors should also note that no subscription applications in physical form will be received by the Hong Kong Representative on any Hong Kong Business Day on which any period of the normal business hours have been impacted by severe weather condition(s). For the avoidance of doubt, applications for subscription of Units, by facsimile directly to the Manager c/o the Administrator, via electronic messaging services such as SWIFT or by other online and electronic means on such Hong Kong Business Day will not be affected and will be dealt with in accordance with the usual dealing arrangements as set out above.

If any of the details that are provided in respect of an application for Units change, including your address, other contact details (e.g. telephone number, email address) or bank account details, please inform the Hong Kong Representative or the Administrator immediately by letter. Failure to do so may cause a delay in processing any subsequent orders.



No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activities under Part V of the Securities and Futures Ordinance.

Payment is normally due in the currency of the relevant Class. Should investors prefer to make payment in any currency other than the currency of the relevant Class they are advised to make direct contact with the Hong Kong Representative or with the Manager c/o the Administrator.

As provided in the section headed "Subscription of Units" in the Prospectus, the calculation of the Net Asset Value per Unit may be suspended when the right of Unitholders to require the redemption of Units is suspended as detailed in section headed "Redemption of Units" in the Prospectus and in the section headed "Redemption of Units" of this document. Any such suspension will be notified to the SFC without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Please refer to the Prospectus for further details relating to the application of Units.

### ***Redemption of Units***

Redemption requests may be made in writing by submitting the signed originals to the Hong Kong Representative for onward transmission to the Manager c/o the Administrator or directly to the Manager c/o the Administrator. Redemption requests may also be made in writing and submitted by facsimile directly to the Manager c/o the Administrator.

In addition Hong Kong investors can, with the agreement of the Manager (or the Hong Kong Representative) and the Administrator, submit the redemption applications via electronic messaging services such as SWIFT, or via other means as agreed by the Manager or the Hong Kong Representative from time to time. No redemption payments shall be made until the original Account Opening Form (and upon completion of any applicable identification procedures in relation to the Unitholder pursuant to any statutory and regulatory obligation from time to time) has been received by the Hong Kong Representative for onward transmission to the Manager c/o the Administrator. The redemption form may be obtained from the Hong Kong Representative.

Applications for the redemption of Units received by the Hong Kong Representative prior to 5 p.m. Hong Kong time or received by the Manager prior to 12 noon Irish time on a Dealing Day will, subject as mentioned in the section headed "Redemption of Units" in the Prospectus, be dealt with by reference to the Net Asset Value per Unit determined as at the Valuation Point on that Dealing Day. Redemption applications received by the Manager after 12 noon Irish time will be treated as having been received on the following Dealing Day. Notwithstanding the aforesaid, any redemption applications received by the Hong Kong Representative after 5 p.m. Hong Kong time on a Hong Kong Business Day or treated as having been received by the Hong Kong Representative on a Dealing Day which is not a Hong Kong Business Day will be deemed to have been received by the Hong Kong Representative on the next Hong Kong Business Day that is also a Dealing Day.

Hong Kong investors should also note that no redemption applications in physical form will be received by the Hong Kong Representative on any Hong Kong Business Day on which any period of the normal business hours have been impacted by severe weather condition(s). For the avoidance of doubt, applications for redemption of Units, by facsimile directly to the Manager c/o the Administrator, via electronic messaging services such as SWIFT or by other online and electronic means on such Hong Kong Business Day will not be affected and will be dealt with in accordance with the usual dealing arrangements as set out above.

Arrangements can be made for Unitholders wishing to redeem their Units to receive payment in currencies other than the currency of the relevant Class of Unit. In such circumstances the Unitholder is advised to make direct contact with the Hong Kong Representative or Manager c/o the Administrator in order to facilitate payment. The cost of currency conversion and other administrative expenses, including electronic transfers, may be charged to the Unitholder.

Partial redemptions of holdings are permitted provided that this will not result in the Unitholder holding an amount which is less than the Minimum Holding.

### ***Temporary Suspension of Redemptions***

As provided in the Prospectus, the calculation of the Net Asset Value per Unit may be suspended when the right of Unitholders to require the redemption of Units is suspended as detailed in section headed "Redemption of Units" in the Prospectus. Any such suspension will be notified to the SFC without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. In addition, the fact that dealing has been suspended will be published immediately and thereafter at least once a month during the period of suspension in an appropriate manner (including via the Manager's website [www.barings.com](http://www.barings.com)).

#### *In Specie Redemption*

As provided in the Prospectus, the Manager has the discretion to satisfy the redemption request by a distribution of investments in specie. For so long as the Unit Trust is authorised by the SFC, a redemption in specie will only be effected with the prior consent of the redeeming Unitholder.

Please refer to the Prospectus for further details relating to the redemption of Units.

### **CHARGES AND EXPENSES**

Details of the fees and expenses relating to the Unit Trust are set out in the section headed "Charges and Expenses" in the Prospectus. The attention of prospective investors is in particular drawn to the information relating to fees and expenses set out therein.

The Depositary is also entitled to transaction charges at the rate of £50 per security transaction effected for the Unit Trust.

The Manager is entitled to add to the Net Asset Value per Unit, for its own account, a charge sufficient to cover amounts paid by them on account of stamp duties and taxation in respect of the issue of Units and may also add a charge (not exceeding 1% of the Net Asset Value per Unit) for the account of the Unit Trust in respect of fiscal and purchase charges. The Manager is also entitled under the Trust Deed, in calculating the Net Asset Value per Unit, to deduct from the account of the Unit Trust a charge (not exceeding 1% of such Net Asset Value per Unit) to meet duties and charges incurred in realising assets to provide moneys to meet the redemption request but it is not the intention of the Manager to make any additions or deductions in respect of such duties and charges in normal circumstances. Prior notice of at least one month will be given to affected Unitholders should the Manager decides to make such additions and/or deductions.

For so long as the Unit Trust are authorised in Hong Kong, no sales commissions, advertising or promotional expenses shall be charged to the Unit Trust.

### **LIQUIDITY RISK MANAGEMENT**

The Manager has established a liquidity management policy which enables it, through the investment risk management team of the Manager which is functionally independent from the Manager's portfolio investment team, to identify, monitor and manage the liquidity risks of the Unit Trust and to ensure the liquidity profile of the investments of the Unit Trust will facilitate compliance with the Unit Trust's underlying obligations. Any deterioration in liquidity profile is communicated to the portfolio managers and the appropriate oversight committee.

Details of the redemption rights of Unitholders, including redemption rights of Unitholders in normal and exceptional circumstances and existing redemption arrangements are set out above or in the Prospectus. More particularly, the tools which may be used to manage liquidity risk include the following:

- (a) The Manager may with the approval of the Depositary limit the number of Units which may be redeemed on any Dealing Day to 10% of the total number of Units in issue of the Unit Trust. If such limitation is imposed, this would restrict the ability of a Unitholder to redeem in full the Units he intends to redeem on a particular Dealing Day.
- (b) At the request or with the consent of the redeeming Unitholder wishing to redeem Units representing 5% or more of the Net Asset Value of the Unit Trust on a single Dealing Day, a distribution in respect of redemptions may be made in specie at the discretion of the Manager. Unless such Unitholder requests the Manager to sell the relevant assets in writing, the redeeming Unitholder will receive redemption proceeds in the form of securities instead of in cash.

- (c) The Unit Trust may borrow up to 10% of its Net Asset Value at the time of borrowing. There can be no assurance that the Unit Trust will be able to borrow on favourable term.
- (d) The Manager may, with the approval of the Depositary, temporarily suspend the redemption of Units in the Unit Trust during certain circumstances as set out in the section headed “Temporary Suspension of Redemptions” of the Prospectus. During such period of suspension, Unitholders would not be able to redeem their investments in the Unit Trust.

#### **DETERMINATION OF NET ASSET VALUE**

The Net Asset Value per Unit is calculated by dividing the value of the assets of the Unit Trust, less its liabilities, by the total number of Units in issue as at that Dealing Day. The Unit Price is the resulting sum adjusted to two decimal places (5 up 4 down).

#### **AVAILABILITY OF THE NET ASSET VALUE PER UNIT**

Except where the redemption of Units of the Unit Trust has been suspended, in the circumstances described in the Prospectus, the Net Asset Value per Unit of each Class shall be available on the Barings website at [www.barings.com](http://www.barings.com) or any appropriate manner and will be updated on each Dealing Day. Such prices can also be ascertained from the offices of the Hong Kong Representative.

#### **REPORTS AND ACCOUNTS**

The audited accounts and a report on the Unit Trust and the unaudited semi-annual report will be available in English only. The annual report and audited accounts (including the Trust’s annual report and audited accounts) and the unaudited semi-annual accounts will be made available within the timeframe set out in the section headed “Reports and Accounts” in the Prospectus.

Once issued, copies of the latest annual and semi-annual accounts may be obtained at the office of the Manager and the Hong Kong Representative. Unitholders may also obtain such reports and accounts, in electronic form, from Barings website at [www.barings.com](http://www.barings.com).

#### **TAXATION IN HONG KONG**

The following is a summary of certain Hong Kong tax consequences of the purchase, ownership and disposal of Units. The summary of Hong Kong taxation is of a general nature, is for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of the Units. Potential investors in Units should consult their own advisors as to the Hong Kong or other tax consequences of the purchase, ownership and disposal of Units.

During such period as the Unit Trust is authorised by the SFC then, under present Hong Kong law and practice:–

- (a) The Unit Trust is not expected to be subject to Hong Kong tax in respect of any of its authorised activities;
- (b) No tax will be payable by Unitholders in Hong Kong in respect of any capital gains arising on a sale, redemption or other disposal of Units in the Unit Trust, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong; and
- (c) No tax should generally be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of the Unit Trust.

#### **OECD COMMON REPORTING STANDARD**

The Inland Revenue (Amendment) (No.3) Ordinance (the “**Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and to file such information with the Hong Kong Inland Revenue Department (“**IRD**”) who in turn will exchange such

information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, FIs may further collect information relating to residents of other jurisdictions.

By investing in the Unit Trust and/or continuing to invest in the Unit Trust through FIs in Hong Kong, investors acknowledge that they may be required to provide additional information to the relevant FI in order for the relevant FI to comply with AEOI. The investor’s information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Unit Trust through FIs in Hong Kong.

## **COMPLIANCE WITH US REPORTING AND WITHHOLDING REQUIREMENTS**

As at the date of this Hong Kong Covering Document, Baring Asset Management Limited, has registered as a “sponsoring entity” and agreed to perform, on behalf of the sponsored investment entities (including the Unit Trust), all due diligence, reporting and other relevant FATCA requirements. BAML has a GIIN of HU7DQI.00000.SP.826. The Unit Trust will be classified as a “sponsored investment entity” and will be a non-reporting financial institution treated as a registered deemed-compliant foreign financial institution.

## **KEY INFORMATION DOCUMENTS**

Notwithstanding the references to the Key Information Document in the Prospectus, the Key Information Document is not intended to be, and shall not in any event be interpreted as, an offering document of the Unit Trust in Hong Kong and is not distributed to investors in Hong Kong.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be obtained or inspected free of charge at the offices of the Hong Kong Representative set out below:

- the Trust Deed (as amended)
- the Administration Agreement
- the agreement between the Hong Kong Representative and the Manager
- the latest annual and half yearly reports and accounts (the annual and half yearly reports are available in English only)
- the Hong Kong offering document, latest annual and half yearly reports and accounts (the annual and half yearly reports are available in English only) of Barings Korea Trust.

Investors may also contact the Hong Kong Representative for up-to-date information on the Depository’s list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

## **OTHER INFORMATION**

### **Hong Kong Representative**

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

Telephone: 852-2841 1411

### **Directors of the Manager**

Sylvester O'Byrne  
Barbara Healy  
Rhian Williams  
Alan Behen  
Paul Smyth

c/o Baring International Fund Managers  
(Ireland) Limited, 70 Sir John Rogerson's  
Quay  
Dublin 2, Ireland

### **Legal Advisers as to matters of Hong Kong law**

Deacons  
5<sup>th</sup> Floor  
Alexandra House  
18 Chater Road  
Central  
Hong Kong

# PROSPECTUS

## BARINGS KOREA FEEDER FUND

(A Unit Trust authorised pursuant to the Unit Trusts Act, 1990)

The Directors of Baring International Fund Managers (Ireland) Limited (the “Manager”) whose names appear under the heading “Directors of the Manager” in the Directory section accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## Important Information

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

### **Authorisation by the Central Bank of Ireland**

The Unit Trust has been authorised by the Central Bank of Ireland (the “Central Bank”) as a retail investor alternative investment fund (“RIAIF”). The Unit Trust has been authorised as a RIAIF pursuant to the AIFM Regulations. **The Central Bank shall not be liable by virtue of its authorisation of this Unit Trust as a RIAIF or by reason of its exercise of the functions conferred on it by legislation in relation to this Unit Trust for any default of the Unit Trust.** Please see below for additional restrictions applicable to investors in particular jurisdictions.

**Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Unit Trust and the Central Bank shall not be liable for the performance or default of the Unit Trust. Authorisation of the Unit Trust does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the Unit Trust.**

**Authorisation by the Central Bank is not an endorsement or guarantee of the Unit Trust nor is the Central Bank responsible for the contents of this Prospectus.**

This Prospectus provides information about the Unit Trust. Prospective investors are required as part of the Account Opening Form to confirm they have read and understood it. It contains information which prospective investors ought to know before investing in the Unit Trust and should be retained for future reference. Further copies may be obtained from the Manager or from a distributor. Copies of the most recent annual report and, if subsequently published, the semi-annual report of the Unit Trust are available free of charge on request.

Units in the Unit Trust are offered only on the basis of the information contained in this Prospectus, the Key Information Document, the most recent annual report and, if subsequently published, the semi-annual report of the Unit Trust. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation other than those contained in this Prospectus, Key Information Document, the most recent annual report and, if subsequently published, the semi-annual report of the Unit Trust and, if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any such Units other than the Units to which it relates or an offer to sell or the solicitation of an offer to buy such Units by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor the issue of Units shall, under any circumstances, create any implication that the affairs of the Unit Trust have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Manager has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion. The Manager accepts responsibility accordingly. This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the Units are sold, that in any action based upon disclosure in the Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail.

The Manager may from time to time decide to offer, with prior notice to and clearance from the Central Bank, additional Classes in the Unit Trust. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Classes, and/or a separate supplement or addendum with respect to such Classes will be prepared. Such updated and amended Prospectus or new separate supplement or addendum will not be circulated to existing Unitholders except in connection with their subscription for Units of such Classes.

**It should be remembered that the price of Units and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of the Unit Trust will be achieved. Investors should note that, a Redemption Charge of up to 1% of the Net Asset Value of the Units being redeemed may be chargeable in respect of the Unit Trust. An investment in the Unit Trust should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the “Risk Considerations” section of the Prospectus for further details.**

## **Listing of Units**

The Manager may determine to apply to have certain Units admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. Investors should contact the Manager to determine which Classes in the Unit Trust are available for subscription and/or listed on Euronext Dublin at any particular time.

The Manager does not anticipate that an active secondary market will develop in any listed Units admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. The launch and listing of various Classes in the Unit Trust may occur at different times and therefore, at the time of the launch of a Class, the pool of assets to which such Class relates may have commenced trading. For further information in this regard, the most recent interim and annual reports of the Unit Trust will be made available to potential investors upon request.



## GENERAL NOTICE

Potential subscribers of Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units. Potential subscriber's attention is drawn to the risk factors described under the heading "Risk Considerations" within this Prospectus.

