



Barings UK Unit Trusts

Annual Report & Audited Financial
Statements

for the year ended 31 August 2023

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For the year ended 31 August 2023

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* These pages, together with the investment report, directors' statement, trust information table disclosure and portfolio statement of each trust comprise the Manager's Report

Barings UK Unit Trusts

Introduction

These Annual Reports and Audited Financial Statements cover the year from 1 September 2022 to 31 August 2023 and review the performance and market outlook for four of the unit trusts managed by Baring Fund Managers Limited (“the Manager”). These comprise the Barings Eastern Trust, the Barings European Growth Trust, the Barings Europe Select Trust and the Barings German Growth Trust (together “the Trusts”).

Baring Asset Management Limited is the Investment Manager for the Trusts.

The functional and presentational currency for all the Trusts is Pound Sterling (“Sterling”) except for the Barings German Growth Trust where the functional and presentational currency is Euros.

As an investor in one of the Trusts, your money is pooled with that of other investors in the same Trust and invested by the Manager in line with the Investment Objective of the particular trust.

For further information about the Trusts please visit the Barings website, www.barings.com.

Trusts Available in Hong Kong

The following Trusts are authorised by the Securities and Futures Commission (“SFC”) pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong (“SFO”) and hence may be offered to the public of Hong Kong:

- Barings Europe Select Trust
- Barings Eastern Trust
- Barings European Growth Trust
- Barings German Growth Trust

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.

Russia/Ukraine Crisis

In response to the Russian invasion of Ukraine, the EU, the U.S., the UK and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia’s Central Bank, largest financial institutions and certain individuals. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target the Manager, the Trusts or the Portfolio Investments and their issuers and industries in which the issuers of the Portfolio Investments operate, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia’s financial sector. Additionally, any new or expanded sanctions that may be imposed by the U.S., EU, UK, or other countries may materially adversely affect the Manager’s operations, including the Trusts and the Portfolio Investments.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings Eastern Trust (the “Trust”) is to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI AC Asia ex Japan (Total Net Return) Index over a rolling five year period by investing in equity and equity related securities in the Asia region excluding Japan.

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 the Asia region excluding Japan, or quoted or traded on the stock exchanges in those countries, including developed and emerging markets.

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 30% of its total assets directly and indirectly in equities and equity related securities of companies outside of the Asia region excluding Japan, as well as in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive environmental, social and governance (ESG) characteristics.

In order to implement the investment policy the Trust may gain indirect exposure through American depository receipts, global depository 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 managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Benchmark

The target benchmark is the MSCI AC Asia ex Japan (Total Net Return) Index. The benchmark has been selected as it tracks the performance of large and medium sized companies from developed and emerging Asian countries. The benchmark constituents are not required to exhibit positive/improving ESG characteristics.

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.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Regional Trusts have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- 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 derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Eastern Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2023

| Total Trust size: 31 August 2023 | £65.56 million | |
|----------------------------------|-----------------------------------|--------------------------------------|
| Total Trust size: 31 August 2022 | £111.35 million | |
| OCF* | 31/08/2023 | 31/08/2022 |
| Class A GBP Acc | 1.74% | 1.72% |
| Class A GBP Inc | 1.74% | 1.72% |
| Class A USD Acc | 1.74% | 1.72% |
| Class D GBP Inc | 0.84% | 0.80% |
| Class I GBP Acc | 0.99% | 0.97% |
| Class I GBP Inc | 0.99% | 0.97% |
| Class I USD Acc | 0.99% | 0.97% |
| | Initial charge | Annual charge |
| Class A GBP Acc | up to 5.00% | 1.50% |
| Class A GBP Inc | up to 5.00% | 1.50% |
| Class A USD Acc | up to 5.00% | 1.50% |
| Class D GBP Inc | Nil | 0.60% |
| Class I GBP Acc | Nil | 0.75% |
| Class I GBP Inc | Nil | 0.75% |
| Class I USD Acc | Nil | 0.75% |
| | Minimum initial investment | Minimum subsequent investment |
| Class A GBP Acc | £1,000 | £500 |
| Class A GBP Inc | £1,000 | £500 |
| Class A USD Acc | US\$5,000 | US\$2,500 |
| Class D GBP Inc | £30,000,000 | £500 |
| Class I GBP Acc | £10,000,000 | £500 |
| Class I GBP Inc | £10,000,000 | £500 |
| Class I USD Acc | US\$10,000,000 | US\$2,500 |

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges. The OCF figures for the current year have increased due to a decrease in the Trust's average net asset value during the year in comparison to prior year.

| Price per unit | (pence/cents per unit) |
|-----------------|------------------------|
| Class A GBP Acc | 1,161.00p |
| Class A GBP Inc | 1,129.00p |
| Class A USD Acc | 1,468.00c |
| Class D GBP Inc | 1,174.00p |
| Class I GBP Acc | 1,242.00p |
| Class I GBP Inc | 1,172.00p |
| Class I USD Acc | 1,497.00c |

BARINGS

Barings Eastern Trust

Trust Information

| | Class A GBP Acc - Accumulation units | | | Class A GBP Inc - Distribution units | | |
|---|--------------------------------------|------------|------------|--------------------------------------|------------|------------|
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (p) | (p) | (p) | (p) | (p) | (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 1,352.80 | 1,705.24 | 1,367.55 | 1,316.75 | 1,659.61 | 1,330.69 |
| Return before operating charges | (172.16) | (327.10) | 364.56 | (168.15) | (318.31) | 355.34 |
| Operating charges | (21.47) | (25.34) | (26.87) | (21.18) | (24.55) | (26.42) |
| Return after operating charges | (193.63) | (352.44) | 337.69 | (189.33) | (342.86) | 328.92 |
| Distributions | – | – | – | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 1,159.17 | 1,352.80 | 1,705.24 | 1,127.42 | 1,316.75 | 1,659.61 |
| | 3.47 | 4.16 | 3.55 | 3.43 | 4.03 | 3.49 |
| Performance | | | | | | |
| Return after charges | (14.31)% | (20.67)% | 24.69% | (14.38)% | (20.66)% | 24.72% |
| Other information | | | | | | |
| Closing net asset value ('000) | £13,447 | £20,791 | £32,858 | £17 | £97 | £122 |
| Closing number of units | 1,160,023 | 1,536,910 | 1,926,902 | 1,492 | 7,365 | 7,364 |
| Operating charges | 1.74% | 1.72% | 1.68% | 1.74% | 1.72% | 1.68% |
| Direct transaction costs | 0.28% | 0.28% | 0.22% | 0.28% | 0.28% | 0.22% |
| Prices | | | | | | |
| Highest unit price | 1,372.00 | 1,735.00 | 1,887.00 | 1,335.00 | 1,689.00 | 1,837.00 |
| Lowest unit price | 1,105.00 | 1,254.00 | 1,358.00 | 1,076.00 | 1,221.00 | 1,322.00 |