EACH PURCHASER OF UNITS MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH UNITS OR POSSESSES OR DISTRIBUTES THE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF UNITS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE MANAGER, THE INVESTMENT MANAGER (OR ANY OF ITS AFFILIATES), THE DEPOSITARY OR THE ADMINISTRATOR SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

## US

THE UNITS OFFERED HEREBY HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES REGULATORY AUTHORITY OR COMMISSION, NOR HAS ANY SUCH AUTHORITY OR COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNITS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY U.S. STATE OR FOREIGN SECURITIES LAWS. THE OFFERING OF UNITS CONTEMPLATED HEREIN (THE "OFFERING") WILL BE MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND THE REGULATIONS PROMULGATED THEREUNDER FOR AN OFFER AND SALE OF SECURITIES THAT DOES NOT INVOLVE A PUBLIC OFFERING. THERE WILL BE NO PUBLIC MARKET FOR THE UNITS. THE UNITS ARE BEING OFFERED ONLY TO "ACCREDITED INVESTORS" AS SUCH TERM IS DEFINED IN REGULATION D UNDER THE 1933 ACT AND EACH U.S. PURCHASER OF UNITS OFFERED HEREBY MUST BE AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF REGULATION D. EACH UNITED STATES PERSON WILL ALSO BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT IS ACQUIRING THE UNITS PURCHASED BY IT FOR INVESTMENT AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION.

THE UNIT TRUST WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"), IN RELIANCE UPON AN EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED IN SECTION 3(C)(7) THEREOF, WHICH REQUIRES THAT EACH UNITED STATES PERSON BE A "QUALIFIED PURCHASER" AS DEFINED IN THE 1940 ACT AND THAT THE ISSUER DOES NOT MAKE OR PROPOSE TO MAKE A PUBLIC OFFERING OF ITS SECURITIES. ACCORDINGLY, EACH UNITED STATES PERSON MAY BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT MEETS THE QUALIFICATIONS OF A "QUALIFIED PURCHASER." THE UNIT TRUST WILL BE SUBJECT TO SIGNIFICANTLY LESS REGULATION AND SUPERVISION THAN REGISTERED INVESTMENT COMPANIES.

WHILE THE UNIT TRUST MAY TRADE COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") AS A COMMODITY POOL OPERATOR ("CPO") UNDER CFTC RULE 4.13(A)(3). THEREFORE, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A CFTC COMPLIANT DISCLOSURE DOCUMENT OR CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF THE CFTC RULES. THE UNIT TRUST DOES, HOWEVER, INTEND TO PROVIDE INVESTORS WITH ANNUAL AUDITED FINANCIAL STATEMENTS. TO THE EXTENT THE UNIT TRUST IN THE FUTURE MAY NOT RELY ON THE RULE 4.13(A)(3) EXEMPTION, IT WILL COMPLY WITH APPLICABLE CFTC RULES AND REGULATIONS OR RELY ON AN APPROPRIATE EXEMPTION FROM SUCH RULES AND REGULATIONS.

THE CFTC EXEMPTION RULES REQUIRE, AMONG OTHER THINGS, THAT EACH PROSPECTIVE INVESTOR SATISFY CERTAIN SOPHISTICATION CRITERIA, OR OTHERWISE BE AN ELIGIBLE INVESTOR SPECIFIED IN THE RULE. SUCH RULES ALSO REQUIRE THAT UNITS BE EXEMPT FROM REGISTRATION UNDER THE 1933 ACT AND BE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES. THIS PROSPECTUS HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.

THE UNITS HELD BY UNITED STATES PERSONS WILL BE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE 1933 ACT AND APPLICABLE U.S. STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. ACCORDINGLY, UNITED STATES PERSONS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS AND LACK OF LIQUIDITY OF AN INVESTMENT IN THE UNIT TRUST FOR AN INDEFINITE PERIOD

OF TIME. THERE WILL BE NO PUBLIC MARKET FOR THE UNITS, NO SUCH MARKET IS EXPECTED TO DEVELOP IN THE FUTURE AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE UNITS UNDER THE 1933 ACT OR ANY U.S. STATE SECURITIES LAWS. INVESTMENT IN THE UNIT TRUST INVOLVES CERTAIN SIGNIFICANT INVESTMENT RISKS, INCLUDING LOSS OF AN INVESTOR'S ENTIRE VALUE OF INVESTMENT OR OTHER AMOUNT OF CAPITAL.

INVESTORS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS PROSPECTUS AND TO REVIEW, IN PARTICULAR, THE SPECIAL CONSIDERATIONS SET FORTH UNDER THE HEADING "RISK CONSIDERATIONS" HEREIN.

THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), IMPOSES CERTAIN LIMITATIONS ON THE INVESTMENT BY CERTAIN PENSION AND OTHER EMPLOYEE BENEFIT PLANS IN INVESTMENTS SUCH AS THE UNIT TRUST. THEREFORE, ANY PENSION OR OTHER EMPLOYEE BENEFIT PLAN CONSIDERING AN INVESTMENT IN THE UNIT TRUST SHOULD CONSULT ITS OWN COUNSEL AS TO THE LEGAL EFFECTS OF SUCH INVESTMENT. NOTHING SET FORTH IN THIS PROSPECTUS, TOGETHER WITH ANY AMENDMENTS AND SUPPLEMENTS AND ANY OTHER INFORMATION (WHETHER PROVIDED ORALLY OR IN WRITING) CONSTITUTES A RECOMMENDATION THAT ANY PERSON TAKE OR REFRAIN FROM TAKING ANY COURSE OF ACTION WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION §2510.3-21(B)(1).

THIS PROSPECTUS, TOGETHER WITH ANY AMENDMENTS AND SUPPLEMENTS AND ANY OTHER INFORMATION THAT MAY BE FURNISHED TO PROSPECTIVE INVESTORS BY THE UNIT TRUST, CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE UNITED STATES FEDERAL SECURITIES LAWS. FORWARD-LOOKING STATEMENTS ARE THOSE THAT PREDICT OR DESCRIBE FUTURE EVENTS OR TRENDS AND THAT DO NOT RELATE SOLELY TO HISTORICAL MATTERS. FOR EXAMPLE, FORWARD-LOOKING STATEMENTS MAY PREDICT FUTURE ECONOMIC PERFORMANCE, DESCRIBE PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS AND MAKE PROJECTIONS OF REVENUE, INVESTMENT RETURNS OR OTHER FINANCIAL ITEMS. A PROSPECTIVE INVESTOR CAN GENERALLY IDENTIFY FORWARD-LOOKING STATEMENTS AS STATEMENTS CONTAINING THE WORDS "WILL," "BELIEVE," "EXPECT," "ANTICIPATE," "INTEND," "CONTEMPLATE," "ESTIMATE," "ASSUME" OR OTHER SIMILAR EXPRESSIONS. SUCH FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, BECAUSE THE MATTERS THEY DESCRIBE ARE SUBJECT TO KNOWN (AND UNKNOWN) RISKS, UNCERTAINTIES AND OTHER UNPREDICTABLE FACTORS, MANY OF WHICH ARE BEYOND THE MANAGER'S CONTROL. NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF SUCH FORWARD-LOOKING STATEMENTS. MANY RELEVANT RISKS ARE DESCRIBED UNDER THE HEADING "RISK CONSIDERATIONS" HEREIN, AND A PROSPECTIVE INVESTOR SHOULD CONSIDER THE IMPORTANT FACTORS LISTED THEREIN AS SUCH PROSPECTIVE INVESTOR READS THIS PROSPECTUS AND CONSIDERS AN INVESTMENT IN THE UNIT TRUST.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER AND SALE OF UNITS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY UNITED STATES STATE OR OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, AN ADVERTISEMENT, AND THE OFFERING CONTEMPLATED IN THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE UNITS. THIS PROSPECTUS IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS TO WHOM IT IS TRANSMITTED IN CONNECTION WITH THIS OFFERING.

## **JAPAN**

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN JAPAN. NO REGISTRATION PURSUANT TO ARTICLE 4 PARAGRAPH 1 OF JAPAN'S FINANCIAL INSTRUMENTS AND EXCHANGE ACT ("FIEA") HAS BEEN OR WILL BE MADE WITH RESPECT TO THE SOLICITATION OF APPLICATIONS FOR ACQUISITION OF THE UNITS OF THE UNIT TRUST ON THE GROUNDS THAT SUCH SOLICITATION WOULD CONSTITUTE A "SOLICITATION FOR QUALIFIED INSTITUTIONAL INVESTORS" AS SET FORTH IN ARTICLE 23-13, PARAGRAPH 1 OF THE FIEA. EACH INVESTOR IS PROHIBITED FROM TRANSFERRING ITS UNITS TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL INVESTOR AS DEFINED IN ARTICLE 2, PARAGRAPH 3, ITEM 1 OF THE FIEA ("QII"), AND IS NOTIFIED OF THIS TRANSFER RESTRICTION BY THE DELIVERY OF THIS PROSPECTUS. THIS PROSPECTUS IS DISTRIBUTED ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED IN ANY FORM OR TRANSMITTED TO ANY PERSON OTHER THAN THE PERSONS TO WHOM IT IS ADDRESSED. NO UNITS IN A UNIT TRUST WILL BE ISSUED TO ANY PERSON OTHER THAN THE PERSON TO WHOM THE PROSPECTUS HAS BEEN ADDRESSED AND NO PERSONS OTHER THAN SUCH ADDRESSEES MAY TREAT THE SAME AS CONSTITUTING AN INVITATION FOR THEM TO INVEST.

## Directory

### **MANAGER AND AIFM**

#### **Baring International Fund Managers (Ireland) Limited**

Registered Office:  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **ADMINISTRATOR**

#### **Northern Trust International Fund Administration Services (Ireland) Limited**

Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **DIRECTORS OF THE MANAGER**

Alan Behen  
Sylvester O'Byrne  
Barbara Healy  
Paul Smyth  
Rhian Williams

### **LEGAL ADVISERS**

#### **IRISH LAW**

#### **Matheson LLP**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **DEPOSITARY**

#### **Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **AUDITORS**

#### **PricewaterhouseCoopers**

Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **SPONSORING BROKERS**

#### **Matheson LLP**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

Please refer to the section "Manager, Depositary and Administrator" within this Prospectus for more details.

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## Definitions

<b>“Account Opening Form”</b>	the initial application form completed by a new Unitholder in the Unit Trust in such form as is prescribed by the Manager from time to time;
<b>“Accounting Date”</b>	30 April of each year by reference to which annual accounts for the Unit Trust are prepared or such other date as the Manager may from time to time decide.
<b>“Accounting Period”</b>	a period ending on an Accounting Date and commencing on the day following expiry of the last Accounting Period.
<b>“Accumulation Units”</b>	units in respect of which income is accumulated and added to the capital property of the Unit Trust.
<b>“Act”</b>	Unit Trusts Act, 1990 or any amendment thereto for the time being in force.
<b>“Administrator”</b>	Northern Trust International Fund Administration Services (Ireland) Limited or any other person or persons for the time being duly appointed by the Manager as administrator of the Unit Trust in succession thereto with the prior approval of the Central Bank.
<b>“Administration Agreement”</b>	the Administration Agreement made between the Manager, the Depositary and the Administrator, as may be amended or supplemented from time to time.
<b>“AIF”</b>	an alternative investment fund as defined in Regulation 5(1) of the AIFM Regulations.
<b>“AIFM”</b>	Baring International Fund Managers (Ireland) Limited an alternative investment fund manager as defined in Regulation 5(1) of the AIFM Regulations.
<b>“AIFMD”</b>	the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as amended and any regulations issued thereunder.
<b>“AIFM Regulations”</b>	European Union (Alternative Investment Fund Managers) Regulations 2013.
<b>“AIF Rulebook”</b>	the rulebook issued by the Central Bank as may be amended from time to time which sets out the Central Bank’s regulatory regime for AIFs and other the relevant entities that fall to be regulated under the AIFM Regulations.
<b>“BAML”</b>	Baring Asset Management Limited, the investment manager of Barings Korea Trust.
<b>“Base Currency”</b>	the currency of account of the Unit Trust as specified in the Prospectus.
<b>“BFM”</b>	Baring Fund Managers Limited, the manager of Barings Korea Trust.
<b>“Business Day”</b>	any day other than Saturday or Sunday, on which banks in both Ireland and the United Kingdom are open for business.
<b>“Central Bank”</b>	the Central Bank of Ireland or its successor entity.
<b>“Class”, “Classes”</b>	a particular division of Units in the Unit Trust.
<b>“Collection Account”</b>	the account operated by the Administrator into which all subscription monies are received and from which all redemption and distribution proceeds are paid as described under the heading “Collection Account”.
<b>“COLL Sourcebook”</b>	the FCA’s Collective Investment Schemes Sourcebook (COLL) as amended from time to time.
<b>“Collective Investment Scheme”, “CIS”</b>	(a) any arrangement made for the purpose, or having the effect, of providing facilities for the participation of persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of Investments or any other property whatsoever;  (b) and, in the case of any such arrangement or investment vehicle the assets of which are divided into two or more separate portfolios (whether described as portfolios, sub-funds or by any other name) in which an investor may separately invest, each such portfolio shall be deemed to be a separate collective investment scheme;

(c) and, in relation to any such collective investment scheme, "unit" means any unit, share or other interest (however described) of similar nature in such collective investment scheme.

**"Connected Person"**

(a) any person beneficially owning, directly or indirectly, 20 per cent. or more of the ordinary share capital of the relevant person or able to exercise, directly or indirectly, 20 per cent. or more of the total voting rights attributable to the voting share capital of the relevant person;

(b) any company controlled by any such person as is described in (a) above and for this purpose "control" of a company means:-

- (i) control (either direct or indirect) of the composition of the board of directors of that company; or
- (ii) control (either direct or indirect) of more than half the voting rights attributable to the voting share capital of that company; or
- (iii) the holding (either directly or indirectly) of more than half of the issued share capital (excluding any part of such share capital which confers no right to participate beyond a specified amount in a distribution of either profits or capital)

PROVIDED THAT the Depositary and the Manager may agree some other definition acceptable to the Central Bank and the Hong Kong Securities & Futures Commission of the term "control" in substitution for the above definition thereof.

**"Data Protection Legislation"**

(i) the Data Protection Acts 1988 and 2003 or any other legislation or regulations implementing Directive 95/46/EC, (ii) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (iii) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any consequential national data protection legislation and (iv) the Swiss Federal Act on Data Protection of 25 September 2020, in force as of 1 September 2023 iv) any guidance and/or codes of practice issued by the Irish Data Protection Commissioner or other relevant supervisory authority, including without limitation the European Data Protection Board.

**"Dealing Day"**

every Business Day and/or such other day or days as may be determined from time to time by the Manager, with the approval of the Depositary, and notified to Unitholders in advance (unless the determination of Net Asset Value has been suspended), provided that such day is also a dealing day in respect of the Barings Korea Trust and there is at least two Dealing Days per month.

**"Declaration"**

a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D of the Taxes Consolidation Act of Ireland.

**"Depositary"**

Northern Trust Fiduciary Services (Ireland) Limited or any other person or persons for the time being duly appointed as depositary of the Unit Trust in succession thereto with the prior approval of the Central Bank.

**"Directors"**

the directors of the Manager or any duly authorised committee or delegate thereof.

**"ESMA Guidelines"**

the European Securities and Markets Authority's Final report – Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411).

**"Euronext Dublin"**

the Irish Stock Exchange plc trading as Euronext Dublin.

**"European Economic Area (EEA)"**

the countries which are members of the European Economic Area.

**"Exempt Investor"**

Irish Residents who are permitted (whether by legislation or by express concession of the Irish Revenue Commissioners to hold Units in the Unit Trust without requiring the Unit Trust to deduct or account for Irish tax as more fully described in the section of the Prospectus entitled "Taxation".

<b>“Extraordinary Resolution”</b>	a resolution proposed as such and passed as such by a majority consisting of 75%, or more of the total number of votes of those present and entitled to vote in person or by proxy at a duly convened meeting of Unitholders or, as the case may require, Unitholders of a particular Class, held in accordance with the provisions contained in the Trust Deed.
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom.
<b>“FCA Handbook”</b>	the FCA Handbook of Rules and Guidance, as amended from time to time.
<b>“FDI”</b>	a financial derivative instrument, which is a contract between two or more parties whose value is derived from one or more underlying assets.
<b>“FSMA”</b>	the Financial Services and Markets Act, 2000 of the United Kingdom.
<b>“GITA”</b>	the German Investment Tax Act ( <i>Investmentsteuergesetz</i> ), effective as of 1 January 2018, as may be amended.
<b>“Global Exchange Market”</b>	the global exchange market of Euronext Dublin.
<b>“Intermediary”</b>	a person who: <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or</li> <li>(b) holds units in such an investment undertaking on behalf of other persons.</li> </ul>
<b>“Investor Money Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.
<b>“Ireland”</b>	the Republic of Ireland.
<b>“Irish Resident”</b>	unless otherwise determined by the Manager, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below.
<b>“Irish Revenue Commissioners”</b>	the Irish authority responsible for taxation and customs duties.
<b>“Key Information Document”</b>	a key information document pursuant to requirements of Regulation (EU) 1286/2014 of the European Parliament and of the Council on Key Information Documents for Packaged Retail and Insurance-Based Investment Products.
<b>“Manager”</b>	Baring International Fund Managers (Ireland) Limited or any other person or persons for the time being duly appointed as manager of the Unit Trust in succession thereto in accordance with the requirements of the Central Bank.
<b>“Member State”</b>	a member state of the European Union.
<b>“Minimum Holding”</b>	the minimum number or value of Units which must be held by Unitholders as specified in the Prospectus.
<b>“Minimum Investment”</b>	such amount in respect of initial and/or subsequent subscriptions as may be specified in the Prospectus or as the Manager may determine and notify to investors.
<b>“Net Asset Value”, “NAV”</b>	the net asset value of the Unit Trust or a relevant Class, as the case may be, determined in accordance with the principles set out in the section “Determination of Net Asset Value” within this Prospectus.
<b>“OECD”</b>	the Organisation for Economic Co-operation and Development. The thirty-eight following countries are members of the OECD as of the date of this Prospectus: Australia, Austria, Belgium, Canada, Chile, Costa Rica, Columbia, the Czech Republic, Denmark, Estonia,

Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

<b>“Official List”</b>	the list of securities or shares admitted to the official list and trading on the Global Exchange Market of Euronext Dublin and published daily.
<b>“Ordinary Resolution”</b>	a resolution proposed as such at a meeting of Unitholders of the Unit Trust or, as the case may require, Unitholders of a particular Class convened and held in accordance with the provisions of the Trust Deed and passed as such at such meeting by a simple majority of the total number of votes cast for and against such resolution.
<b>“Preliminary Charge”</b>	a fee charged on subscriptions as specified in this Prospectus or such higher amount as may be approved by an Extraordinary Resolution.
<b>“Privacy Notice”</b>	the privacy notice adopted by the Manager in respect of the Unit Trust, as amended from time to time. The current version is available via the website <a href="http://www.barings.com">www.barings.com</a> .
<b>“Prospectus”</b>	this document as may be amended, supplemented or modified from time to time.
<b>“Redemption Charge”</b>	a percentage of the Net Asset Value per Unit as specified in the Prospectus or such higher amount as may be approved by an Extraordinary Resolution.
<b>“RIAIF”</b>	a retail investor AIF as defined in the AIF Rulebook.
<b>“Semi-Annual Accounting Date”</b>	31 October in each year.
<b>“Settlement Date”</b>	three Business Days following the relevant Dealing Day (or such other day or days as the Manager may determine from time to time in respect of any Class of Units).
<b>“Specified US Person”</b>	(i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more United States Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States or (iv) an estate of a decedent that is a citizen or resident of the US; excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (6) any bank as defined in section 581 of the US Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (11) a dealer in securities, commodities, or FDIs (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the US Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.
<b>“Subscription Form”</b>	the subscription form to be completed and signed by an investor or Unitholder in the Unit Trust in such form as is prescribed by the Manager from time to time;
<b>“Supplement”</b>	any supplement issued by the Manager in connection with the Unit Trust from time to time which is appended to the Prospectus or which takes the form of a separate document and which in either case, forms part of the Prospectus.
<b>“Trust”</b>	Barings Korea Trust.



<b>“Trust Deed”</b>	the amended and restated Trust Deed dated 21 July 2015 (as may be supplemented from time to time) made between Baring International Fund Managers (Ireland) Limited as Manager and Northern Trust Fiduciary Services (Ireland) Limited as Depositary.
<b>“UK UCITS Rules”</b>	the COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325, including any amendments or updates made in relation thereto.
<b>“Unit or Units”</b>	an undivided share in the assets of the Unit Trust.
<b>“United States”, “US”</b>	the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
<b>“United States Person”</b>	any citizen or resident of the United States, any corporation, trust, partnership or other entity created or organised in or under the laws of the United States, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "US Person" under Regulation S promulgated under the United States Securities Act of 1933.
<b>“Unitholder”</b>	a person who is registered as a holder of Units in the Register of Unitholders for the time being kept by or on behalf of the Unit Trust.
<b>“Unit Trust”</b>	Barings Korea Feeder Fund.
<b>“US Dollar”, “USD”, “US\$”</b>	the currency of the United States of America.
<b>“Valuation Point”</b>	12 noon (Irish time) on every Dealing Day. The Manager, with the approval of the Depositary, may change the Valuation Point of the Unit Trust upon giving reasonable advance notice to Unitholders provided that in any event, dealing will always be on a forward pricing basis.

## Introduction

Barings Korea Feeder Fund (the “Unit Trust”) is a unit trust managed by Baring International Fund Managers (Ireland) Limited. The Unit Trust was established pursuant to a Trust Deed dated 2 October 1992, as amended and restated from time to time made between Baring International Fund Managers (Ireland) Limited as Manager and Northern Trust Fiduciary Services (Ireland) Limited as Depositary.

The Unit Trust is classified as a RIAIF and organised as a feeder fund investing solely in the Units of the Barings Korea Trust, a United Kingdom authorised unit trust scheme. Each Unit in the Unit Trust constitutes a beneficial interest in the Unit Trust and represents one undivided share in the property of the Unit Trust.

The Manager may create additional Classes within the Unit Trust to accommodate different charges and/or fees provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of any such additional Class.

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## Investment Objectives and Policies

### The Unit Trust

The investment objective of the Unit Trust is to achieve long-term growth in the value of assets by investing in Units of the Barings Korea Trust, a unit trust constituted in the United Kingdom and authorised under the FCA. The investment restrictions which apply to the Unit Trust are set out in Appendix I.

The investment objective of the Unit Trust will not be altered without the approval of an Ordinary Resolution. Changes to investment policies of the Unit Trust which are material in nature may also only be made with the approval of an Ordinary Resolution to which the change relates. In the event of a change in investment objective and/or a material change in investment policy of the Unit Trust, a reasonable notification period will be provided by the Manager to enable Unitholders to redeem their Units prior to implementation of these changes.

### Barings Korea Trust

The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI Korea Net Total Return Index 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 directly or indirectly in equities and equity-related securities outside of Korea as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain indirect 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 obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by BFM or an associate of BFM) and other transferable securities. It may also use FDIs including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

### Investment Strategy

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

BAML 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. BAML 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.

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

BAML consider the “bottom up” investment analysis central to the investment thesis. Macro concerns are integral to BAML’s company analysis and country and other macro factors are incorporated in the BAML’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 BAML is considering purchasing.

The Trust adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its net asset value in equity participations within the meaning of section 2 paragraph 8 GITA.

### Benchmark

The target benchmark is the MSCI Korea Net Total Return Index . The benchmark has been selected as it measures the performance of the large and mid-cap segments of the South Korean 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.

### Global Exposure – Commitment Approach

The Trust will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it will employ a process for accurate and independent assessment of the value of OTC FDIs. The Trust uses the commitment approach to measure the risks associated with its investment policy.

The “commitment method” takes into account netting and hedging arrangements and is defined as the ratio between the Trust’s net exposure and the Net Asset Value. The standard commitment approach calculation converts the FDI position into the market value of an equivalent position in the underlying asset of that FDI. The Trust shall ensure that its global exposure to FDIs computed on a commitment basis does not exceed 100% of its total net assets. The Trust shall, at all times, comply with the limits on levels of market risk measured through the use of the commitment approach as set out above.

### **Securities Financing Transactions**

Notwithstanding anything to the contrary in this Prospectus, the Unit Trust does not currently use total return swaps, repurchase agreements, reverse repurchase agreements, buy-sell back or sell-buy back transactions and securities lending. Should the directors of the Manager elect to change this policy in the future, due notification will be given to the Unitholders and this Prospectus will be updated accordingly.

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## **Particulars Relating to the Barings Korea Trust**

Particulars relating to the Barings Korea Trust are contained in the Trust’s prospectus which can be obtained free of charge from the Manager. Copies of the latest managers reports published by BFM can also be obtained free of charge from the Manager or BFM.

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## **Risk Considerations**

There can be no assurance that the Unit Trust’s investments will be successful or that the investment objectives of the Unit Trust will be achieved. **The Unit Trust’s investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Unit Trust may suffer losses. There is no guarantee of the repayment of principal.**

**An investment in the Unit Trust should be regarded as long-term in nature and only suitable for investors who understand the risks involved.** An investment in Units of the Unit Trust does not constitute a complete investment programme. Investors may wish to complement an investment in the Unit Trust with other types of investments.

**The difference at any one time between the sale and redemption price of Units in the Unit Trust means that the investment should be viewed as medium to long term.**

The following Risk Considerations detail particular risks associated with an investment in the Unit Trust, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the Unit Trust.

### **Conflicts of Interest**

The Manager and delegates of the Manager which are associated companies of the Manager may deal for the Unit Trust in units in the Barings Korea Trust through or with BFM as manager of the Trust.

In addition, any cash of the Unit Trust may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010, with the Depositary or any associated company of the Depositary or invested in certificates of deposit or banking instruments issued by the Depositary or any associated company of the Depositary. Banking and similar transactions may also be undertaken with or through the Depositary or any other associated company of the Depositary.

There is no prohibition on dealings in the assets of the Unit Trust by the Manager, the Administrator, the Depositary or entities related to the Manager, the Administrator or the Depositary or to their respective officers, directors or executives, provided that the transaction is negotiated at arm's length. Such transactions must be consistent with the best interests of the Unitholders.

There will be no obligation on the part of the Manager, the Administrator, the Depositary or entities related to the Manager, the Administrator, the Depositary or their respective officers, directors or executives to account to the Unitholders for any benefits so arising and any such benefits may be retained by the relevant party provided that:

- (i) a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Manager) as independent and competent certifies the price at which the transaction is effected is fair; or
- (ii) the execution of the transaction is on best terms on an organised investment exchanges under its rules; or
- (iii) where the conditions set out in (i) or (ii) above are not practical, the Depositary (or in the case of a transaction involving the Depositary, the Manager) is satisfied that such transaction conforms with the principle that it is negotiated at arm's length and is in the best interest of Unitholders.

### **Valuation Risk**

Valuation of the Unit Trust's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Unit Trust.

### **Cyber Security Risk**

The Manager and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (i.e. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption.

Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Administrator's ability to calculate the Net Asset Value; impediments to trading for the Unit Trust's portfolio; the inability of Unitholders to transact business with the Manager in respect of the Unit Trust; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs.

Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Manager invests, counterparties with which the Manager engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans including the possibility that certain risks have not been identified.

### **Taxation**

Any change in the taxation legislation or the interpretation thereof in any jurisdiction where the Unit Trust is registered, marketed or invested could affect the tax status of the Unit Trust, and consequently the value of the Unit Trust's investments

in the affected jurisdiction, the Unit Trust's ability to achieve its investment objective and/or to alter the post tax returns to Unitholders.

The Unit Trust may be subject to withholding or other taxes on income and/or gains arising from its investments. Certain investments may themselves be subject to similar taxes on the underlying investments that they hold. Any investment in either developed or emerging markets, may be subject to new taxes or the rate of tax applicable to any income arising or capital gains may increase or decrease as a result of any prospective or retrospective change in applicable laws, rules or regulations or the interpretation thereof. It is possible that the Unit Trust may or may not be able to benefit from relief under a double tax agreement between Ireland and the country where an investment is resident for tax purposes.

Certain countries may have a tax regime that is less well defined, may be subject to unpredictable change and may permit retroactive taxation thus the Unit Trust could become subject to a local tax liability that had not reasonably been anticipated. Such uncertainty could necessitate significant provisions being made by the Unit Trust in the Net Asset Value per Unit calculations for foreign taxes while it could also result in the Unit Trust incurring the cost of a payment made in good faith to a fiscal authority where it was eventually found that a payment need not have been made.

Consequently, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, the Unit Trust pays taxes relating to previous years, any related costs will likewise be chargeable to the Unit Trust. Such late paid taxes will normally be debited to the Unit Trust at the point the decision to accrue the liability in the Unit Trust's accounts is made.

As a result of the situations referred to above, any provisions made by the Unit Trust in respect of the potential taxation of and returns from investments held at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors in the Unit Trust may be advantaged or disadvantaged when they subscribe or redeem their Units in the Unit Trust.

Unitholders and potential investors' attention is drawn to the taxation risks associated with investing in the Unit Trust. Please refer to the section headed "Taxation" of the Prospectus.

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service ("IRS"), with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") with respect to the implementation of FATCA (see section entitled "Compliance with US reporting and withholding requirements" for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Unit Trust) should generally not be required to apply 30% withholding tax. To the extent the Unit Trust however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Unit Trust may take any action in relation to a Unitholder's investment in the Unit Trust to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Unitholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Unitholder's holding of Units. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds, and pursuant to applicable laws and regulations.

Unitholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting, the possible implication of FATCA on them and the Unit Trust and certification requirements associated with an investment in the Unit Trust.

### **Common Reporting Standard**

The OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Ireland has legislated to implement the CRS. As a result the Unit Trust will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Unitholders may be required to provide additional information to the Unit Trust to enable the Unit Trust to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of its Units in the Unit Trust.

Unitholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the Unit Trust.

### **Unit Trust Termination Risk**

In the event of the early termination of the Unit Trust, the Manager would have to distribute to the Unitholders of the Unit Trust their pro rata interest in the assets of the Unit Trust. It is possible that at the time of such sale or distribution, certain investments held by the Unit Trust may be worth less than the initial cost of such investments, resulting in a substantial loss to the Unitholders of the Unit Trust. Moreover, any organisational expenses with regard to the Unit Trust that had not yet become fully amortised would be debited against the Unit Trust's capital at that time. The circumstances under which the Unit Trust may be terminated are set out in the Trust Deed.

### **Custody Risk**

Assets of the Unit Trust that are financial instruments/securities are held in custody by the Depositary. Such assets of the Unit Trust will be identified in the Depositary's books as belonging to the Unit Trust at all times and will be segregated from other assets of the Depositary. The Depositary will be liable for any loss of assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control the consequences of which would have been unavoidable despite reasonable efforts to the contrary. The Depositary's liability will not be affected by the fact that it has entrusted to a third party/sub-custodian all or some of its custody tasks and the Depositary will remain liable for the loss of such assets, even where the loss occurred at the level of the third party/sub-custodian. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets or a corresponding amount to the Unit Trust without undue delay.

For non-custody assets such as cash, the Depositary is not required to segregate these assets and is only required to verify the Unit Trust's ownership of such non-custody assets and to maintain a record of such assets. The Depositary will only be liable for the loss of those assets if a loss is suffered as a result of its negligent or intentional failure to properly verify the Unit Trust's ownership of such non-custody assets. Cash of the Unit Trust is held with a third party bank on deposit. In the event of insolvency of the third party, in accordance with standard banking practice, the Unit Trust will rank as an unsecured creditor. The Depositary, in such instance, may not be liable to return such cash.

In the event of insolvency of the Depositary, Unitholders are exposed to the risk of the Depositary not being able to fully meet its obligations to reconstitute in a short time frame all of the assets of the Unit Trust. No segregation applies to cash which means there is an increase in the risk of non-restitution in the case of insolvency. Unitholders may be exposed to the risk of insolvency of third party/sub-custodians in certain circumstances and may suffer loss as a result.

**The following risk factors are applicable to the Barings Korea Trust and potential investors should therefore consider the following risks before investing in the Unit Trust. Specific risks may also apply directly to the Unit Trust and are noted accordingly. For the avoidance of doubt, reference to "the Trust" in the following risk factors refers to the Barings Korea Trust.**

Please refer to the risk factor headed "Custody Risk" under the heading "Risk Considerations" contained in the prospectus of Barings Korea Trust for the details of the custody risk associated with Barings Korea Trust.