| | Class A USD Acc - Accumulation units | | | Class D GBP Inc - Distribution units | | |
|---|--------------------------------------|------------|------------|--------------------------------------|------------|------------|
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (c) | (c) | (c) | (p) | (p) | (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 1,568.08 | 2,343.36 | 1,817.11 | 1,356.42 | 1,711.85 | 1,368.13 |
| Return before operating charges | (74.51) | (745.13) | 563.60 | (173.83) | (329.83) | 365.88 |
| Operating charges | (27.39) | (30.15) | (37.35) | (10.44) | (12.28) | (12.58) |
| Return after operating charges | (101.90) | (775.28) | 526.25 | (184.27) | (342.11) | 353.30 |
| Distributions | – | – | – | (11.07) | (13.32) | (9.58) |
| Closing net asset value per unit after direct transaction costs of* | 1,466.18 | 1,568.08 | 2,343.36 | 1,161.08 | 1,356.42 | 1,711.85 |
| | 4.43 | 4.95 | 4.93 | 3.50 | 4.34 | 3.58 |
| Performance | | | | | | |
| Return after charges | (6.50)% | (33.08)% | 28.96% | (13.59)% | (19.98)% | 25.82% |
| Other information | | | | | | |
| Closing net asset value ('000) | \$354 | \$704 | \$2,376 | £2,564 | £5,288 | £33,410 |
| Closing number of units | 24,152 | 44,874 | 101,386 | 220,839 | 389,833 | 1,951,671 |
| Operating charges | 1.74% | 1.72% | 1.68% | 0.84% | 0.80% | 0.78% |
| Direct transaction costs | 0.28% | 0.28% | 0.22% | 0.28% | 0.28% | 0.22% |
| Prices | | | | | | |
| Highest unit price | 1,693.00 | 2,388.00 | 2,611.00 | 1,380.00 | 1,742.00 | 1,896.00 |
| Lowest unit price | 1,270.00 | 1,545.00 | 1,743.00 | 1,109.00 | 1,265.00 | 1,359.00 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings Eastern Trust

Trust Information (continued)

| | Class I GBP Acc - Accumulation units | | | Class I GBP Inc - Distribution units | | |
|---|--------------------------------------|------------|------------|--------------------------------------|------------|------------|
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (p) | (p) | (p) | (p) | (p) | (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 1,437.16 | 1,797.81 | 1,430.87 | 1,355.68 | 1,709.71 | 1,366.48 |
| Return before operating charges | (183.59) | (345.63) | 382.71 | (173.12) | (328.65) | 365.51 |
| Operating charges | (13.03) | (15.02) | (15.77) | (12.30) | (14.33) | (15.07) |
| Return after operating charges | (196.62) | (360.65) | 366.94 | (185.42) | (342.98) | 350.44 |
| Distributions | (10.21) | (11.62) | (7.52) | (9.63) | (11.05) | (7.21) |
| Retained distributions on accumulation units | 10.21 | 11.62 | 7.52 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 1,240.54 | 1,437.16 | 1,797.81 | 1,160.63 | 1,355.68 | 1,709.71 |
| | 3.70 | 4.38 | 3.76 | 3.50 | 4.17 | 3.59 |
| Performance | | | | | | |
| Return after charges | (13.68)% | (20.06)% | 25.64% | (13.68)% | (20.06)% | 25.65% |
| Other information | | | | | | |
| Closing net asset value ('000) | £31,735 | £55,191 | £69,897 | £17,516 | £29,377 | £37,503 |
| Closing number of units | 2,558,166 | 3,840,307 | 3,887,886 | 1,509,174 | 2,166,978 | 2,193,553 |
| Operating charges | 0.99% | 0.97% | 0.93% | 0.99% | 0.97% | 0.93% |
| Direct transaction costs | 0.28% | 0.28% | 0.22% | 0.28% | 0.28% | 0.22% |
| Prices | | | | | | |
| Highest unit price | 1,461.00 | 1,830.00 | 1,982.00 | 1,379.00 | 1,740.00 | 1,893.00 |
| Lowest unit price | 1,175.00 | 1,328.00 | 1,421.00 | 1,108.00 | 1,263.00 | 1,357.00 |

Class I USD Acc - Accumulation units**

| | 31/08/2023 | 31/08/2022 | 31/08/2021 |
|---|------------|------------|------------|
| | (c) | (c) | (c) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 1,586.59 | 2,348.25 | 1,869.00 |
| Return before operating charges | (75.73) | (745.06) | 484.82 |
| Operating charges | (15.66) | (16.60) | (5.17) |
| Return after operating charges | (91.39) | (761.66) | 479.25 |
| Distributions | (13.88) | (14.35) | (8.68) |
| Retained distributions on accumulation units | 13.88 | 14.35 | 8.68 |
| Closing net asset value per unit after direct transaction costs of* | 1,495.20 | 1,586.59 | 2,348.25 |
| | 4.45 | 4.84 | 5.11 |
| Performance | | | |
| Return after charges | (5.76)% | (32.44)% | 25.64% |
| Other information | | | |
| Closing net asset value ('000) | \$1 | \$1 | \$1 |
| Closing number of units | 43 | 43 | 43 |
| Operating charges | 0.99% | 0.97% | 0.93% |
| Direct transaction costs | 0.28% | 0.28% | 0.22% |
| Prices | | | |
| Highest unit price | 1,718.00 | 2,395.00 | 2,611.00 |
| Lowest unit price | 1,286.00 | 1,561.00 | 1,869.00 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

**Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021.

Barings Eastern Trust

Report of the Investment Manager

Performance

Over the 12-month period to 31 August 2023, the Barings Eastern Trust (the “Trust”) declined by -14.32% on the Class A GBP Acc (net of fees) and underperformed against the target benchmark, which fell by -8.73%. The table below shows the 1 year and 5 years annualised net return for the Class A GBP Acc units against the target benchmark.

| | 1 year | 5 years |
|---|----------|---------|
| Barings Eastern Trust | (14.32)% | 2.38% |
| MSCI AC Asia ex Japan (Total Net Return) Index* | (8.73)% | 1.46% |

* From 18 July 2022, the MSCI AC Asia ex Japan (Total Net Return) Index is the target benchmark.

Asian equities failed to deliver an absolute return and remained weighed down by the impacts of higher interest rates, and elevated US and China geopolitical tensions that served to increase volatility. While markets did regain some momentum following China’s COVID-19 reopening and a weakening US dollar, this failed to sustain and subsequently gave back returns.

Over the period, stock selection contributed negatively to relative performance whilst asset allocation also detracted marginally. Stylistically, Value style equities outperformed Growth significantly, which proved to be a significant headwind for our Growth-at-a-Reasonable-Price investment approach, contributing to the drawdown experienced in relative performance.

Relative underperformance was mainly driven by selection within the Consumer Discretionary sector, which is traditionally associated with Growth. Furthermore, weakness was even more pronounced within China, where the softer-than-expected COVID-19 recovery materially impacted share prices. The largest detractor at a company level was Chinese sportswear manufacturer Li Ning, which came under pressure from slowing sales growth and elevated inventory due to weak retail sales. China Tourism Group Duty Free, was another notable detractor to performance, equally weighed by weaker domestic travel.

In contrast, relative contributors included Taiwanese IT networking solutions provider Accton Technology, which delivered resilient earnings and a strengthening revenue growth outlook as customers look to update systems to meet growing Artificial Intelligence demands. Chinese electric vehicle (EV) manufacturer Li Auto also contributed, benefiting from the growing demand for EV’s in China, supported further by domestic policy support which provides purchase tax incentives for new electric vehicles.

Significant trades over the review period included initiation of position in Chinese insurance company Ping An Insurance, which stands to benefit from the medium term business recovery in China. In contrast, we reduced our partial position in TSMC (Taiwan Semiconductor Manufacturing Co.) following a period of strong performance led by increased enthusiasm for generative artificial intelligence (AI), with the company’s leading-edge semiconductors pivotal to driving AI systems.

Over five years, the Trust has outperformed relative to the benchmark performance objective and delivered the objective of capital growth. Relative performance was driven predominantly by stock selection whilst country allocation also contributed positively.