### **Counterparty Risk**

Counterparty risk, otherwise known as default risk, is the risk that an organisation does not pay out on a bond or other trade or transaction when it is supposed to. If a counterparty fails to honour its obligations in a timely manner and the Trust is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights.

### **Credit Risk – General**

The Trust may be exposed to credit / default risk of issuers of debt securities that the Trust may invest in. When the Trust invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

### **Currency Risk**

The underlying investments of the Trust may be denominated in currencies other than the base currency of the Trust. Also, a class of units of the Trust may be designated in a currency other than the base currency of the Trust. The net asset value of the Trust may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. Unless the class is specifically described as a hedged class, no steps

are taken to mitigate the effects of exchange rate fluctuations between the currency of denomination of the units and the base currency.

### **Inflation Risk**

The Trust's assets or income from the Trust's investments may be worth less in real terms in the future as inflation decreases the value of money. As inflation increases, the real value of the Trust's portfolio will decline unless it grows by more than the rate of inflation.

### **Volatility and Liquidity Risk**

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 FDIs, structured products, etc.), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. In addition, equity securities in certain markets may be subject to higher volatility and lower liquidity when compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. Further, the bid and offer spreads of the price of such securities or instruments may be large and the Trust may incur significant trading costs.

### **Market Disruption Risk**

The Trust may be exposed to the risk of incurring large losses in the event of disrupted markets. Disruptions can include the suspension or limit on trading of a financial exchange and disruptions in one market sector can have an adverse effect on other market sectors. If this happens, the risk of loss to the Trust can be increased because many positions may become illiquid, making them difficult to sell. Finance available to the Trust may also be reduced which can make it more difficult for the Trust to trade.

### **Potential Implications of an Epidemic and/or a Pandemic**

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, beginning in late 2019, an outbreak of a highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

Epidemics and pandemics can seriously disrupt the global economy and markets. The outbreak of pandemics such as COVID-19, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the countries in which the Trust may invest and global commercial activity and thereby adversely affect the performance of the Trust's investments. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on the Trust's investments, or the Trust's ability to source new investments or to realise its investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Trust's investments or the Manager's operations and the operations of the Manager's and the Trust's service providers.

Any outbreak of disease epidemics may result in the closure of the Manager's and/or an investment's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to an investment's business, (b) disruption of regional or global trade markets and/or the availability of capital or economic decline. Such outbreaks of disease may have an adverse impact on the Unit Trust's and the Trust's value and/or the Trust's investments.

### **No Investment Guarantee**

Investment in the Unit Trust and the Trust is not of the same nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Unit Trust and the Trust is subject to fluctuations in value and you may get back less than you invest.

### **Suspension of Trading**

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. The government or the regulators may also implement policies that may affect the financial markets. A suspension could render it impossible for the underlying fund manager to liquidate positions and thereby expose the Trust to losses and may have a negative impact on the Unit Trust.

## **Approach to environmental, social and governance (“ESG”) integration**

BAML integrates ESG information into the investment process across all asset classes. Through bottom-up, fundamental analysis, BAML seeks to gain a comprehensive understanding of the factors that influence the sustainability of investments. BAML considers ESG information alongside other crucial variables that may impact an investment's risks and returns over time. In particular, BAML considers ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, BAML 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 BAML 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 way in which the Trust analyses and uses ESG information may vary. The use of ESG information may affect the Trust's investment performance and, as such, may perform differently compared to similar collective investment schemes. In addition to BAML's in-house evaluation of ESG risks, it also has access to third-party resources that provide ESG information. In evaluating an investment, BAML is dependent upon information and data, which may be incomplete, inaccurate or unavailable. Neither BAML, the Depositary nor the Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG information or the way in which it is implemented. Investor and societal sentiment towards ESG concepts and topics may also change over time, which may affect the demand for ESG-based investments and may also affect their performance.

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

### *Principal Adverse Impacts*

The Manager considers the principal adverse impacts of its investment decisions on sustainability factors at an entity level.

In the case of the Trust, the principal adverse impacts of the investment decisions are not currently considered as it may not be practicable or proportionate to do so depending on the investment strategy or due to the specific investment outcomes targeted by the strategy of the Trust. This position will be kept under review by the Manager and may change over time.

## **Investment in Equities**

The Trust's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. When the equity markets are extremely volatile the Trust's net asset value may fluctuate substantially.

## **Investment in Equity-Related Securities**

The Trust may invest in equity-related securities such as structured notes, participation notes or equity-linked notes. These are usually issued by a broker, an investment bank or a company and are therefore subject to the risk of insolvency or default of the issuer. If there is no active market in these instruments, this may lead to liquidity risk. Further, investment in equity-linked securities may lead to dilution of performance of the Trust when compared to the other funds which invest directly in similar underlying assets due to fees embedded in the notes. The aforesaid circumstances may adversely affect the net asset value per unit of the Trust.

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

## **Investment in Small-Capitalisation/ Mid-Capitalisation Companies**

The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general. Risks include economic risks, such as lack of product depth, limited geographical diversification and increased sensitivity to the business cycle. They also include organisational risk, such as concentration of management and shareholders and key-person dependence. Where smaller companies are listed on 'junior' sections of the stock exchange, they may be subject to a lighter regulatory environment. Furthermore, the shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

## **Investment in Other Funds**



Where the Trust invests in underlying funds it will not have an active role in the day-to-day management of those funds and the Trust will be subject to the risks associated with the underlying funds. The Trust does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the net asset value of the Trust.

There may be additional costs when investing into these underlying funds. There is also no guarantee that the underlying funds will have sufficient liquidity to meet the Trust's redemption requests as and when made.

### **Risk Related to Investment in FDIs**

Investments of the Trust may be composed of securities with varying degrees of volatility and may comprise, from time to time, FDIs. Since FDIs may be geared instruments, their use may result in greater fluctuations of the net asset value of the Trust. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Trust. Exposure to FDIs may lead to a high risk of significant loss by the Trust.

The Trust may use FDIs for efficient portfolio management, including to attempting to hedge or reduce the overall risk of its investments, or FDIs may be used for investment purposes in pursuit of investment objective, policies and strategies. Such strategies might be unsuccessful and incur losses for the Trust, due to market conditions. A Trust's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in FDIs are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of FDIs involves special risks, including:

1. dependence on the ability of the manager of the Trust to accurately predict movements in the price of the underlying security;
2. imperfect correlation between the movements in securities or currency on which a FDIs contract is based and movements in the securities or currencies in the Trust;
3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of the Trust to liquidate a FDI at an advantageous price;
4. due to the degree of leverage inherent in FDIs contracts, a relatively small price movement in a contract may result in an immediate and substantial loss to the Trust; and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of the Trust's assets may be segregated to cover its obligations.

### **Risk Related to Hedging Techniques**

The Trust may utilise a variety of financial instruments, such as options, interest rate swaps, futures and forward contracts, etc to seek to hedge against declines in the values of the Trust's positions as a result of changes in currency exchange rates, equity markets, market interest rates and other events. Hedging against a decline in the value of Trust's positions will not eliminate fluctuations in the values of the Trust's positions or prevent losses if the values of such positions decline, but it does establish other positions designed to gain from those same developments, thus reducing the decline in the Trust's value. However, such hedging transactions also limit the opportunity for gain if the value of the Trust's positions should increase. It may not be possible for the Trust to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Trust's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all or the investment manager of the Trust may choose not to.

### **Risk Related to Efficient Portfolio Management**

The manager of the Trust may utilise the scheme property of the Trust to enter into transactions for the purposes of efficient portfolio management ("EPM"). Permitted EPM transactions include transactions in FDIs to hedge against price or currency fluctuations, and these may be dealt or traded on an eligible FDIs market or may be OTC FDIs. EPM techniques may also involve the manager of the Trust entering into stock lending transactions or repurchase and reverse repurchase agreements in relation to the Trust. The manager of the Trust must ensure in entering into EPM transactions, the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The manager of the Trust must also take steps to try and ensure that the counterparty

exposure in such transactions is fully “covered” by cash and/or other acceptable and sufficiently liquid property sufficient to meet any obligation to pay or deliver that could arise.

EPM transactions will give rise to risks for the Trust. There is no guarantee that the use of EPM transactions will achieve its objective.

Where the Trust enters stock lending transactions, if there is a default by a counterparty, the Trust may suffer loss due to securities lent being recovered late or only in part.

To the extent that collateral is received by the Trust in relation to an EPM transaction to mitigate counterparty risk, there is no guarantee that, in the event of counterparty default, that collateral when realised will fully cover any exposure of the Trust to loss arising from that counterparty’s default. The manager of the Trust has a collateral management policy which sets out the eligible types of collateral the Trust may accept and further information in relation to that policy is set out in the section headed “Collateral Management” in the prospectus of the Trust.

### **Leverage Risk**

When the Trust purchases a security or an option, the risk to the Trust is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps, contracts for differences or options, the Trust’s liability may be potentially unlimited until the position is closed. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Trust. Investors should also note that certain FDIs such as forward foreign exchange and complex swaps may be entered into on an Over The Counter (OTC) basis with one or more eligible counterparties. Trading in such FDIs results in credit risk exposure to such eligible counterparties (i.e. the risk that the eligible counterparty to a FDI trade will fail to discharge its obligations under the terms of the trade in respect of the Trust). Where the manager or the investment manager of the Trust, on behalf of the Trust, enters into OTC FDIs it may seek to mitigate much of its credit risk to an eligible counterparty by receiving collateral from that eligible counterparty. To the extent that any OTC FDIs are not fully collateralised, a default by the eligible counterparty may result in a reduction in the value of the Trust and thereby a reduction in the value of an investment in the Trust.

### **Concentration Risk**

Due to the concentration of the investment portfolio of the Trust on Korean companies, events that have an effect on this region will have a greater effect on the Trust than in the case of a less concentrated investment portfolio.

### **Substantial Investment in Korea**

The Trust will invest substantially in Korea. The risks inherent in Korean securities are of a nature and degree not typically encountered in investment in securities of listed companies on other major securities markets. Due to the outbreak of natural calamities, wars, conflict of arms or grave and sudden changes in domestic or foreign economic circumstances or other equivalent situations, the Ministry of Finance and Economy (MOFE) may temporarily suspend payment, receipt of transactions to which the relevant Foreign Exchange Transactions laws and regulations apply, or impose an obligation to safekeep, deposit or sell means of payment in or to certain Korean governmental agencies or financial institutions.

If the international balance of payments and international finance are likely to be confronted with serious difficulty or the movement of capital between Korea and abroad is likely to bring about serious obstacles in carrying out Korean government’s currency policies, exchange rate policies and other macroeconomic policies, the MOFE may require any person who intends to perform capital transactions to obtain permission or to deposit part of the payments received in such transactions at certain Korean governmental agencies or financial institutions, subject to certain limitations.

In certain developing countries, portfolio investment by foreign investors (such as the Trust) may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to the Trust of attractive investment opportunities.

### **Investment in Specific Countries, Regions or Sectors**

The Trust’s investments are concentrated in specific industry sectors, instruments, countries or regions. The value of the Trust may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Trust may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting a market in a country or region.

### **Investment in Emerging Markets**

Where the Trust invests in emerging markets, it may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. High market volatility and potential settlement difficulties in certain markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Trust. Currency conversion and repatriation of investment income, capital and proceeds of sale by the Trust may be limited or require governmental consents. The Trust could be adversely affected by delays in, or refusal to grant, any such approval for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Stock exchanges and other such clearing infrastructure may lack liquidity and robust procedures and may be susceptible to interference.

### **Political, Social and Economic Instability**

Some countries have a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the Trust's investments in those countries. Developing countries can be subject to a higher than usual risk of political change, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries and thus the Trust's investments in those countries. Furthermore, it may be difficult for the Trust to obtain effective enforcement of its rights in certain developing countries.

### **Market Liquidity and Foreign Investment Infrastructure**

Trading volume on the stock exchange of most developing countries can be substantially less than in the leading stock markets of the developed world, so that the purchase and sale of holdings may take longer. Volatility of prices can be greater than in the developed world. This may result in considerable volatility in the value of the Trust and, if sales of a significant amount of securities have to be effected at short notice in order to meet redemption requests, such sales may have to be effected at unfavourable prices which could have an adverse effect on the value of the Unit Trust and therefore the Net Asset Value per Unit.

In certain developing countries, portfolio investment by foreign investors may require consent or be subject to restrictions. These restrictions and any further restrictions introduced in the future could limit the availability to the Trust of attractive investment opportunities.

### **Corporate Disclosure, Accounting and Regulatory Standards**

Companies in developing countries are generally not subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in the developed world. In addition, there is generally less government supervision and regulation of stock exchanges, brokers and listed companies in most developing countries than in countries with more advanced securities markets. As a result, there may be less information available publicly to investors in developing country securities; such information as is available may be unreliable.

### **Availability and Reliability of Official Data**

Less statistical data is available in relation to the securities markets of developing countries relative to the securities markets in, for example, the United Kingdom; such data as is available may be unreliable.

### **Legal Risk**

Many laws in developing countries are new and largely untested. As a result the Trust may be subject to a number of risks, including but not limited to inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of established avenues for legal redress and a lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain countries in which assets of the Trust are invested.

### **Taxation**

Taxation of dividends, interest and capital gains received by foreign investors varies among developing countries and, in some cases, is comparatively high. In addition, certain developing countries are amongst those countries that have less well defined tax laws and procedures and such laws may permit retroactive taxation so that the Trust investing in such a country could in the future become subject to a local tax liability that could not have been reasonably anticipated. Such uncertainty could necessitate significant provisions for foreign taxes being made by the Trust in its net asset value calculations. The making and potential impact of such provisions is considered further under the risk factor headed "Taxation" above.

### **Risks related to the Exit of the UK from the EU**

The UK withdrew from the EU on 31 January 2020. The negotiation of the UK's continuing relationship with the EU is likely to take a number of years.

On 24 December 2020, the UK and the EU announced their agreement on a Trade and Cooperation Agreement (the “TCA”) which provisionally applied from 1 January 2021 and entered into force on 1 May 2021 and therefore a temporary period of “no deal” following the transition period was avoided. The conclusion of the TCA provides a structure for EU-UK cooperation in the future. It does not necessarily create a permanent set of rules, but is a basis for an evolving relationship, with scope for increasing divergence or closer cooperation which may vary between different areas. The TCA mainly covers trade in goods and services, with provisions on intellectual property, energy, transparency, regulatory practices, public procurement and a level playing field. It also includes sections on aviation, digital trade, road transport, social security and visas, fisheries, and law enforcement and judicial cooperation on criminal matters.

The UK and the EU are likely to continue to negotiate trading or other agreements for a number of years. Therefore, the UK’s future economic and political relationship with the EU (and with other non-EU countries by agreement) continues to remain uncertain. This uncertainty means it is not possible to determine the full impact that the UK’s departure from the EU and/or any related matters may have on the Trust or its investments, including, in each case, the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents.

This introduces significant uncertainty in the business, legal and political environment and risks (“Brexit Risks”) including short and long-term market volatility and currency volatility, macroeconomic risk to the UK and European economies, impetus for the break-up of the UK and related political and economic stresses, impetus for further disintegration of the EU and related political stresses (including those related to sentiment against cross-border capital movements), legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations in view of the expected steps to be taken pursuant to or in contemplation of Article 50 of the Treaty on European Union and negotiations undertaken under Article 218 of the Treaty on the Functioning of the European Union, and the unavailability of timely information as to expected legal, tax and other regimes.

The uncertainty surrounding the UK’s relationship with the EU and its withdrawal as a member state of the EU may adversely impact the Trust and its investments (in particular those that relate to companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK).

There can be no assurance that the Brexit Risks will not alter significantly the attractiveness of an investment in the Trust including as a result of the potential for capital losses, delays, legal and regulatory risk and general uncertainty. Brexit Risks also include the potential for prejudice to financial services businesses that are conducting business in the EU and which are based in the UK, disruption to regulatory regimes related to the operations of the Trust, the Manager, the Investment Manager and other advisers and service providers to the Trust. As such, it may be necessary for the Manager, the Investment Manager, the distributor or service providers to restructure their arrangements with the Trust.

## Borrowings and Leverage

The Trust Deed enables borrowing to be undertaken for the account of the Unit Trust up to a limit of 10% of its Net Asset Value at the time of borrowing. The assets of the Unit Trust may be charged or pledged as security for any such borrowings.

AIFMD requires that the maximum leverage of the Unit Trust be disclosed under two methodologies: (i) the commitment method and (ii) the gross method. These leverage limits are expressed as the ratio of the ‘exposure’ (calculated under either the gross or commitment method as prescribed under AIFMD) over the Net Asset Value of the Unit Trust. Figures are expressed as a percentage (i.e. 100% or below implies no leverage). Any changes to the maximum level of leverage of the Unit Trust will be notified to Unitholders without undue delay.

It is not the intention of the Manager to utilise leverage in the Unit Trust and therefore the maximum leverage the Unit Trust may incur under the two methodologies is as follows:

<b>Maximum Leverage under AIFMD Methods</b>	
Calculated under the commitment method	100%
Calculated under the gross method	100%

Barings Korea Trust may borrow money in accordance with the terms set out in the Trust’s prospectus and trust deed. In addition, the Trust may also use leverage, which may arise through the use of FDIs. Further information in this regard is set out in the prospectus for the Trust, copies of which are available as detailed under the section headed “Particulars Relating to the Barings Korea Trust”.

## Trust Deed

Copies of the Trust Deed may be obtained from the Manager or the Depositary or may be inspected during normal working hours at the offices of the Manager or the Depositary free of charge.

Subject to the prior approval of the Central Bank, the Depositary and the Manager may modify or add to the provisions of the Trust Deed if the Depositary is satisfied that the modification or addition either (a) does not materially prejudice the interests of the Unitholders, does not operate to release to any material extent the Depositary or the Manager or any other person from any responsibility to the Unitholders and will not increase the costs and charges payable out of the Unit Trust or (b) is necessary for compliance with any fiscal or other statutory, regulatory or official requirements or (c) is solely for the purpose of enabling Units to be issued in bearer form.

Any other modification or addition requires, in addition, the approval of an Extraordinary Resolution (as described under "Meetings of Unitholders") of a meeting of Unitholders. Unitholder liability shall be limited to the amount contributed by him or her for the subscription of Units and no further liability can be imposed on a Unitholder in respect of the Units for which they hold. No modification or addition may impose on any Unitholder any obligation to make a further payment or to accept any liability in respect of his Units.

## Charges and Expenses

The following fees and expenses are applicable to the Unit Trust:

<b>Fees</b>	<b>Class A</b>
<b>Management Fee</b>	N/A
<b>Depositary Fee</b>	Up to 0.025%
<b>Administration Fee</b>	0.275%
<b>Base Currency</b>	USD
<b>Hedged Class Available</b>	N/A
<b>Unhedged Class Available</b>	Class A USD Acc
<b>Accumulation Units (Acc) Available</b>	Yes
<b>Distribution Units (Inc) dividend payment dates</b>	N/A
<b>Minimum Subscription and Holding Level <sup>1</sup></b>	USD 5,000
<b>Subsequent Minimum Investment <sup>1</sup></b>	USD 500

<sup>1</sup> Or such lower amount as the Manager may determine at its discretion

### Unit Trust Charges and Expenses

#### Manager

The Manager is entitled under the Trust Deed to charge a management fee at the 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 Net Asset Value of the Unit Trust (the "Management Fee"). 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 Manager does not currently charge a management fee but 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.

#### Depositary

The Depositary is entitled under the Trust Deed to receive out of the assets of the Unit Trust a trustee fee at the rate set out above (the "Depositary Fee"). The Depositary Fee payable is a percentage of the Net Asset Value of each Class and is paid monthly in arrears. In addition, the Depositary will also charge transaction fees, safekeeping fees and account maintenance charges out of the assets of the Unit Trust 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.

#### Administration

The Manager is entitled under the Trust Deed to receive an administration fee (in addition to the Management Fee) for the account of the Manager out of the assets of the Unit Trust at the rate set out above (the "Administration Fee"), subject to a minimum of £12,000 per annum. The Administration Fee is payable monthly in arrears and 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 Manager will pay the fees of the Administrator (at such rate as may be agreed between the Administrator and the Manager from time to time) out of the Administration Fee. Consistent with the terms referenced in the Unit Trust's Deed, the remainder of the Administration Fee will be retained by the Manager for administrative services provided by the Manager to the Unit Trust. The Administrator is entitled to be reimbursed certain of its out-of-pocket expenses out of the assets of the Unit Trust.

#### General Expenses

The Depositary will pay out of the assets of the Unit Trust the above fees and expenses, stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, listing fees and legal expenses of the Manager and the cost of establishing, maintaining and registering the Unit Trust and the Units with any governmental or regulatory authority or with any regulated market deemed appropriate by the Manager from time to time. The costs of printing and distributing any Prospectus or Key Information Document, reports, accounts and any explanatory memorandum, publishing prices and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law) will also be paid out of the assets of the Unit Trust.

#### Commissions / Brokerage

The Manager and any duly appointed delegate of the Manager may charge commissions and/or brokerage on transactions effected by them as agents for the Unit Trust and to accept payment of and retain for their own account all commissions and brokerages which they derive from or in connection with purchases or sales of investments, whether or not such commissions or brokerages would otherwise form part of the assets of the Unit Trust or fall to be treated as such.

Where the Manager or any duly appointed delegate of the Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for the Unit Trust, the rebated commission shall be paid to the Unit Trust. The Unit Trust will generally pay brokerage at customary institutional brokerage rates. Transactions of the Unit Trust may be entered into through associates of the Manager.

The Manager and their associates will not receive cash or other rebates from brokers or dealers in respect of transactions for the Unit Trust. Execution of transactions for the Unit Trust will be consistent with best execution standards.

#### Barings Korea Trust Fees and Expenses

The fees and expenses payable out of the assets of the Barings Korea Trust, including fees payable to BFM, are described in the prospectus for the Barings Korea Trust. BFM will make 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 BFM and is subject to a current maximum of 0.15% of net asset value per annum (plus Value Added Tax) of the value of the Barings Korea Trust. The current charge is calculated on a sliding scale as set out below:

<b>Value of Property of Barings Korea Trust</b>	<b>Below £200 million</b>	<b>Between £200-400 million</b>	<b>Between £400-£1,200 million</b>	<b>Over £1,200 Million</b>
<b>Periodic fee of Trustee of Barings Korea Trust</b>	0.0175% of net asset value per annum	0.0150% of net asset value per annum	0.0100% of net asset value per annum	0.0050% of net asset value per annum

These rates can be varied from time to time in accordance with The Collective Investment Scheme Sourcebook (COLL) (the "Rules") issued by the FCA.

BFM will not impose any preliminary charge in respect of the Unit Trust's investment in the Barings Korea Trust.

## **Unitholder Fees**

The Manager reserves the right to impose, at its absolute discretion, a minimum transaction fee of US\$50 in respect of any application for Units received from an investor, the value of which is less than the foreign currency equivalent of US\$500 or such other amounts as may be determined by the Manager from time to time. Similarly, in the event that the Manager receives a request to redeem Units with a value of less than US\$500 the Manager may, in its absolute discretion, impose a transaction fee of US\$50 to cover the costs of such redemption or such other amounts as may be determined by the Manager from time to time.

### **Preliminary Charge**

The Manager may impose a Preliminary Charge not exceeding 5% of the Net Asset Value per Unit which will be retained by the Manager and out of which the Manager may pay commission to authorised agents.

The Manager is also entitled to add to the Net Asset Value per Unit, for their own account, a charge sufficient to cover amounts paid by them on account of stamp duties and taxation in respect of the issue of Units and may also add a charge (not exceeding 1% of the Net Asset Value per Unit) for the account of the Unit Trust in respect of fiscal and purchase charges. It is not, however, the intention of the Manager to make any such additions in normal circumstances.

### **Redemption Charge**

The Manager is entitled under the Trust Deed, in calculating the Net Asset Value per Unit, to deduct from the account of the Unit Trust a charge (not exceeding 1% of such Net Asset Value per Unit) to meet duties and charges incurred in realising assets to provide moneys to meet the redemption request but it is not the intention of the Manager to make any deduction in respect of such duties and charges in normal circumstances.

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## **Administration of the Unit Trust**

### **Determination of Net Asset Value**

The Net Asset Value per Unit is calculated by dividing the value of the assets of the Unit Trust, less its liabilities, by the total number of Units in issue as at that Dealing Day. The Unit Price is the resulting sum adjusted to two decimal places in accordance with the provisions of the Trust Deed.

Where different Classes are available, the Net Asset Value of the Unit Trust is calculated as set out below and is allocated between each Class in accordance with their respective values. The portion of the Net Asset Value allocated to each Class is divided by the number of Units of the relevant Class then in issue and the resultant amount is the Net Asset Value of the relevant Class.

The method of establishing the Net Asset Value of the Unit Trust is set out in the Trust Deed and summarised below.

Units in the Barings Korea Trust will be "single priced", with the same price for buying or selling on any particular day. This will be based on a mid-market valuation of the underlying investments without addition or deduction of a provision for dealing costs. Cash held by the Unit Trust will be valued at its face value (together with accrued interest). The Manager may, with the prior consent of and following consultation with the Depositary adjust the value of any investment, if having regard to interest rates, currency or other factors, this is considered necessary to reflect its fair value. Interest and other income and liabilities are, where practicable, accrued from day-to-day. Where the value of an investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Manager with care and good faith or by a competent person approved for the purposes by the Depositary. Fair value pricing may be used to value the assets of the Barings Korea Trust in circumstances where the market prices of securities are unreliable or not ascertainable. Further information is contained in the prospectus of Barings Korea Trust.

### **Availability of the Net Asset Value per Unit**

Except where the redemption of Units of the Unit Trust has been suspended, in the circumstances described in the section headed "Temporary Suspension of Redemptions", the Net Asset Value per Unit of each Class shall be available on the Barings website at [www.barings.com](http://www.barings.com) or on the Euronext Dublin website at [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin). Prices can also be ascertained at the registered office of the Manager.

Such information will relate to the Net Asset Value per Unit for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Units at that Net Asset Value per Unit. In the case of listed Units, the Net Asset Value per Unit will also be notified to Euronext Dublin immediately upon calculation and shall be available on the website [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin).

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## **Distribution Policy**

It is not intended to distribute to Unitholders any income, all such income is accumulated within the Unit Trust.

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## Subscription of Units

Units in the Unit Trust may be purchased on any Dealing Day, at the Net Asset Value per Unit, as defined under “Determination of Net Asset Value”, applicable on the relevant Dealing Day.

Under the Trust Deed, the Manager is given the exclusive right to effect for the account of the Unit Trust the issue of Units of any Class and to create, with the consent of the Depositary and the Central Bank, new Classes and have absolute discretion to accept or reject in whole or in part any application for Units.

### **Account Opening**

Investors subscribing for Units for the first time must complete the Account Opening Form and submit to the Manager c/o the Administrator as set out in the Account Opening Form. The Account Opening Form may be obtained from the Manager or the Administrator. The signed original Account Opening Form together with supporting documentation in relation to anti-money laundering requirements must be received before the application will be accepted. If any of the details that are provided change, including your address, other contact details (e.g. telephone number, email address) or bank account details, please inform the Administrator immediately by letter at the address set out in the “Directory” section of this Prospectus. Failure to do so may cause a delay in processing any subscription or redemption orders.

Prospective investors should note that by completing an Account Opening Form they are providing to the Manager with personal information, which may constitute personal data within the meaning of the Data Protection Legislation. The personal data of prospective investors and registered Unitholders shall be processed in accordance with the Privacy Notice.

The Administrator may and will hold all or part of the data provided in accordance with applicable laws even after the investor has fully redeemed from the Unit Trust.

By signing the Account Opening Form, prospective investors consent to the recording of telephone calls made to and received from investors by the Manager, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

### **Application of Units**

Subscription of Units may be made by submitting the completed Subscription Form to the Manager c/o the Administrator as set out in the Subscription Form. Investors can, with the agreement of the Manager and the Administrator, subscribe via electronic messaging services such as SWIFT. All requests received by the Manager will be treated as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Manager. Completed Subscription Forms received by the Manager prior to 12 noon (Irish time) on a Dealing Day will be dealt with by reference to the Net Asset Value per Unit determined as at the Valuation Point on that Dealing Day. Subscription requests received after 12 noon (Irish time) will be treated as having been received on the following Dealing Day.

Subscription monies in cleared funds must be received by the Settlement Date. Payment is normally due in the currency of the relevant Class of the Unit Trust. The Manager may accept payment in other currencies, but such payments will be converted into the currency of the relevant Class and only the proceeds of such conversion at the prevailing exchange rate (after deducting expenses relating to such conversion) will be applied by the Manager towards payment of the subscription monies. The Manager has standing arrangements for subscription monies to be paid by electronic transfer as specified in the Subscription Form.

Payments by electronic transfer should quote the applicant’s name, bank, bank account number, Unit Trust name and confirmation note number (if one has already been issued). Any charges incurred in making payment by electronic transfer will be payable by the applicant.

A confirmation note will be sent to each successful applicant. If payment in full in cleared funds has not been received by the Settlement Date, the application may be refused and any allotment or transfer of Units made on the basis thereof cancelled, or, alternatively, the Manager may treat the application as an application for such number of Units as may be purchased or subscribed with such payment. The Manager reserves the right, in the event of non-receipt of cleared funds by the due date and cancellation of a subscription, to charge the applicant for losses accruing. The Manager reserves the right to limit deals without prior receipt of cleared funds. In such an event the investor shall indemnify the Manager, the Administrator, the Depositary and the Unit Trust, the applicable distributor and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys’ fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Form.

Units will be issued in registered form. Registration of the Units comprised in the application will normally be effected within twenty-one days of the Manager receiving the relevant registration details. Ownership is recorded by an entry in the Unit

register and a personal account number is allocated to the investor which will be shown in a registration advice despatched within twenty-one days of the Manager receiving the relevant registration details. The personal account number must be quoted in all communications relating to the Unit Trust.

The Manager, the Administrator or a distributor may, in their sole discretion, reject any subscription order for Units in whole or in part for any or no reason, including in particular, where the Manager or the Administrator, as appropriate, reasonably believes the subscription order may represent a pattern of excessive trading or market timing activity in respect of the Unit Trust. Where an application for Units is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

The Manager shall have an absolute discretion to declare the Unit Trust or Class closed to further subscriptions. Existing Unitholders of the Unit Trust or Class will be provided with prior notification of such closure and the Manager shall also notify distributors and/or placing agents. The Manager may invoke this discretion to close the Unit Trust to further subscriptions where they are satisfied that it will be in the best interests of the Unitholders, given the market conditions prevailing at the time. The Manager will have the discretion to re-open the Unit Trust or Class for subscription on any Dealing Day and existing Unitholders will be given advance notification of such re-opening.

Units may not be issued or sold by the Manager during any period when the right of Unitholders to require the redemption of their Units is suspended in the manner described under "Redemption of Units". Applicants for Units will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the end of such suspension. In such cases where the calculation of the Net Asset Value per Class is suspended, such suspension will be notified to the Central Bank (immediately and in any event within the same Business Day) and Euronext Dublin (if applicable) without delay and where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

### **Types of Units**

Units will be issued in registered form. Unit certificates will not be issued. Fractions of not less than one-thousandth of a Unit may be issued. Application monies representing smaller fractions of a Unit will not be returned to the applicant but will be retained as part of the Unit Trust's assets.

All Units of each Class will rank *pari passu*. Details of the issues of Units, including the Minimum Investment / Minimum Holding in respect of each Class, are set out above. The Minimum Investment / Minimum Holding in respect of each Class may be waived at the discretion of the Manager.