Barings Eastern Trust

Report of the Investment Manager (continued)

The top ten purchases and sales during the year were as follows:

| Purchases | Costs £'000 | Sales | Proceeds £'000 |
|--------------------------------|----------------|------------------------------------|-------------------|
| Ping An Insurance | 1,889 | Taiwan Semiconductor Manufacturing | 3,904 |
| China Construction Bank | 1,587 | Tencent | 2,646 |
| Jubilant Foodworks | 1,411 | Infosys | 2,324 |
| SK Hynix | 1,375 | AIA | 2,322 |
| PT Bank Negara Indonesia | 1,342 | Bangkok Dusit Medical Services | 2,197 |
| Galaxy Entertainment | 1,342 | Grab | 2,101 |
| KB Financial | 1,297 | Samsung Electronics | 2,095 |
| China Longyuan Power | 1,194 | Yangzijiang Shipbuilding | 1,906 |
| Milkyway Chemical Supply Chain | 1,141 | Reliance Industries | 1,888 |
| Axis Bank | 1,137 | Merdeka Copper Gold | 1,879 |

Market Outlook

In the short term, global markets are likely to remain volatile as investors weigh up a potential peak in monetary tightening later this year by the Federal Reserve against a backdrop of deteriorating corporate earnings.

The outlook for Asian Equities remains constructive however, as the rate rising cycle has also already peaked in many countries, and in some already easing again, well ahead of developed markets. While China's recent economic and market performance has been lower than anticipated, this is well recognized by its government, which has been stepping up supportive measures. China's gradual re-opening, alongside its policy stimulus, will help lift economic activity domestically but also across broader Asian equities which should support a recovery in corporate earnings in 2023 and beyond. The recent reversal in the strength of the US Dollar is also supportive for regional currencies, with this weakness having the potential to continue as economic activity and inflationary pressures ease in the US.

Meanwhile the absolute valuation of Asian equities and the relative valuation versus developed equities appears very attractive, suggesting investor expectations for the asset class remain overly depressed. We will continue our process of building new or adding to existing positions in companies with strong and sustainable business franchises where our proprietary bottom-up research has identified a significant degree of undervaluation relative to their future growth potential.

Baring Asset Management (Asia) Limited, appointed as Sub-Investment Manager; and

Barings Singapore Pte. Limited, appointed as delegate of Sub-Investment Manager by

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Eastern Trust

Environmental, Social and Governance (“ESG”) Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance (“ESG”) considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2023

| | Positive or Improving | All Others |
|-----------------------|-----------------------|------------|
| Barings Eastern Trust | 73.78% | 26.22% |

ENGAGEMENT CASE STUDY: ALIBABA GROUP

Engagement Category: Governance

Format: Video call (Group)

Contact: Investor Relations

Engagement Overview

We engaged with Alibaba Group, China’s largest e-Commerce platform on its cybersecurity policy as a result of a recent incident.

Engagement Objective: Improve Disclosure

Following a report that Alibaba Cloud and its associated user sites, experienced a 24-hour long outage, we engaged with the company to understand whether this outage is related to any type of cybersecurity breaches, and if the firm has taken any action to prevent future instances.

Outcome: Ongoing

Barings utilised a group call with Alibaba in 1Q23 to ask the company to provide further transparency on this incident and improve disclosure on its cybersecurity policies and management approach. At the time of our engagement, the company outlined that its investigation was still ongoing and would be unable to opine until it has conclusively determined the cause.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company’s ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings Eastern Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

The company did however reiterate its emphasis on these issues and is actively adopting governance and security measures to prevent any further impact on business. This also includes the appointment of a new Chief Technology Officer in December 2022 following the incident.

The Barings team continue to monitor these improvements, and progress versus the targets set by the company.

Barings Eastern Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Eastern Trust (the “Trust”) and of its net revenue and net capital losses for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the “Trust”) for the year ended 31 August 2023

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings Eastern Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Eastern Trust (the "Trust") for the year ended 31 August 2023 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 7 December 2023

Barings Eastern Trust

Directors' Statement

The financial statements on pages 22 to 37 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

A. BEHEN Director London 7 December 2023

Barings Eastern Trust

Portfolio Statement

as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net value (£) | assets (%) |
|-----------|--|---|---------------|
| | Investment Funds: 1.52% (1.74%) | | |
| 58,369 | Barings China A-Share Fund | 995,767 | 1.52 |
| | Equities: 96.98% (97.88%) | | |
| | China: 33.15% (35.18%) | | |
| 317,756 | Alibaba Group | 2,881,683 | 4.40 |
| 13,000 | BYD | 321,009 | 0.49 |
| 2,992,000 | China Construction Bank | 1,260,438 | 1.92 |
| 732,000 | China Longyuan Power | 457,034 | 0.70 |
| 158,000 | China Resources Beer | 732,325 | 1.12 |
| 160,000 | China Resources Land | 533,273 | 0.81 |
| 37,358 | China Tourism Duty Free | 439,847 | 0.67 |
| 149,500 | H World | 476,482 | 0.73 |
| 52,085 | JD.com | 674,488 | 1.03 |
| 580,000 | Kunlun Energy | 334,723 | 0.51 |
| 3,205 | Kweichow Moutai | 639,891 | 0.98 |
| 53,600 | Li Auto | 870,868 | 1.33 |
| 221,500 | Li Ning | 825,102 | 1.26 |
| 137,190 | Meituan Dianping | 1,772,440 | 2.70 |
| 290,319 | NARI Technology | 746,901 | 1.14 |
| 1,168,000 | PetroChina | 663,494 | 1.01 |
| 448,400 | Ping An Bank | 538,991 | 0.82 |
| 235,000 | Ping An Insurance | 1,108,120 | 1.69 |
| 56,100 | Sungrow Power Supply | 604,904 | 0.92 |
| 120,500 | Tencent | 3,935,038 | 6.00 |
| 506,000 | Topsports International | 324,577 | 0.49 |
| 210,300 | Warom Technology | 518,077 | 0.79 |
| 578,000 | Weichai Power | 590,429 | 0.90 |
| 56,000 | WuXi AppTec | 483,646 | 0.74 |
| | | 21,733,780 | 33.15 |
| | Hong Kong: 7.39% (8.42%) | | |
| 239,400 | AIA | 1,712,557 | 2.61 |
| 171,000 | Galaxy Entertainment | 890,578 | 1.36 |
| 38,800 | Hong Kong Exchange | 1,185,128 | 1.81 |
| 239,400 | Samsonite International | 630,625 | 0.96 |
| 48,000 | Sun Hung Kai Properties | 426,136 | 0.65 |
| | | 4,845,024 | 7.39 |
| | India: 13.19% (12.47%) | | |
| 130,438 | Axis Bank | 1,207,173 | 1.84 |
| 55,269 | HCL Technologies | 618,646 | 0.94 |
| 94,107 | HDFC Bank | 1,413,313 | 2.16 |
| 80,061 | Ikio Lighting | 289,743 | 0.44 |
| 102,044 | Jio Financial Services | 233,255 | 0.36 |
| 38,987 | Larsen & Toubro | 1,002,781 | 1.53 |
| 23,619 | PI Industries | 814,503 | 1.24 |
| 102,044 | Reliance Industries | 2,340,811 | 3.57 |
| 59,009 | SBI Life Insurance | 724,901 | 1.11 |
| | | 8,645,126 | 13.19 |