### **In Specie Subscriptions**

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 Unit Trust 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.

### **Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce a copy of a passport or identification card together with evidence of his/her address such as a copy of, a utility bill or bank statement and proof of tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a relevant third party as such term is defined in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2013 (as amended). This exception will only apply if the relevant third party referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations and satisfies other applicable conditions such as providing a letter of undertaking confirming that it has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Manager or the Administrator.

The details above are given by way of example only and in that regard the Manager and the Administrator each reserve the right to request any such information or documents as is necessary to comply with their obligations under anti-money laundering legislation at the time of application (and also during the business relationship) for Units in the Unit Trust to

verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Manager and the Administrator each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP.

Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Manager or the Administrator may reject the application and subscription monies and return all subscription monies or compulsorily redeem such Unitholder's Units. Further, no redemption proceeds will be paid until the Unitholder provides such information. None of the Manager or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. If an application is rejected in whole or in part, the Administrator may return application monies or the balance thereof by electronic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Manager or the Administrator will refuse to pay redemption proceeds if the original Account Opening Form has not been received by the Administrator. Any such redemption proceeds will be held in the Collection Account where the requisite information for verification purposes has not been produced by a Unitholder.

For existing unit holdings which are compulsorily redeemed, the proceeds of redemption will be held in a Collection Account until such time as the Manager or the Administrator have verified the Unitholder's identity to its satisfaction.

### **Collection Account**

In circumstances where Units have been compulsorily redeemed for failure to provide the information required for verification purposes, the proceeds of redemption will be held in a "Collection Account" (as described hereafter) and therefore, investors should note that such proceeds shall be treated as an asset of the Unit Trust. A Collection Account is an account opened in the name of the Depositary on behalf of the Unit Trust for the purpose of holding redemption proceeds due to an investor which cannot be transferred to the relevant investor. The relevant investor will rank as an unsecured creditor of the Unit Trust until such time as the Manager or the Administrator are satisfied that its anti-money laundering and counter terrorist financing procedures have been fully complied with, following which redemption proceeds will be released. Any such unclaimed monies following a termination of the Unit Trust will also be held in a Collection Account (see section headed "Duration of the Unit Trust").

In the event of an insolvency of the Unit Trust, there is no guarantee that the Unit Trust will have sufficient funds to pay unsecured creditors in full. Investors due redemption proceeds which are held in a Collection Account will rank equally with all other unsecured creditors of the Unit Trust 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 a Collection Account for onward transmission to that investor.

Accordingly, investors should ensure that all documentation required by the Manager or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Manager or Administrator when subscribing for Units.

The Manager and the Administrator reserve the right to obtain any additional information or documents from investors, at any point during the business relationship and may not carry out a service for the investor until the additional information or documentation is obtained to the satisfaction of the Manager. The Manager and the Administrator cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

### **Fair Treatment of Unitholders**

The detailed rights and obligations of the Manager, the Depositary and Unitholders are set out in the Trust Deed. The Manager ensures that the Trust Deed is made available for review by each Unitholder as set out in the section headed "Documents Available for Inspection", such that every Unitholder is informed about its rights and obligations under that document.

The Manager will at all times seek the fair treatment of Unitholders in the Unit Trust by complying with the Trust Deed and provisions of applicable law.

In addition, the Manager operates in accordance with the principles of treating customers (including, as appropriate, funds and their investors) fairly. Amongst other things, the principles of treating customers fairly include (i) developing and marketing products responsibly, keeping product ranges under constant review and adapting to changes in markets and regulation; (ii) ensuring that all marketing communications are clear, fair and not misleading and carefully tailored to their intended audience; (iii) ensuring that employees are properly trained and supervised to perform at the appropriate professional standards; and (iv) ensuring that material conflicts of interests are identified, avoided where possible, managed and disclosed to ensure fair outcomes to clients.

Unitholders should note however that fair treatment does not necessarily equate to equal or identical treatment and that, as described in the section entitled “Charges and Expenses”, the terms and conditions of any given Unitholder’s investments in the Unit Trust may differ to other Unitholders.

In consideration of a waiver of a minimum subscription amount as specified in this Prospectus for an investor, the Manager may take into account subscriptions from associated entities or affiliated Unitholders of the investor. In addition, the Manager may enter into arrangements with certain Unitholders which cover areas such as, inter alia, country-specific regulatory and tax matters.

As of the date of this Prospectus, the Manager has agreed arrangements with institutional investors who administer accounts or provide the Unit Trust to clients through single or multiple distribution channels. These institutional investors have no legal or economic links to the Manager or their affiliates. The terms of these arrangements include differentiating the amount of the Management Fee or other fees and expenses as agreed by the Manager.

### **Collection Account**

The Administrator operates the Collection Account in accordance with the Central Bank’s Investor Money Regulations for a number of collective investment schemes managed by the Manager. The Collection Account is held at a credit institution as prescribed by the Investor Money Regulations (“Relevant Bank”) in the name of the Administrator and is designated as a “Collection Account” or “Coll a/c”. All monies in the Collection Account will be held at the Relevant Bank on a segregated basis by the Administrator, in trust for the benefit of the investors and on behalf of, and at the risk of, the investors for whom such investor monies are being held. The Relevant Bank will hold the cash on the Administrator’s behalf (for the benefit of the investors on behalf of whom such monies are being held) in an account separate from any money the Relevant Bank holds for the Administrator in its own right. In the event of the insolvency of the Relevant Bank, the Administrator should have a claim against the Relevant Bank on behalf of the investors for whom the monies in the Collection Account are being held. In the event of the insolvency of the Administrator, monies in the Collection Account would not form part of the Administrator’s assets.

Any subscription monies which are received by the Administrator prior to investment in the Unit Trust, will be held in a collection account and will not form part of the assets of the Unit Trust until such monies are transferred from the Collection Account to the account of the Unit Trust.

Redemption proceeds will be paid into the Collection Account on the Settlement Date and distributions on the relevant distribution payment date, when they will no longer be considered an asset of the Unit Trust. Further, any conversion from one Class (the “Original Class”) into another Class (the “New Class”) will be deemed to be a redemption from the Original Class and a subscription into the New Class and the relevant proceeds will be held in the Collection Account until transferred to the New Class.

No interest is payable by the Manager or the Administrator on monies credited to the Collection Account.

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## **Redemption of Units**

Applications for the redemption of Units received by the Manager prior to 12 noon (Irish time) on a Dealing Day will be dealt with by reference to the Net Asset Value per Unit, as defined under “Determination of Net Asset Value”, applicable on the relevant Dealing Day. Redemption requests received after 12 noon (Irish time) will be treated as having been received on the following Dealing Day.

Requests for the redemption of Units may be made to the Manager c/o the Administrator as set out in the redemption form. All instructions must be signed by the registered Unitholders or where a representative has been appointed following receipt of a completed power of attorney. All requests received by the Manager will be treated as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Manager. In addition, investors can, with the agreement of the Manager and the Administrator, redeem Units via electronic messaging services such as SWIFT. Redemption requests can be processed on receipt of electronic instructions only where payment is made to the account of record.

Partial redemptions of holdings are permitted provided that this will not result in the Unitholder holding an amount which is less than the Minimum Holding. In cases where the Unit Trust is temporarily suspended for redemptions, the redemption request will be processed until the next Dealing Day when the dealing is no longer suspended.

No redemption payments shall be made until the original Account Opening Form (and supporting documentation) has been received by the Manager. Units also need to be fully registered and settled before redemption payments can be made.

The Manager and the Administrator will withhold payment of the proceeds of redemption and income on Units and may automatically reinvest distribution entitlements until the original Account Opening Form has been received from the investor and where it is considered necessary or appropriate to carry out or complete identification procedures in relation to the Unitholder pursuant to a statutory, regulatory or European Union obligation.

Payment of redemption proceeds will be made in accordance with initial redemption payment instructions as notified to the Manager, to the registered Unitholder or in favour of the joint registered Unitholders as appropriate. If investors wish to make any change in the redemption payment instructions, such change must be by written notice to the Manager signed by the sole registered Unitholder or all joint registered Unitholders. The Manager will be deemed to be authorised to act on any redemption instruction received from any person purporting to be the Unitholder and reciting the relevant account number.

Payment will normally be made by the Settlement Date (excluding non- Dealing Days and days when due to public holidays the relevant country, payments in the relevant currency of the Class cannot be settled) or, if later, four Business Days after receipt by the Manager of a dealing confirmation submitted by the Unitholder (excluding days when due to public holidays in relevant country, payments in the relevant currency cannot be settled). Delayed payment of redemption proceeds can occur where there is a delay in the settlement of the underlying securities in the Unit Trust. Such delay will not exceed 10 Business Days from the date of receipt of the redemption request.

Where all relevant documentation and information is held in respect of the Unitholder the proceeds will be paid to the bank account provided by the Unitholder.

Where redemption proceeds are paid but are refused by the Unitholder's receiving bank, the monies will be returned to the Collection Account until valid bank details for the Unitholder are provided.

Subject as mentioned above, the amount due on the redemption of Units will normally be paid in the relevant currency of the Class. Arrangements, however, can be made for Unitholders wishing to redeem their Units to receive payment in currencies other than the relevant currency of the Class by electronic transfer. The cost of currency conversion and other administrative expenses will be charged to the Unitholder.

The Manager may, in its sole discretion, redeem some or all of the Units of a Unitholder where the Unitholder has failed to pay subscription monies by the due date and may apply the redemption proceeds in satisfaction of the Unitholder's liabilities to the Manager or any of their respective affiliates pursuant to the indemnity described under "Application of Units" within the "Subscription of Units" section of this Prospectus.

### **Redemption Deferral Policy**

The Manager is entitled, with the approval of the Depositary, to limit the number of Units which may be redeemed on any Dealing Day to 10% of the total number of Units in issue of the Unit Trust (the "Redemption Deferral Policy"). The Redemption Deferral Policy will apply pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day, and in such event, the Manager will carry out such redemptions which, in aggregate, amount to 10% of the Units then in issue in the Unit Trust. Where the Manager decides to invoke this Redemption Deferral Policy, the excess of Units above 10% which have not been redeemed will be carried forward until the next Dealing Day and will be redeemed on the next Dealing Day (subject to a further operation of the Redemption Deferral Policy on the next Dealing Day). Requests for redemption of Units carried forward from an earlier Dealing Day shall be dealt with in priority to any redemption requests received subsequently until all Units to which the original request related have been redeemed. If requests for redemption are so carried forward, the Manager will give immediate notice to the Unitholders affected.

### **In Specie Redemptions**

The Manager may at its discretion, satisfy any redemption request by in-specie distribution in circumstances where a Unitholder wishes to redeem Units representing 5% or more of the Net Asset Value of the Unit Trust on a single Dealing Day and where the Unitholder either requests in-specie distribution or has consented to such in-specie redemption. Any such in-specie redemption will be valued at the redemption price for the Units redeemed as if the redemption proceeds were paid in cash less any Redemption Charge and other expenses of the transfer as the Manager may determine. The assets for distribution will be selected in consultation with and subject to the approval of the Depositary on such basis as the Manager deems equitable and so that there is no prejudice to the interests of remaining Unitholders.

Where a redeeming Unitholder has elected or has consented to receive redemption proceeds by an in specie distribution of stock of Units representing 5% or more of the Net Asset Value of the Unit Trust, the Units settled in-specie will not be included in the calculation of the percentage of the Units for which redemption requests have been received for the purpose of determining whether the Redemption Deferral Policy may be invoked on a particular Dealing Day. Where a Unitholder has elected or consented to receive part or all of the redemption proceeds in-specie, the Manager shall advise the Unitholder that a Redemption Deferral Policy may operate if cash settlement is requested.

Unitholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. The Unitholder may, by notice in writing to the Manager, require the Manager to sell such investments on their behalf and to pay them the proceeds of sale less any costs incurred in connection with such sale. The Manager may decline any request for in specie redemption at their discretion. Any distribution of assets in specie will not be materially prejudicial to the rights of the remaining Unitholders.

### **Temporary Suspension of Redemptions**

The Manager may, at any time, with the approval of the Depositary, having regard to the best interests of Unitholders, temporarily suspend the right of Unitholders to require the redemption of Units of any Class, subscribe, convert and/or redeem Units of any Class and/or may delay the payment of any monies in respect of any such redemption during:

- (a) any period when dealing in units of the Barings Korea Trust is suspended; this may occur where the Depositary and manager of the Barings Korea Trust have agreed (or the Depositary alone considers) that there is good and sufficient reason for such a suspension having regard to the interests of participants or potential participants;
- (b) during the existence of any state of affairs as a result of which disposal of investments for the time being comprised in the property of the Unit Trust cannot, in the opinion of the Manager, be effected normally or without seriously prejudicing the interests of Unitholders;
- (c) during any breakdown in the means of communication normally employed by the Manager in determining the Net Asset Value of the property of the Unit Trust or when for any other reason the value of any investment for the time being comprised in such property cannot, in the opinion of the Manager, be promptly and accurately ascertained;
- (d) any period during which the Depositary is unable to repatriate funds required for making payments due on redemption of Units or during which the redemption of investments for the time being comprised in the property of the Unit Trust or the transfer of funds involved in such redemption cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange;
- (e) on any Dealing Day when the requested redemptions of Units exceed 25% of the total number of Units in issue which would result in continuing Holders bearing a disproportionate amount of the unamortised preliminary expenses, provided however that the suspension shall not exceed ten Business Days; and
- (f) upon the mutual agreement of the Manager and the Depositary, in contemplation of the termination of the Unit Trust.

Unitholders who have requested redemptions of any Units will be notified of any such suspension and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension will be notified to Euronext Dublin and the Central Bank immediately. The Central Bank shall also be notified immediately upon the lifting of that temporary suspension. Where the temporary suspension has not been lifted within 21 working days, the Central Bank shall be updated on the expiration of the 21 working day period and each subsequent 21 working day period where the temporary suspension continues to apply.

### **Liquidity Risk Management**

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Unit Trust and to ensure the liquidity profile of the investments of the Unit Trust will facilitate compliance with the Unit Trust's underlying obligations. The Manager's liquidity risk management policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Unit Trust. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Unit Trust.

In summary, the liquidity risk management policy monitors the profile of investments held by the Unit Trust and ensures that such investments are appropriate to the redemption policy as stated under Redemption of Units above, and will facilitate compliance with the Unit Trust's underlying obligations. Further, the liquidity risk management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Unit Trust in exceptional and extraordinary circumstances.

The Manager seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of the Unit Trust are consistent. The investment strategy, liquidity profile and redemption policy of the Unit Trust will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the Manager's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the Manager shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of the Unit Trust.

Details of the redemption rights of Unitholders, including redemption rights of Unitholders in normal and exceptional circumstances and existing redemption arrangements are set out above in this section.

### **Compulsory Redemption of Units**

The Manager shall have the power (but shall not be under a duty) to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or any requirements of any country or governmental authority, including any foreign exchange control regulations or by a United States Person or Japanese person (except in transactions exempt from the requirements of the Securities Act and applicable state securities laws) or by any person described in (a) to (f) below.

The Manager may at any time give notice in writing for the redemption of, or request the transfer of, Units held directly or beneficially by:

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units;
- (b) any United States Person;
- (c) any Japanese Person;
- (d) any person who in the opinion of the Manager, is engaging in repeatedly purchasing and selling Units in response to short term markets fluctuations, known as "market timing" or are otherwise excessive or potentially disruptive to the Unit Trust;
- (e) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Manager to be relevant) in the opinion of the Manager might result in the Unit Trust or its Unitholders incurring any liability to taxation or suffering pecuniary disadvantages which the Unit Trust or its Unitholders might not otherwise have incurred or suffered; or
- (f) any person or persons holding Units with a value less than the Minimum Holding.

The Manager shall be entitled to give notice to such persons requiring him/her to (i) transfer such Units to a person who is qualified or entitled to own them or (ii) to submit a request for redemption. If any such person upon whom such a notice is served as aforesaid does not within 30 days after such notice transfer such Units or request the Manager to purchase such Units as aforesaid he shall be deemed forthwith upon the expiration of 30 days to have requested the Manager to purchase his Units and the Manager shall be entitled to appoint any person to sign on his/her behalf such documents as may be required for the purposes of the purchase of the said Units by the Manager.