Barings Eastern Trust
Portfolio Statement (continued)
as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net value (£) | assets (%) |
|-----------|--|---|---------------|
| | Equities: 96.98% (97.88%) (continued) | | |
| | Indonesia: 2.72% (3.03%) | | |
| 951,600 | PT Bank Negara Indonesia | 450,875 | 0.69 |
| 5,482,200 | Sumber Alfaria Trijaya | 820,415 | 1.25 |
| 2,650,600 | Telkom Indonesia (Persero) | 510,585 | 0.78 |
| | | 1,781,875 | 2.72 |
| | Malaysia: 0.00% (2.71%) | | |
| | Philippines: 1.22% (1.16%) | | |
| 5,218,400 | Bloomberry Resorts | 802,449 | 1.22 |
| | Singapore: 2.05% (3.95%) | | |
| 35,400 | DBS | 687,956 | 1.05 |
| 7,769,200 | Seatrium | 652,907 | 1.00 |
| | | 1,340,863 | 2.05 |
| | South Korea: 17.29% (12.45%) | | |
| 29,852 | Classys | 690,202 | 1.05 |
| 7,737 | Cosmax | 708,157 | 1.08 |
| 16,588 | KB Financial | 535,455 | 0.82 |
| 10,394 | Kia Motors | 496,140 | 0.76 |
| 2,427 | LG Chem | 842,799 | 1.29 |
| 4,795 | NAVER | 612,257 | 0.93 |
| 2,243 | POSCO | 774,889 | 1.18 |
| 6,110 | Samsung Electro-Mechanics | 493,618 | 0.75 |
| 115,911 | Samsung Electronics | 4,626,815 | 7.06 |
| 21,392 | SK Hynix | 1,554,641 | 2.37 |
| | | 11,334,973 | 17.29 |
| | Taiwan: 15.58% (13.60%) | | |
| 93,000 | Accton Technology | 1,100,854 | 1.68 |
| 5,000 | Aspeed Technology | 333,694 | 0.51 |
| 922,000 | CTBC Financial | 543,409 | 0.83 |
| 61,000 | Delta Electronics | 522,667 | 0.80 |
| 28,000 | MediaTek | 488,840 | 0.74 |
| 460,000 | Taiwan Semiconductor Manufacturing | 6,253,875 | 9.54 |
| 110,000 | Unimicron Technology | 505,307 | 0.77 |
| 12,000 | Wiwynn | 463,580 | 0.71 |
| | | 10,212,226 | 15.58 |
| | Thailand: 4.39% (4.91%) | | |
| 460,100 | Aapico Hitech | 373,035 | 0.57 |
| 203,500 | Bangkok Bank | 776,837 | 1.18 |
| 66,600 | Bumrungrad Hospital | 386,981 | 0.59 |
| 518,600 | CP All | 762,094 | 1.16 |

Barings Eastern Trust
Portfolio Statement (continued)
as at 31 August 2023

| Holdings | Investments | Bid-Market value (£) | Percentage of total net assets (%) |
|-----------------|--|---------------------------------------|---|
| | Equities: 96.98% (97.88%) (continued) | | |
| | Thailand: 4.39% (4.91%) (continued) | | |
| 19,464 | SEA | 582,078 | 0.89 |
| | | 2,881,025 | 4.39 |
| | Portfolio of investments: 98.50% (99.62%) (Cost: £58,698,052) | 64,573,108 | 98.50 |
| | Net other assets | 985,141 | 1.50 |
| | Net assets | 65,558,249 | 100.00 |

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 August 2022.

Barings Eastern Trust

Independent Auditors' Report to the Unitholders of Barings Eastern Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Eastern Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2023 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2023; the Statement of Total Return, and Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings Eastern Trust

Independent Auditors' Report to the Unitholders of Barings Eastern Trust (continued)

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Barings Eastern Trust

Independent Auditors' Report to the Unitholders of Barings Eastern Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
7 December 2023

Barings Eastern Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2023

Statement of Total Return

| | Notes | 31/08/2023 | | 31/08/2022 | |
|--|-------|------------|-----------------|--------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital losses | 2 | | (14,467) | | (37,174) |
| Revenue | 3 | 1,614 | | 2,622 | |
| Expenses | 4 | (931) | | (1,536) | |
| Interest payable and other similar charges | 5 | (3) | | (1) | |
| Net revenue before taxation | | <u>680</u> | | <u>1,085</u> | |
| Taxation | 6 | (112) | | (9) | |
| Net revenue after taxation | | | <u>568</u> | | <u>1,076</u> |
| Total return before distributions | | | <u>(13,899)</u> | | <u>(36,098)</u> |
| Distributions | 7 | | <u>(483)</u> | | <u>(857)</u> |
| Change in net assets attributable to unitholders from investment activities | | | <u>(14,382)</u> | | <u>(36,955)</u> |

Statement of Change in Net Assets Attributable to Unitholders

| | | 31/08/2023 | | 31/08/2022 | |
|--|---|-----------------|----------------------|-----------------|-----------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to unitholders | | | 111,351 | | 175,517 |
| Amounts receivable on issue of units | | 8,014 | | 32,784 | |
| Amounts payable on cancellation of units | | <u>(39,686)</u> | | <u>(60,441)</u> | |
| | | | <u>(31,672)</u> | | <u>(27,657)</u> |
| Changes in net assets attributable to unitholders from investment activities | | | <u>(14,382)</u> | | <u>(36,955)</u> |
| Retained distribution on accumulation units | 7 | | <u>261</u> | | <u>446</u> |
| Closing net assets attributable to unitholders | | | <u><u>65,558</u></u> | | <u><u>111,351</u></u> |

Barings Eastern Trust**Balance Sheet**as at 31 August 2023

| | Notes | 31/08/2023 £'000 | 31/08/2022 £'000 |
|--|--------------|-----------------------------|-----------------------------|
| Assets | | | |
| Investment assets | | 64,573 | 110,931 |
| Current assets: | | | |
| Debtors | 9 | 380 | 3,120 |
| Cash and bank balances | 10 | 1,466 | 3,934 |
| Total assets | | 66,419 | 117,985 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable on income units | 7 | (170) | (291) |
| Other creditors | 11 | (521) | (5,930) |
| Capital gains tax payable on Indian securities | 12 | (170) | (413) |
| Total liabilities | | (861) | (6,634) |
| Net assets attributable to unitholders | | 65,558 | 111,351 |

Barings Eastern Trust

Notes to the Financial Statements

for the year ended 31 August 2023

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017. The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 August 2023, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2023.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Distributions receivable from Investment Funds are recognised when the shares are priced ex-distribution. Distributions receivable from Investment Funds, excluding any equalisation element, are recognised as revenue. Equalisation is deducted from the bookcost of the investments.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. Accounting policies (continued)

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Losses

The net capital losses during the year comprise:

| | 31/08/2023 | 31/08/2022 |
|-----------------------------------|-----------------|-----------------|
| | £'000 | £'000 |
| Non-derivative securities | (14,333) | (36,842) |
| Currency losses | (89) | (273) |
| Forward currency contracts | (5) | (31) |
| Transaction charges | (40) | (28) |
| Net capital losses on investments | <u>(14,467)</u> | <u>(37,174)</u> |

3. Revenue

| | 31/08/2023 | 31/08/2022 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank interest | 18 | 1 |
| Offshore CIS dividend revenue | – | 10 |
| Overseas dividends | 1,596 | 2,611 |
| | <u>1,614</u> | <u>2,622</u> |