All of the Units of the Unit Trust or of any Class may be redeemed in contemplation of terminating the Unit Trust on the giving by the Manager of not less than four weeks nor more than twelve weeks' notice expiring on a Dealing Day to Unitholders of its intention to redeem such Units.

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### **Transfer of Ownership of Units**

Units will be transferable by sending instruction in writing to the Manager c/o the Administrator. Such instruction should be signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided that the transfer does not result in the transferor or the transferee holding a number of Units of a value which is less than the Minimum Holding. The Minimum Holding requirement for a transfer may be waived at the discretion of the Manager. The Manager will not register the transfer of Units or acknowledge the fact that a transfer has been made until such time as the transferor and the transferee have completed the Account Opening Form, have provided the Manager with such evidence of their identities as the Manager may require for the purpose of complying with applicable money laundering prevention checks and the relevant documentation has been received by the Manager or its delegate. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Manager as having any title to or interest in the Units registered in the names of such joint Unitholders. The Manager may decline any request for a transfer of Units if they are aware or reasonably believe the transfer would result in the beneficial ownership of such Units by a person in contravention of any of the following restrictions on ownership imposed by the Manager:

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units;
- (b) any United States Person other than pursuant to an exemption under the Securities Act;
- (c) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Manager to be relevant) in the opinion of the Manager might result in the

Depository or the Trust incurring any liability to taxation or suffering pecuniary disadvantages which the Depository or Trust might not otherwise have incurred or suffered or

- (d) any Japanese person; or
- (e) any person who in the opinion of the Manager, is engaging in repeatedly purchasing and selling Units in response to short term markets fluctuations, known as “market timing” or are otherwise excessive or potentially disruptive to the Trust; or
- (f) any person who holds less than the Minimum Holding.

Irish Resident Unitholders and Unitholders Ordinarily Resident in Ireland other than Exempt Irish Investors must notify the Manager in advance of any proposed transfer of Units.

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## Certificates

Unit certificates will not be issued.

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## Manager, Depository and Administrator

### Manager and AIFM

The Manager of the Unit Trust is Baring International Fund Managers (Ireland) Limited which was incorporated in Ireland on 16 July 1990 as a private limited company. The issued share capital of the Manager is £100,000, all of which has been paid up in full. The company secretary of the Manager is Matsack Trust Limited.

The manager of the Barings Korea Trust is Baring Fund Managers Limited.

### Directors of the Manager

**Barbara Healy:** (resident of Ireland) is a chartered accountant by profession and has over 25 years' experience in the asset management industry. Ms Healy was Global Head of Operations for JPMorgan Hedge Fund Services incorporating the role of Executive Director and Head of Technical Solutions EMEA and Asia, (2004-2009). During Ms Healy's tenure assets grew from \$5Bn to \$100Bn, positioning the firm as a top-tier service provider in the hedge fund administration market. Ms. Healy previously ran operations for Tranaut Fund Administration Ltd (2002 - 2004) which was subsequently acquired by JPMorgan, and before this was Director of Accounting for SEI Investments Europe. Ms. Healy has also worked in fund accounting positions in Banker's Trust and Chase Manhattan Bank. Since 2009 she has been serving as an independent non-executive director to Irish and Cayman domiciled investment and hedge funds. Ms Healy holds a Bachelor of Commerce Degree (Honours) and a Post-Graduate Diploma in Professional Accounting From University College Dublin. She is a member of the Institute of Chartered Accountants in Ireland (FCA) and is also a member of the Institute of Directors in Ireland. Ms Healy attended the High Performance Boards Corporate Governance Programme at IMD, Lausanne, Switzerland, 2011.

**Sylvester O'Byrne:** (resident of Ireland) is a company director with over 25 years of professional experience as a corporate and financial services lawyer in the US and Ireland, specialising in asset management and funds. He has extensive experience advising funds, their promoters and service providers on the establishment and servicing of regulated Irish funds, and funds domiciled in Luxembourg, the Cayman Islands and the Channel Islands. He worked in practice as a funds lawyer for many years and has managed legal and compliance functions and teams as Head of Legal for MUFG Fund Services Ireland Limited, General Counsel for the Carne Group, Head of Legal for Credit Suisse Fund Administration Services (Ireland) Limited, and Daiwa Securities Trust & Banking Group (Europe) plc. He began his career in private practise in Irish and New York law firms. Sylvester has a degree in Law & History and an LLB from University College, Galway, Ireland. He is a dual Irish and New York State qualified lawyer, a member of the Law Society of Ireland since 1995 and a member of the New York State Bar since 1997. He is also a member of the Irish Funds Directors Association.

**Rhian Williams:** (resident of the United Kingdom) is the Global Head of Corporate Legal of 'Barings' and a member of the Barings Legal Leadership Team. Rhian is responsible for the day-to-day management and oversight of Barings' global corporate entities and for advising on all corporate legal matters. Prior to her appointment with Barings, Rhian was an Associate in a private practice law firm advising on financial services' matters. Rhian is a practising Solicitor and holds a B.A. from the University of Nottingham.



**Alan Behen:** (resident in Ireland) is the Chief Executive Officer of the Manager. Alan is responsible for the day-to-day general management of Barings' Irish entities. He has over 20 years' experience in the investment industry, spanning offshore funds, asset management and fixed income markets. Prior to his appointment with Barings, Alan served as a Managing Director at State Street International Ireland Limited. Alan holds a B.A. from Columbia University.

**Paul Smyth:** (resident in Ireland) is the Chief Investment Officer of the Manager. Paul joined the Manager in March 2019 and is responsible for the oversight of the investments team and their regulatory obligations. Paul has worked in the investment management industry since 2000, and joined from Aberdeen Standard Investments, where he was a senior member of the global client team, and was also responsible for managing multi-asset mandates.

With the exception of Alan Behen and Paul Smyth, each of the above-named Directors act in a non-executive capacity. The address of the Directors is the registered office of the Manager.

The Manager has the right under the Trust Deed to retire at any time upon the appointment of a successor as provided in the Trust Deed. They may be removed by the Depositary in certain circumstances, including where the holders of not less than 50% of the Units for the time being in issue so request.

The Trust Deed contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances, subject to exclusions in the case of its negligence, fraud, bad faith or wilful default and subject to the provisions of the Regulations and any conditions imposed by the Central Bank thereunder.

The Manager is an indirect wholly owned subsidiary of Massachusetts Mutual Life Insurance Company, a member of the MassMutual Financial Group. MassMutual Financial Group is a global, growth-oriented, diversified financial services organization providing life insurance, annuities, disability income insurance, long-term care insurance, retirement planning products, structured settlement annuities, trust services, money management, and other financial products and services.

The Manager covers potential professional liability risks resulting from those activities which it carries out pursuant to the AIFM Regulations through holding additional own funds which are appropriate to cover potential liability risks arising from professional negligence as required under the AIFM Regulations.

The Manager is the AIFM of the Unit Trust and have been authorised by the Central Bank pursuant to the AIFM Regulations. The Manager is responsible, under the Trust Deed, for the general management and administration of the Unit Trust's affairs including the investment and re-investment of the Unit Trust's assets having regard to the investment objective and policies and for ensuring compliance with the AIFM Regulations.

The Manager also carries out certain risk management functions on behalf of the Unit Trust. The Manager has delegated certain administration functions such as the preparation of accounts, executing redemption of Units, making distributions and calculating the Net Asset Value per Unit to the Administrator. However, the Manager has ultimate responsibility for management of the Unit Trust's affairs, including giving instructions to its delegates and replacing them or terminating their appointment (if needs be) and to manage the risks associated with each delegation.

The Manager will at all times have due regard to its duties owed to the Unit Trust and if any conflict of interest should arise the Manager will have regard to its obligations under the Trust Deed and its obligation to act in the best interests of its clients in seeking to ensure that the conflict is resolved fairly. Furthermore, the Manager is aware of its duty to act in the best interest of investors, the integrity of the market and to ensure fair treatment of investors. In this regard, the Manager has various policies and procedures in place in respect of due diligence and market malpractice.

In addition to managing the Unit Trust, the Manager also manages the following Irish domiciled funds: Barings Umbrella Fund plc, Barings Global Investment Funds plc, Barings Component Funds, Barings Currency Umbrella Fund, Barings Emerging Markets Umbrella Fund, Barings Global Umbrella Fund, Barings International Umbrella Fund, Barings Global Opportunities Umbrella Fund and Barings Investment Funds plc. Only the Barings International Umbrella Fund, Barings Global Umbrella Fund, Barings Investment Funds plc and Barings Emerging Markets Umbrella Fund are recognised schemes for the purpose of the FSMA.

#### Remuneration Policy

The Manager has a remuneration policy in place (the "Remuneration Policy") which is designed to ensure that its remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Unit Trust. The Manager considers the Remuneration Policy to be appropriate to its size, internal operations, nature scale and complexity of the Unit Trust and in line with the risk profile, risk appetite and the strategy of the Unit Trust. The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff. The Manager is responsible for determining the categories of identified staff whose professional activities have a material impact on the risk profile of the Manager and the Unit Trust. The board of directors

of the Manager and those employees occupying pre-approved control functions on behalf of the Manager are currently in scope of the provisions of the Remuneration Policy.

In respect of any investment management delegates, the Manager requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines/Annex II of AIFMD; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines/Annex II of AIFMD.

### **Depositary**

The Depositary of the Unit Trust is Northern Trust Fiduciary Services (Ireland) Limited. The Depositary is a company incorporated in Ireland as a private limited company on 5 July, 1990. The main activity of the Depositary is to act as trustee and depositary of collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 December 2021, the Northern Trust Group's assets under custody and administration totalled in excess of US\$12.6 trillion.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Unit Trust in accordance with the provisions of the AIFM Regulations and AIFMD. The Depositary will also provide cash monitoring services in respect of the Unit Trust's cash flows and subscriptions.

The Trust Deed provides that the Depositary shall be liable to the Unit Trust and the Unitholders for loss of Financial Instruments (as defined in the Trust Deed) by the Depositary or a third party to which it has delegated its Custody Services or Asset Verification Services. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for the Unit Trust and the Unitholders for all other losses suffered by them as a result of its negligent or intentional failure to fulfil its obligations pursuant to the AIFM Regulations.

The Depositary may hold securities through Euroclear, Clearstream or any similar clearing system and shall have full power, subject to compliance with the relevant provisions of the Trust Deed, to delegate the whole or any part of the Custody Services or the Asset Verification Services (as defined and as set out in the Trust Deed) to any person, firm or company subject to certain specific requirements set out in the Trust Deed and in accordance with the AIFMD Regulations and further provided that the liability of the Depositary will not be affected by the fact that it has entrusted to a third party some or all of the investments in its safekeeping. In this regard it is required to exercise all due skill, care and diligence in selecting and appointing a third party as a safe-keeping agent and keep exercising all due skill, care and diligence in the periodic review and ongoing monitoring of the delegate and its arrangements in respect of the tasks delegated to it in accordance with AIFMD. The specific conditions under which the Depositary may delegate its responsibilities and discharge its liability in accordance with AIFM Legislation are set out in the Trust Deed.

The Manager will disclose to investors before they invest in the Unit Trust any arrangement made by the Depositary to contractually discharge itself of liability. In the event that there are any changes to Depositary liability, the Manager will inform Unitholders of such changes without delay.

The Depositary may not retire voluntarily except upon the appointment of a new depositary approved by the Central Bank, acceptable to the Manager and approved by an Extraordinary Resolution of Unitholders. However, the Depositary may, with the prior approval of the Manager and the Central Bank, retire in favour of an affiliate of the Depositary.

The Trust Deed contains provisions governing the responsibilities of the depositary and providing for its indemnification in certain circumstances, other than in circumstances where the Depositary is liable under the AIFM Regulations.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request. The Depositary will use its reasonable endeavours to ensure that the performance of its duties will not be impaired by any conflicts of interest and that any conflicts of interest which may arise will be resolved fairly.

The trustee of the Barings Korea Trust is NatWest Trustee and Depositary Services Limited.

### **Administrator**

Under the terms of the Administration Agreement the Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as the administrator of the Unit Trust. The Manager has delegated its duties as

registrar to the Administrator pursuant to the Administration Agreement. The Administration Agreement provides that the appointment of the Administrator may be terminated by any party giving not less than 24 months' notice in writing to the others. The Administrator, a company incorporated in Ireland on 15 June 1990, the Administrator is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors specialises in the administration of investment funds.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Unit Trust and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. The Administrator is not responsible for the monitoring of the compliance of the Unit Trust's investments with any investment rules and restrictions contained in any agreement and/or this Prospectus and/or in any other service agreement(s) concluded between the Manager and its service providers unless otherwise stated.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Unit Trust. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Unitholders.

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## Reports and Accounts

The Unit Trust's year end is 30 April in each year. Audited accounts and a report in relation to the Unit Trust will be produced within four months after the conclusion of each Accounting Period and unaudited semi-annual reports will also be produced within two months of the Semi-Annual Accounting Date in each year and will be hosted on the Manager's website at [www.barings.com](http://www.barings.com). Annual reports will be sent to Euronext Dublin. Copies of the latest annual and semi-annual accounts may also be obtained at the registered office of the Manager.

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## Taxation

### Ireland

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Units. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Units and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Units should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Units.

### Taxation of the Unit Trust

The Manager intends to conduct its affairs so that the Unit Trust is Irish tax resident. On the basis that the Unit Trust is Irish tax resident, the Unit Trust qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish tax on its income and gains.

The Unit Trust will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Units are held by non-exempt Irish resident Unitholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### Taxation of Non-Irish Unitholders

Where a Unitholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Unit Trust will not deduct any Irish tax in respect of the Unitholder's Units once the declaration set out in the Account Opening Form has been received by the Unit Trust confirming the Unitholder's non-resident status. The declaration may be provided by an Intermediary who holds Units on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland.

If this declaration is not received by the Unit Trust, the Unit Trust will deduct Irish tax in respect of the Unitholder's Units as if the Unitholder was a non-exempt Irish resident Unitholder (see below). The Unit Trust will also deduct Irish tax if the Unit Trust has information which reasonably suggests that a Unitholder's declaration is incorrect. A Unitholder will generally have no entitlement to recover such Irish tax, unless the Unitholder is a company and holds the Units through an Irish

branch and in certain other limited circumstances. The Unit Trust must be informed if a Unitholder becomes Irish tax resident.

Generally, Unitholders who are not Irish tax resident will have no other Irish tax liability with respect to their Units. However, if a Unitholder is a company which holds its Units through an Irish branch or agency, the Unitholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Units (on a self-assessment basis).

### **Taxation of Exempt Irish Unitholders**

Where a Unitholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland ("TCA"), the Unit Trust will not deduct Irish tax in respect of the Unitholder's Units once the declaration set out in the Account Opening Form has been received by the Unit Trust confirming the Unitholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. The Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018).
16. Qualifying companies (within the meaning of section 110 TCA).
17. A person who is entitled to exemption from income tax and capital gains tax by virtue of section 787AC and the units held are assets of a PEPP (within the meaning of Chapter 2D of Part 30).
18. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Units in the Unit Trust without requiring the Unit Trust to deduct or account for Irish tax.

Irish resident Unitholders who claim exempt status will be obliged to account for any Irish tax due in respect of Units on a self-assessment basis.

If this declaration is not received by the Unit Trust in respect of a Unitholder, the Unit Trust will deduct Irish tax in respect of the Unitholder's Units as if the Unitholder was a non-exempt Irish resident Unitholder (see below). A Unitholder will generally have no entitlement to recover such Irish tax, unless the Unitholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of Other Irish Unitholders**

Where a Unitholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Unitholder (see above), the Unit Trust will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

### **Distributions by the Unit Trust**

If the Unit Trust pays a distribution to a non-exempt Irish resident Unitholder, the Unit Trust will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Unitholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Unit Trust will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Unitholder will have no further Irish tax liability in respect of the distribution. However, if the Unitholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Unitholder may set off the deducted tax against its corporation tax liability.