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

4. Expenses

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager: | | |
| Manager's service charge | 770 | 1,249 |
| | <u>770</u> | <u>1,249</u> |
| Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee: | | |
| Trustee fees | 18 | 30 |
| Safe custody charges | 55 | 146 |
| | <u>73</u> | <u>176</u> |
| Other expenses: | | |
| Administration fees | 2 | 3 |
| Audit fees | 14 | 12 |
| Legal fees | 1 | 2 |
| Professional fees | 6 | 12 |
| Registrar and transfer agency fees | 54 | 67 |
| Standing charges | 3 | 3 |
| Taxation fees* | 8 | 12 |
| | <u>88</u> | <u>111</u> |
| Total expenses | <u><u>931</u></u> | <u><u>1,536</u></u> |

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|-------------------|---------------------|---------------------|
| Interest expenses | 3 | 1 |
| | <u>3</u> | <u>1</u> |

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

6. Taxation

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| a) Analysis of tax charges for the year: | | |
| Capital gains tax on Indian securities | (94) | (226) |
| Overseas withholding tax | 206 | 235 |
| Current tax charge (note 6b) | <u>112</u> | <u>9</u> |

b) Factors affecting taxation charge for the year:

The tax assessed for the year is lower (31 August 2022: lower) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2022: 20%). The differences are explained below:

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Net revenue before taxation | <u>680</u> | <u>1,085</u> |
| Corporation tax at 20% | 136 | 217 |
| Effects of: | | |
| Capital gains tax on Indian securities | (94) | (226) |
| Excess management expenses not utilised | 183 | 307 |
| Non-taxable overseas dividends | (319) | (522) |
| Non-taxable UK dividends | – | (2) |
| Overseas withholding tax | 206 | 235 |
| Current tax charge for the year (note 6a) | <u>112</u> | <u>9</u> |

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £2,696,298 (31 August 2022: £2,512,916) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

There is a capital gains tax payable on Indian securities as at the year end of £170,071 (31 August 2022: £413,411). For 31 August 2023, the capital gains tax payable on Indian securities has been shown under note 12 on page 29.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|--|---------------------|---------------------|
| Final Distribution | 170 | 291 |
| Final Accumulation | 261 | 446 |
| | <u>431</u> | <u>737</u> |
| Add: Revenue deducted on cancellation of units | 62 | 200 |
| Deduct: Revenue received on issue of units | (10) | (80) |
| | <u>52</u> | <u>120</u> |
| Total distributions | <u>483</u> | <u>857</u> |

Details of the distributions per unit are set out in the Distribution Tables on pages 38 and 39.

Distributions payable at the year end of £169,747 (31 August 2022: £291,391) are disclosed in the Balance Sheet on page 23.

8. Movement between net expenses and distributions

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|-----------------------------|---------------------|---------------------|
| Net revenue after taxation | 568 | 1,076 |
| Add: Capitalised expenses | (94) | (226) |
| Equalisation on conversions | 3 | – |
| Income deficit | 6 | 7 |
| | <u>483</u> | <u>857</u> |

9. Debtors

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Accrued revenue | 40 | 237 |
| Amount receivable for creation of units | 11 | 157 |
| Prepaid expenses | – | 1 |
| Sales awaiting settlement | 329 | 2,725 |
| | <u>380</u> | <u>3,120</u> |

10. Cash and bank balances

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|------------------------|---------------------|---------------------|
| Cash and bank balances | 1,466 | 3,934 |
| | <u>1,466</u> | <u>3,934</u> |

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

11. Other creditors

| | 31/08/2023 | 31/08/2022 |
|---|------------|--------------|
| | £'000 | £'000 |
| Accrued expenses | 110 | 202 |
| Amounts payable for cancellation of units | 83 | 4,711 |
| Currency deals awaiting settlement | – | 8 |
| Purchases awaiting settlement | 328 | 1,009 |
| | 521 | 5,930 |

12. Capital gains tax payable on Indian securities

| | 31/08/2023 | 31/08/2022 |
|--|------------|------------|
| | £'000 | £'000 |
| Capital gains tax payable on Indian securities | 170 | 413 |
| | 170 | 413 |

13. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2022: same).

14. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

15. Financial instruments

In pursuing its investment objective set out on page 4, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2022: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2023, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £3.229 million (31 August 2022: £5.547 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Risks of financial instruments (continued)

These net assets consist of the following:

Currency exposure for the year ended 31 August 2023:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-------------------|--------------------------------------|------------------------------|----------------|
| Chinese yuan | 3,489 | 7 | 3,496 |
| Hong Kong dollar | 23,090 | 31 | 23,121 |
| Indian rupee | 8,645 | – | 8,645 |
| Indonesian rupiah | 1,782 | – | 1,782 |
| Philippine peso | 802 | – | 802 |
| Singapore dollar | 1,341 | – | 1,341 |
| South Korean won | 11,335 | 329 | 11,664 |
| Taiwan Dollar | 10,212 | (296) | 9,916 |
| Thai bhat | 2,299 | 8 | 2,307 |
| US dollar | 582 | – | 582 |
| | 63,577 | 79 | 63,656 |

Currency exposure for the year ended 31 August 2022:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-------------------|--------------------------------------|------------------------------|----------------|
| Chinese yuan | 10,081 | 1,675 | 11,756 |
| Hong Kong dollar | 36,932 | – | 36,932 |
| Indian rupee | 13,885 | 11 | 13,896 |
| Indonesian rupiah | 3,369 | – | 3,369 |
| Malaysian ringgit | 3,020 | – | 3,020 |
| Philippine peso | 1,297 | – | 1,297 |
| Singapore dollar | 2,978 | – | 2,978 |
| South Korean won | 13,863 | – | 13,863 |
| Taiwan Dollar | 15,149 | – | 15,149 |
| Thai bhat | 4,061 | – | 4,061 |
| US dollar | 4,361 | – | 4,361 |
| | 108,996 | 1,686 | 110,682 |

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Risks of financial instruments (continued)

Foreign currency risk sensitivity analysis

At 31 August 2023, if the value of the sterling increased or decreased by 10% (31 August 2022: 10%), with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £6.366 million (31 August 2022: £11.068 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

| | Floating rate 31/08/2023 £'000 | Fixed rate 31/08/2023 £'000 | Non-interest bearing 31/08/2023 £'000 | Total 31/08/2023 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 64,573 | 64,573 |
| Cash at bank | 1,466 | – | – | 1,466 |
| Other assets | – | – | 380 | 380 |
| Liabilities | – | – | (861) | (861) |
| | 1,466 | – | 64,092 | 65,558 |

| | Floating rate 31/08/2022 £'000 | Fixed rate 31/08/2022 £'000 | Non-interest bearing 31/08/2022 £'000 | Total 31/08/2022 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 110,931 | 110,931 |
| Cash at bank | 3,934 | – | – | 3,934 |
| Other assets | – | – | 3,120 | 3,120 |
| Liabilities | – | – | (6,634) | (6,634) |
| | 3,934 | – | 107,417 | 111,351 |

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to GBP bank deposit/overdraft rates or the international equivalent.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2023 (31 August 2022: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Risks of financial instruments (continued)

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2023, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2022: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

17. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2023:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 63,577 | – | – | 63,577 |
| Investment Funds | – | 996 | – | 996 |
| | 63,577 | 996 | – | 64,573 |

Valuation technique for the year ended 31 August 2022:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 108,093 | 903 | – | 108,996 |
| Investment Funds | – | 1,935 | – | 1,935 |
| | 108,093 | 2,838 | – | 110,931 |

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Portfolio transaction costs

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Analysis of total purchase costs: | | |
| Purchases before transaction costs* | 54,839 | 94,249 |
| Corporate Actions | 396 | 1,414 |
| Commissions: | | |
| Equities total value paid | 37 | 77 |
| Taxes: | | |
| Equities total value paid | 34 | 61 |
| Total transaction costs | 71 | 138 |
| Gross purchases total | 55,306 | 95,801 |
| | 31/08/2023 | 31/08/2022 |
| Analysis of total sale costs: | £'000 | £'000 |
| Sales before transaction costs | 87,097 | 122,072 |
| Corporate Actions | 396 | 1,414 |
| Commissions: | | |
| Equities total value paid | (42) | (69) |
| Taxes: | | |
| Equities total value paid | (129) | (209) |
| Total transaction costs | (171) | (278) |
| Total sales net of transaction costs | 87,322 | 123,208 |

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Portfolio transaction costs (continued)

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| | % | % |
| Analysis of total purchase costs: | | |
| Commissions: | | |
| Equities percentage of total equities purchases costs | 0.07 | 0.08 |
| Equities percentage of average NAV | 0.04 | 0.05 |
| Taxes: | | |
| Equities percentage of total equities purchases costs | 0.06 | 0.06 |
| Equities percentage of average NAV | 0.04 | 0.04 |
| | 31/08/2023 | 31/08/2022 |
| | % | % |
| Analysis of total sale costs: | | |
| Commissions: | | |
| Equities percentage of total equities sales costs | (0.05) | (0.06) |
| Equities percentage of average NAV | (0.05) | (0.05) |
| Taxes: | | |
| Equities percentage of total equities sales costs | (0.15) | (0.17) |
| Equities percentage of average NAV | (0.15) | (0.14) |

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.16% (31 August 2022: 0.19%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19. Unit classes

The Trust currently has seven unit classes: A GBP Acc, A GBP Inc, A USD Acc, D GBP Inc, I GBP Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 6. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 7 and 8. The distribution per unit class is given in the distribution tables on pages 38 and 39. All classes have the same rights on winding up.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

19. Unit classes (continued)

| | Class A GBP Acc | Class A GBP Inc | Class A USD Acc |
|----------------------|------------------------|------------------------|------------------------|
| Opening units | 1,536,910 | 7,365 | 44,874 |
| Units created | 12,080 | 73 | 10,459 |
| Units liquidated | (272,700) | (2,541) | (31,181) |
| Units converted | (116,267) | (3,405) | – |
| Closing units | 1,160,023 | 1,492 | 24,152 |

| | Class D GBP Inc | Class I GBP Acc | Class I GBP Inc |
|----------------------|------------------------|------------------------|------------------------|
| Opening units | 389,833 | 3,840,307 | 2,166,978 |
| Units created | 17,296 | 309,757 | 269,975 |
| Units liquidated | (186,290) | (1,691,564) | (940,886) |
| Units converted | – | 99,666 | 13,107 |
| Closing units | 220,839 | 2,558,166 | 1,509,174 |

| | Class I USD Acc* |
|----------------------|-------------------------|
| Opening units | 43 |
| Units created | – |
| Units liquidated | – |
| Units converted | – |
| Closing units | 43 |

* Unit class was launched on 30 October 2020 and seeded in the Trust on 4 June 2021.

20. Related party transactions

Baring Asset Management Limited (the “Investment Manager”) is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager’s fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2023, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2022: same).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

Barings Eastern Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

21. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Accumulation class decreased from 1,161.00p to 1,119.00p, A GBP Income class from 1,129.00p to 1,089.00p, A USD Accumulation class from 1,468.00c to 1,413.00c, D GBP Income class from 1,174.00p to 1,124.00p, I GBP Accumulation class from 1,242.00p to 1,200.00p, I GBP Income class from 1,172.00p to 1,123.00p and I USD Accumulation class from 1,497.00c to 1,443.00c as at 1 December 2023. Subsequent to the year end, the number of units of the I GBP Accumulation class decreased from 2,558,166 to 1,865,756, and I GBP Income class decreased from 1,509,174 to 1,090,285 as at 1 December 2023. These movements take into account routine transactions.

The Manager continues to monitor investment performance in line with investment objectives.

Barings Eastern Trust

Distribution Tables

Final Distribution

Group 1: Units purchased prior to 1 September 2022

Group 2: Units purchased between 1 September 2022 and 31 August 2023

Final accumulation - Class A GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Final distribution - Class A GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Final accumulation - Class A USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Final distribution - Class D GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 11.0678 | 0.0000 | 11.0678 | 13.3192 |
| 2 | 9.0767 | 1.9911 | 11.0678 | 13.3192 |

Final accumulation - Class I GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 10.2108 | 0.0000 | 10.2108 | 11.6228 |
| 2 | 8.4970 | 1.7138 | 10.2108 | 11.6228 |

Barings Eastern Trust

Distribution Tables (continued)

Final Distribution (continued)

Final distribution - Class I GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 9.6281 | 0.0000 | 9.6281 | 11.0508 |
| 2 | 7.8396 | 1.7885 | 9.6281 | 11.0508 |

Final accumulation - Class I USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 14) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 13.8774 | 0.0000 | 13.8774 | 14.3463 |
| 2 | 13.8774 | 0.0000 | 13.8774 | 14.3463 |

Barings European Growth Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings European Growth Trust (the “Trust”) is to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI Europe ex UK (Total Net Return) Index over a rolling five year period by investing in equity and equity related securities in Europe excluding the United Kingdom.

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 Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive or improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 30% of its total assets directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom) as well as in fixed income and cash. Furthermore, it may also invest up to 50% of its total assets in equities and equity related securities of companies that exhibit less positive environmental, social and governance (ESG) characteristics.

In order to implement the investment policy the Trust may gain indirect exposure through American depository receipts, global depository 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 managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Benchmark

The target benchmark is the MSCI Europe ex UK (Total Net Return) Index. The benchmark has been selected as it tracks the performance of large and medium sized companies from developed and emerging European countries excluding the UK. The benchmark constituents are not required to exhibit positive/improving ESG characteristics.

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.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and ESG considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

Barings European Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Emerging market countries may have less developed regulation and face more political, economic or structural challenges than developed countries. This means your money is at greater risk.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- 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 derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

The Trust at a Glance on 31 August 2023

| | | |
|---|-----------------------------------|--------------------------------------|
| Total Trust size: 31 August 2023 | £69.45 million | |
| Total Trust size: 31 August 2022 | £70.50 million | |
| OCF* | 31/08/2023 | 31/08/2022 |
| Class A GBP Inc | 1.60% | 1.61% |
| Class I GBP Inc | 0.85% | 0.86% |
| | Initial charge | Annual charge |
| Class A GBP Inc | up to 5.00% | 1.50% |
| Class I GBP Inc | Nil | 0.75% |
| | Minimum initial investment | Minimum subsequent investment |
| Class A GBP Inc | £1,000 | £500 |
| Class I GBP Inc | £10,000,000 | £500 |

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the period. It includes fees paid for investment management, trustee and general charges.

| Price per unit | (pence per unit) |
|-----------------------|-------------------------|
| Class A GBP Inc | 1,679.00p |
| Class I GBP Inc | 1,695.00p |