### **Redemptions and Transfers of Units**

If the Unit Trust redeems Units held by a non-exempt Irish resident Unitholder, the Unit Trust will deduct Irish tax from the redemption payment made to the Unitholder. Similarly, if such an Irish resident Unitholder transfers (by sale or otherwise) an entitlement to Units, the Unit Trust will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Unitholder on the Units being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Unitholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Unit Trust will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Units, to fund this Irish tax liability the Unit Trust may appropriate or cancel other Units held by the Unitholder. This may result in further Irish tax becoming due.

Generally, a Unitholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Unitholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Units will form part of its taxable income for self-assessment purposes and the Unitholder may set off the deducted tax against its corporation tax liability.

If Units are not denominated in Euro, a Unitholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Units.

### **Eighth Anniversary' Events**

If a non-exempt Irish resident Unitholder does not dispose of Units within eight years of acquiring them, the Unitholder will be deemed for Irish tax purposes to have disposed of the Units on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Unit Trust will account for Irish tax in respect of the increase in value (if any) of those Units over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Unitholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Unit Trust will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Unit Trust may appropriate or cancel Units held by the Unitholder.

However, if less than 10% of the Units (by value) in the Unit Trust are held by non-exempt Irish resident Unitholders, the Unit Trust may elect not to account for Irish tax on this deemed disposal. To claim this election, the Unit Trust must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Unitholders (including the value of their Units and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Unitholders that the Unit Trust is electing to claim this exemption.

If the exemption is claimed by the Unit Trust, any non-exempt Irish resident Unitholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Unit Trust on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Units over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Units and any excess may be recovered on an ultimate disposal of the Units.

### **Unit Exchanges**

Where a Unitholder exchanges Units on arm's length terms for other Units in the Unit Trust and no payment is received by the Unitholder, the Unit Trust will not deduct Irish tax in respect of the exchange.

### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Units. If a Unitholder receives a distribution *in specie* of assets from the Unit Trust, a charge to Irish stamp duty could potentially arise.

### **Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Units could be treated as Irish situate assets because they have been issued by an Irish trust. However, any gift or inheritance of Units will be exempt from Irish gift or inheritance tax once:

1. the Units are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "*Common Reporting Standard*" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Unit Trust is required to report information to the Irish Revenue Commissioners relating to all Unitholders, including the identity, residence and tax identification number of Unitholders and details as to the amount of income and sale or redemption proceeds received by

Unitholders in respect of the Units. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other Member States and other jurisdictions which implement the Common Reporting Standard.

In light of the above, Unitholders in the Unit Trust will be required to provide certain information to the Unit Trust to comply with the terms of the Common Reporting Standard.

### **Meaning of Terms**

#### **Meaning of 'Residence' for Companies**

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

#### **Meaning of 'Residence' for Individuals**

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

#### **Meaning of 'Ordinary Residence' for Individuals**

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2024 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2027.

#### **Foreign Taxes**

The Unit Trust may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Unit Trust may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Unit Trust may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Unit Trust obtains a repayment of foreign tax, the Net Asset Value of the Unit Trust will not be restated and the benefit will be allocated to the then-existing Unitholders rateably at the time of repayment.

#### **Compliance with US reporting and withholding requirements**

Very generally, pursuant to Sections 1471-1474 of the Code as interpreted by US Treasury Regulations, guidance from the IRS, intergovernmental agreements ("IGAs") and implementing non-US laws and regulations, and subject to any further guidance (collectively, "FATCA"), to the extent a non-US fund makes an investment which would generate US source income, then certain US source interest, dividends, and certain other payments relating to such investment, made to the non-US fund will be subject to a 30% withholding tax unless, very generally, the non-US fund (i) enters into a valid agreement with the Secretary of the US Department of Treasury that obligates the non-US fund to obtain and verify certain information from its investors and comply with annual reporting requirements with respect to certain direct and indirect US investors, among other requirements, or (ii) satisfies the requirements of an applicable intergovernmental agreement (or otherwise qualifies for an exemption from the foregoing). In this respect, Ireland and the United States have entered into an IGA, under which the Unit Trust may be required to obtain and provide to the Irish government certain information from its investors and meet certain other requirements. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law.

If the Unit Trust comply with their obligations under the IGA and if Ireland complies with its obligations under the IGA, the Unit Trust generally should not be subject to withholding under FATCA, although the Unit Trust may be subject to

withholding if a member of its “affiliated group” or a “related entity” fails to comply with FATCA. Withholding pursuant to FATCA may reduce returns to Unitholders.

Any information reported by the Unit Trust to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

Any Unitholder that fails to provide the Unit Trust with any information, documentation or certifications requested by the Unit Trust to meet its obligations pursuant to FATCA may be subject to the 30% withholding tax with respect to the payments described above that are made to such Unitholder, and may be required to indemnify the Unit Trust for other taxes and costs attributable to such Unitholder’s failure. The Unit Trust may disclose information provided by Unitholders to taxing authorities and other parties as necessary or appropriate to comply with FATCA or reduce withholding tax thereunder. Unitholders who fail to provide applicable information, documentation, or certifications may be subject to additional adverse consequences and may be subject to compulsory redemption from the Unit Trust in which they have invested.

The requirements of FATCA are complex and remain unclear in certain respects and are potentially subject to material changes resulting from any future guidance. Unitholders are urged to consult their advisers about the requirements imposed on the Unit Trust, and the Unitholders and the effect that any requirements may have on Unitholders.

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## Meetings of Unitholders

The Trust Deed contains detailed provisions for meetings of Unitholders. Meetings may be convened by the Depositary, the Manager or the holders of at least 10% in value of the Units in issue on not less than twenty-one days’ notice. Notices of meetings will be sent to Unitholders. Unitholders may appoint proxies who need not themselves be Unitholders. The quorum for a meeting to pass an Extraordinary Resolution will be Unitholders present in person or by proxy and holding or representing not less than 25% of the Units for the time being in issue or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number or the number of Units held by them.

On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote. On a poll every Unitholder present in person or by representative or proxy shall have one vote for every Unit for which he is registered as the holder. For so long as the Unit Trust is authorised by the Securities and Futures Commission in Hong Kong, a poll will be conducted at a meeting of Unitholders. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

An Extraordinary Resolution is a resolution proposed as such at a meeting of Unitholders at which a quorum is present and passed by a majority of 75% of the total number of votes of those present and entitled to vote in person or by proxy at a duly convened meeting.

The Trust Deed provides that a resolution which, in the opinion of the Depositary, affects one Class only of Units will be duly passed if passed at a separate meeting of the Unitholders of that Class; if, in the opinion of the Depositary, the resolution affects more than one Class of Unit but does not give rise to a conflict of interests between the holders of the Units of the respective Classes, the resolution will be duly passed if passed at a single meeting of the holders of the Units of those Classes; if the resolution affects, in the opinion of the Depositary, more than one Class of Unit and gives or may give rise to a conflict of interests between the holders of Units of the respective Classes, the resolution will only be duly passed if, in lieu of being passed at a single meeting of the holders of the Units of those Classes, it is passed at separate meetings of the holders of Units of those classes.

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## Duration of the Unit Trust

The Unit Trust will continue indefinitely until terminated in accordance with the Trust Deed either (a) by the Manager in their absolute discretion if the aggregate value of net assets of the Unit Trust amounts to the threshold as stated in the Trust Deed. or (b) by the Depositary in the event that the Barings Korea Trust ceases to be an authorised Unit Trust under the FCA or otherwise authorised by a supervisory authority which in the opinion of the Central Bank provides investor protection corresponding to that provided under the Act (c) by the Depositary if the Barings Korea Trust is wound up or terminated or (d) by either the Manager or the Depositary at any time in certain circumstances (e.g. if any law is passed which renders it illegal or, in the opinion of the Manager or the Depositary, impracticable or inadvisable to continue the Unit Trust), or (e) by the Depositary if the Manager shall go into liquidation or if a receiver is appointed over its assets or the Manager is in the opinion of the Depositary being incapable of performing or has failed to perform its duties, or if the Unit Trust fails to be authorised pursuant to the Act, or (f) by the Depositary if within 6 months of the Depositary serving notice



of retirement, the Manager has failed to appoint a new depositary, or (g) by the Manager, if the Manager (or the Manager as AIFM) has served notice of its intention to retire and no new manager or (as the case may be, AIFM), has been appointed within 6 months, or (h) by Extraordinary Resolution of a meeting of Unitholders passed at any time.

The Trust Deed provides that upon the Unit Trust being terminated the Depositary shall:-

- (a) sell all investments held for the Unit Trust; and
- (b) distribute all net cash proceeds derived from the redemption of the assets of the Unit Trust to Unitholders in proportion to their respective interests upon production of the Unit certificate (if issued) or delivery of such form of request as the Depositary may require.

The Depositary shall not be bound (except in the case of final distribution) to distribute any monies for the time being in its hands the amount of which is insufficient to pay the equivalent of US\$1.00 in respect of each Unit. In addition, the Depositary shall be entitled to retain out of any monies in its hands as part of the property of the Unit Trust, full provision for all costs, charges, expenses, claims and demands.

Any unclaimed proceeds or monies which cannot be distributed to investors following a termination will be transferred to and held in the Collection Account from the date of termination of the Unit Trust. Any such unclaimed termination proceeds of the Unit Trust held in the Collection Account may be paid into court at the expiration of 12 months, or if unable, impractical or the Manager otherwise determines it to be inappropriate to do so (for whatever reason), may be paid to charity at the expiration of 3 years from the date of Unit Trust termination, subject to the right of the Depositary to deduct therefrom any expense that it may incur in making such payment. During such period as unclaimed termination proceeds are held in the Collection Account, Unitholders who are entitled to the relevant part of the unclaimed termination proceeds may make a claim to the Manager or the Administrator for payment of their entitlement and will be paid upon provision of all required information and/or documents as required by the Manager and/or the Administrator. Please also refer to the section headed "Collection Account" in this Prospectus.

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## General Information

The Unit Trust is not involved in any litigation nor is the Manager aware of any pending or threatened litigation.

Any distribution of assets in specie will not be materially prejudicial to the rights of the remaining Unitholders.

Unitholders are entitled to participate in the Unit Trust on the basis set out in this Prospectus, as amended from time to time. Absent a direct contractual relationship between a Unitholder and a service provider to the Unit Trust, a Unitholder will generally have no direct rights against the service provider. Instead the proper plaintiff in respect of an action in respect of which a wrong doing is alleged to have been committed against the Unit Trust or Unitholders by the relevant service provider is the Manager or the Depositary as applicable. Any investor wishing to make a complaint regarding any aspect of the Unit Trust or its operations may do so directly to the Manager at the address as set out in the "Directory" section of this Prospectus.

This Prospectus is governed by and construed in accordance with the laws of the Republic of Ireland and the main (but not the sole) legal implication of the contractual relationship entered into for the purpose of investment in this Unit Trust is that an investor purchases Units in the Unit Trust where a Unit issued in a the Unit Trust represents the beneficial ownership of one undivided share in the assets of the Unit Trust or Class (where applicable). Each Unitholder is bound by the terms of the Prospectus, the Trust Deed and the Account Opening Form executed by or on behalf of each Unitholder. The Account Opening Form is governed by Irish law and the parties thereto submit to the jurisdiction of the Irish courts. Irish law provides for the enforcement of judgments obtained in other countries subject to certain conditions having been met.

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## Documents Available for Inspection

Copies of the following documents may be obtained from the Manager free of charge or inspected during usual business hours on a Business Day at the registered office of the Manager at the address set out in the "Directory" section of this Prospectus:

- a) the Trust Deed;
- b) the Prospectus prepared by the Manager;
- c) the annual and half yearly reports relating to the Unit Trust most recently prepared and published by the Manager;
- d) the Key Information Documents;
- e) the Prospectus relating to the Barings Korea Trust; and

f) the most recent annual and half yearly reports relating to the Barings Korea Trust.

The most recently prepared annual report relating to the Unit Trust will be available to Unitholders and prospective investors on request from the offices of the Manager.

*Periodic disclosure to investors*

The Manager will periodically disclose, in a clear and presentable way, to investors in the Unit Trust the historical performance. The historical performance of the Unit Trust shall also be available at [www.baring.com](http://www.baring.com) or at the registered office of the Manager.

Such disclosure will be made to Unitholders as part of the periodic reporting to Unitholders and at least at the same time as the publication of the annual accounts. On occasion, the Manager may be requested to disclose information of a particular form or in a particular format to one or more investors as result of their legal, regulatory, or structural requirements. In such instances the Manager will make all reasonable efforts to ensure the same level of information is available to all investors.

The Manager or its duly appointed delegates shall periodically disclose the following to Unitholders, if relevant:

- (i) the percentage of the Unit Trust's assets which are subject to special arrangements arising from their illiquid nature;
- (ii) any new arrangements for managing the illiquidity of the Unit Trust; and
- (iii) the current risk profile of the Unit Trust and the risk management systems employed by the Manager as AIFM to manage those risks.

## Appendix I – Investment Restrictions

The Trust Deed contains detailed restrictions on investments, which are summarised below. In addition, investment may only be made as permitted by the Act and is subject to any restrictions and limits set out in the Act or any regulations made pursuant thereto. The relevant provisions of the Trust Deed provide that the Unit Trust shall, subject to certain exceptions described below, invest only in the Barings Korea Trust, so long as that trust remains an authorised unit trust under the FCA or otherwise authorised by a supervisory authority which in the opinion of the Central Bank provides investor protection corresponding to that provided under the Act.

The power to invest in the Barings Korea Trust is subject to the following provisions:

- (i) BFM must waive the full amount of any preliminary or initial charge or redemption charge which it is entitled to charge for its own account in relation to the acquisition of units in the Barings Korea Trust; and
- (ii) any commission and rebate on fees or charges levied, or any quantifiable monetary benefits, received by the Manager or any person acting on behalf of the Unit Trust or the Manager by virtue of, or in connection with, an investment in units in the Barings Korea Trust is paid into the property of the Unit Trust.

The Unit Trust may beneficially own any entity, including all or part of the issued share capital of any company or companies, which for fiscal or other reasons the Manager considers it necessary or desirable for the Depositary to incorporate or acquire or utilise for the purpose of holding all or some of the assets held for the Unit Trust, provided that all arrangements in connection with the formation and operation thereof shall have been approved by the Depositary. None of the limitations and restrictions referred to above shall apply to investments in, loans to or deposits with any such entity. However, the Trust Deed provides that investments held by any such entity shall be deemed to be held by the Unit Trust and therefore the restrictions referred to above will apply to such investments.

The Unit Trust may, in the case of an initial issue of Units by way of exchange for assets and cash, hold assets of any kind provided that such assets are exchanged forthwith for units in the Barings Korea Trust.

The Unit Trust may hold cash deposits. The Trust Deed provides that the Manager shall not on behalf of the Unit Trust grant a loan or permit the Unit Trust to act as a guarantor on behalf of third parties; and shall not, on behalf of the Unit Trust, assume liability by way of guarantee or otherwise for the indebtedness of any other person.

## Appendix II – Eligible Securities Markets

With the exception of permitted investments in unlisted securities, the Unit Trust will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, be recognised and open to the public) and which is listed below.

For the purpose of the Unit Trust, a market shall be:-

In relation to any Investment which constitutes a transferable security:

- (i) any stock exchange which is:
  - located in any member state of the EEA; or
  - located in any of the following countries:
    - Australia
    - Canada
    - Japan
    - New Zealand
    - Norway
    - Switzerland
    - United Kingdom
    - United States of America; or
- (ii) any stock exchange included in the Korea Stock Exchange in the Republic of Korea.

PROVIDED THAT the Depositary and the Manager shall be entitled without the sanction of an Extraordinary Resolution to modify this definition by adding to or deleting from the countries, markets and exchanges described above.

**The markets and exchanges described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.**

**Address:**

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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

**BARINGS**

The Barings logo consists of the word "BARINGS" in a bold, blue, sans-serif font. Below the text is a horizontal line that is green on the left and blue on the right, with a slight upward curve at the ends.