Barings European Growth Trust

Trust Information

| | Class A GBP Inc - Distribution units | | | Class I GBP Inc - Distribution units | | |
|---|--------------------------------------|-------------------|-------------------|--------------------------------------|-------------------|-------------------|
| | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 1,471.53 | 1,693.21 | 1,331.67 | 1,474.64 | 1,697.87 | 1,335.50 |
| Return before operating charges | 232.76 | (177.58) | 389.57 | 233.75 | (178.77) | 394.29 |
| Operating charges | (25.93) | (25.51) | (23.58) | (13.87) | (13.56) | (13.25) |
| Return after operating charges | 206.83 | (203.09) | 365.99 | 219.88 | (192.33) | 381.04 |
| Distributions | (23.62) | (18.59) | (4.45) | (36.02) | (30.90) | (18.67) |
| Closing net asset value per unit after direct transaction costs of* | 1,654.74 | 1,471.53 | 1,693.21 | 1,658.50 | 1,474.64 | 1,697.87 |
| | 0.58 | 0.64 | 0.59 | 0.58 | 0.64 | 0.61 |
| Performance | | | | | | |
| Return after charges | 14.06% | (11.99)% | 27.48% | 14.91% | (11.33)% | 28.53% |
| Other information | | | | | | |
| Closing net asset value ('000) | £17,305 | £17,683 | £22,126 | £52,141 | £52,821 | £62,951 |
| Closing number of units | 1,045,808 | 1,201,672 | 1,306,735 | 3,143,874 | 3,581,969 | 3,707,637 |
| Operating charges | 1.60% | 1.61% | 1.63% | 0.85% | 0.86% | 0.88% |
| Direct transaction costs | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% |
| Prices** | | | | | | |
| Highest unit price | 1,741.00 | 1,762.00 | 1,699.00 | 1,753.00 | 1,764.00 | 1,717.00 |
| Lowest unit price | 1,406.00 | 1,418.00 | 1,207.00 | 1,410.00 | 1,431.00 | 1,212.00 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings European Growth Trust

Report of the Investment Manager

Performance

Over the 12-month period to 31 August 2023 the Barings European Growth Trust (the “Trust”) gained 13.13% on the Class A Class GBP Inc (net of fees) but underperformed against the target benchmark, which returned 14.74%. The table below shows 1 year and 5 year annualised net return for the Class A GBP Inc units against the target benchmark.

| | 1 year | 5 years |
|---|--------|---------|
| Barings European Growth Trust | 13.13% | 3.40% |
| MSCI Europe ex UK (Total Net Return) Index* | 14.74% | 5.89% |

* From 18 July 2022, the MSCI Europe ex UK (Total Net Return) Index is the target benchmark.

European equities delivered strong absolute returns, reflecting stronger economic growth and profitability in Europe than had been feared, and tentative hopes that interest rates in the US and Europe were approaching their peak. Over the period, stock selection contributed positively to relative performance but was offset by negative sector allocation. Stylistically, Value orientated equities outperformed Growth over the period, which proved to be a headwind for our Growth at a Reasonable Price investment approach.

Our stock selection within the Financials’ sector had the largest negative impact on relative performance. Within Financials, the portfolio’s most prominent detractor to relative returns came from Dutch payment services company Adyen, with investors reacting negatively to the company’s first-half profits, which disclosed a sharp slowdown in the U.S., a key market for the company. Whilst the company has experienced some near-term weakness, we continue to see attraction in the long-term growth outlook for Adyen and note that they continue to increase market share in the U.S.

In contrast, stock selection in the Information Technology sector enhanced relative performance, driven predominantly by Dutch semiconductor equipment manufacturer ASM International. This followed strong profit growth, and increased enthusiasm for generative artificial intelligence (AI), with the company’s leading-edge tools pivotal to production of the most advanced semiconductor chips.

In terms of portfolio activity, we sold the holding in industrial gas company Linde ahead of its delisting in Germany and used part of the proceeds to invest in competitor Air Liquide. The long-term investment case for Air Liquide is supported by continued strong demand for industrial gases in a variety of applications, and also the Energy Transition.

Over five years, the Trust has underperformed relative to the benchmark performance objective but has delivered the objective of capital growth.

Whilst growth-style equities outperformed value over the five-years, stock selection had a negative impact on a relative return. Relative performance has however improved markedly following a change in managers in 2020 and positively driven by stock selection.

Barings European Growth Trust

Report of the Investment Manager (continued)

The top ten purchases and sales during the year were as follows:

| Purchases | Costs £'000 | Sales | Proceeds £'000 |
|----------------------|----------------|--------------------|-------------------|
| Air Liquide | 2,740 | Linde | 3,072 |
| Novo Nordisk | 2,169 | Telenet | 1,590 |
| Amadeus IT | 1,166 | ASM International | 1,514 |
| Michelin | 1,149 | Stabilus | 1,076 |
| Siemens Healthineers | 1,099 | Nestle | 1,046 |
| Pandora | 900 | Koninklijke DSM | 999 |
| Vinci | 659 | Husqvarna | 913 |
| HelloFresh | 582 | Shell | 811 |
| Adyen | 357 | Roche | 756 |
| Cap Gemini | 294 | Schneider Electric | 729 |

Market Outlook

Equity markets are likely to remain volatile over the coming months as investors continue to show limited confidence in the outlook for the global economy amid the headwinds of higher interest and inflation rates, which remain above long-term trends. Despite this difficult economic backdrop, earnings have been resilient, with companies generally proving effective at passing on rising costs to their customers. In addition, recession has yet to appear, with business sentiment and economic activity consistent with the constraining effects of lower growth and higher inflation, and well above the lows of last year.

Inflation in the US and across much of Europe has continued to trend downwards, increasing views that we may be approaching peak interest rates, although the USA is further ahead than the EU in the context. However, the outlook for corporate profit growth is unclear. Recent earnings growth was supported by the ability of companies to pass on cost increases to end consumers. Whether end consumers will be as willing to continue to accept price increases going forward, remains up for debate.

In this context, our Growth at a Reasonable Price approach remains unchanged, focusing on reasonably valued companies whose profit growth potential is demonstrably improving. Given the trends outlined above, we anticipate that company-specific earnings revisions will become increasingly important determinant of share price developments, with opportunities for stock selection more widespread.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings European Growth Trust

Environmental, Social and Governance (“ESG”) Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance (“ESG”) considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2023

| | Positive or Improving | All Others |
|-------------------------------|-----------------------|------------|
| Barings European Growth Trust | 95.45% | 4.55% |

ENGAGEMENT CASE STUDY: SHELL

Engagement Category: Environmental

Format: Email

Contact: Investor Relations

Engagement Overview

We engaged with Shell, one of the world’s largest oil & gas producers to encourage improved disclosure around the sales of its natural gas.

Engagement Objective: Improve Disclosure

Our aim was to encourage the company to improve disclosure around the sales of natural gas, notably where it was displacing coal use in electricity generation (scope 4), which could improve investor perceptions of the company.

Outcome: Ongoing

Following our engagement, Shell responded that it is not in their current plans to include this information, although they “will take this query into account when they consider further disclosures related to climate and energy transition”.

Over the years, Shell have responded well to investors who were concerned that their transition was not going quickly enough. While in our view, Shell’s targets are perhaps best in class of all its energy major peers, there remains environmental pressure on the company.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company’s ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings European Growth Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

We firmly believe that by making investors aware of the relative benefits of gas during the energy transition – where Coal is currently over 25% of world energy consumption with emissions are up to twice the levels of natural gas – it will be supportive for company perception. This also follows 2022, where global emissions increased as the world used less gas, and more coal within its energy mix. We continue to monitor this with the company.

Barings European Growth Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings European Growth Trust (the “Trust”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the “Trust”) for the year ended 31 August 2023

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings European Growth Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings European Growth Trust (the "Trust") for the year ended 31 August 2023 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services

London 7 December 2023

Barings European Growth Trust

Directors' Statement

The financial statements on pages 55 to 68 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

A. BEHEN Director

London 7 December 2023

Barings European Growth Trust

Portfolio Statement

as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net value (£) | assets (%) |
|----------|-------------------------------------|---|---------------|
| | Equities: 99.66% (99.04%) | | |
| | Belgium: 3.75% (4.35%) | | |
| 49,834 | KBC | 2,603,984 | 3.75 |
| | Denmark: 5.46% (0.00%) | | |
| 19,318 | Novo Nordisk | 2,852,287 | 4.11 |
| 11,530 | Pandora | 939,554 | 1.35 |
| | | 3,791,841 | 5.46 |
| | France: 28.93% (21.72%) | | |
| 19,879 | Air Liquide | 2,846,224 | 4.10 |
| 144,192 | AXA | 3,457,532 | 4.98 |
| 20,501 | Cap Gemini | 3,050,773 | 4.39 |
| 42,576 | Michelin | 1,061,621 | 1.53 |
| 34,711 | Sanofi | 2,959,339 | 4.26 |
| 18,177 | Schneider Electric | 2,486,266 | 3.58 |
| 49,340 | Total | 2,450,828 | 3.53 |
| 20,070 | Vinci | 1,778,730 | 2.56 |
| | | 20,091,313 | 28.93 |
| | Germany: 8.29% (7.69%) | | |
| 7,975 | Deutsche Boerse | 1,123,856 | 1.62 |
| 27,645 | HelloFresh | 695,958 | 1.00 |
| 64,681 | Infineon Technologies | 1,832,151 | 2.64 |
| 8,562 | Merck | 1,218,323 | 1.76 |
| 22,276 | Siemens Healthineers | 883,212 | 1.27 |
| | | 5,753,500 | 8.29 |
| | Ireland: 5.87% (5.23%) | | |
| 64,726 | CRH | 2,941,473 | 4.24 |
| 33,951 | Smurfit Kappa Group | 1,133,888 | 1.63 |
| | | 4,075,361 | 5.87 |
| | Italy: 1.46% (1.53%) | | |
| 247,274 | Snam | 1,016,027 | 1.46 |
| | Netherlands: 16.21% (20.36%) | | |
| 1,914 | Adyen | 1,279,288 | 1.84 |
| 4,113 | ASM International | 1,580,316 | 2.28 |
| 6,780 | ASML | 3,577,646 | 5.15 |
| 73,255 | Koninklijke Ahold Delhaize | 1,903,853 | 2.74 |
| 61,548 | Shell | 1,510,142 | 2.17 |
| 14,660 | Wolters Kluwer | 1,408,497 | 2.03 |
| | | 11,259,742 | 16.21 |
| | Norway: 2.02% (2.88%) | | |
| 318,946 | Norsk Hydro | 1,401,329 | 2.02 |
| | Spain: 4.31% (1.68%) | | |
| 21,675 | Amadeus IT | 1,175,705 | 1.70 |
| 59,527 | Industria De Diseno Textil | 1,812,997 | 2.61 |
| | | 2,988,702 | 4.31 |

Barings European Growth Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net value (£) | assets (%) |
|----------|--|---|---------------|
| | Equities: 99.66% (99.04%) (continued) | | |
| | Sweden: 1.60% (3.19%) | | |
| 62,395 | Assa Abloy | 1,113,105 | 1.60 |
| | Switzerland: 16.54% (20.64%) | | |
| 27,814 | Julius Baer | 1,533,793 | 2.21 |
| 51,362 | Nestle | 4,876,844 | 7.02 |
| 13,144 | Roche | 3,074,197 | 4.43 |
| 2,815 | Tecan Group | 890,784 | 1.28 |
| 17,602 | Temenos | 1,112,426 | 1.60 |
| | | 11,488,044 | 16.54 |
| | United Kingdom: 5.22% (9.77%) | | |
| 143,978 | CNH Industrial | 1,567,870 | 2.26 |
| 50,662 | Unilever | 2,058,200 | 2.96 |
| | | 3,626,070 | 5.22 |
| | Portfolio of investments: 99.66% (99.04%) (Cost: £53,930,339) | 69,209,018 | 99.66 |
| | Net other assets | 237,490 | 0.34 |
| | Net assets | 69,446,508 | 100.00 |

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 August 2022.

Barings European Growth Trust

Independent Auditors' Report to the Unitholders of Barings European Growth Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings European Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2023 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2023; the Statement of Total Return, and Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings European Growth Trust

Independent Auditors' Report to the Unitholders of Barings European Growth Trust (continued)

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless the Manager either intend to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Barings European Growth Trust

Independent Auditors' Report to the Unitholders of Barings European Growth Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
7 December 2023

Barings European Growth Trust
Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders
for the year ended 31 August 2023

Statement of Total Return

| | Notes | 31/08/2023 | | 31/08/2022 | |
|--|-------|--------------|----------------|--------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 8,668 | | (11,195) |
| Revenue | 3 | 2,400 | | 2,646 | |
| Expenses | 4 | (788) | | (821) | |
| Net revenue before taxation | | <u>1,612</u> | | <u>1,825</u> | |
| Taxation | 5 | (93) | | (435) | |
| Net revenue after taxation | | | <u>1,519</u> | | 1,390 |
| Total return before distributions | | | <u>10,187</u> | | <u>(9,805)</u> |
| Distributions | 6 | | <u>(1,526)</u> | | <u>(1,390)</u> |
| Change in net assets attributable to unitholders from investment activities | | | <u>8,661</u> | | <u>(11,195)</u> |

Statement of Change in Net Assets Attributable to Unitholders

| | 31/08/2023 | | 31/08/2022 | |
|--|-----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to unitholders | | 70,504 | | 85,077 |
| Amounts receivable on issue of units | 1,375 | | 4,689 | |
| Amounts payable on cancellation of units | <u>(11,102)</u> | | <u>(8,073)</u> | |
| | | <u>(9,727)</u> | | <u>(3,384)</u> |
| Dilution adjustment | | 2 | | – |
| Changes in net assets attributable to unitholders from investment activities | | 8,661 | | (11,195) |
| Unclaimed distributions | | 7 | | 6 |
| Closing net assets attributable to unitholders | | <u>69,447</u> | | <u>70,504</u> |

Barings European Growth Trust**Balance Sheet**as at 31 August 2023

| | Notes | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|--------------|-----------------------------|-----------------------------|
| Assets | | | |
| Investment assets | | 69,209 | 69,829 |
| Current assets: | | | |
| Debtors | 8 | 360 | 445 |
| Cash and bank balances | 9 | 1,391 | 2,007 |
| Total assets | | 70,960 | 72,281 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable on income units | 6 | (1,379) | (1,330) |
| Other creditors | 10 | (134) | (447) |
| Total liabilities | | (1,513) | (1,777) |
| Net assets attributable to unitholders | | 69,447 | 70,504 |

Barings European Growth Trust

Notes to the Financial Statements

for the year ended 31 August 2023

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017. The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at close of business on 31 August 2023, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at close of business on 31 August 2023.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. Accounting policies (continued)

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

| | 31/08/2023 | 31/08/2022 |
|---|--------------|-----------------|
| | £'000 | £'000 |
| Non-derivative securities | 8,349 | (11,140) |
| Currency gains/(losses) | 320 | (51) |
| Transaction charges | (1) | (4) |
| Net capital gains/(losses) on investments | <u>8,668</u> | <u>(11,195)</u> |

3. Revenue

| | 31/08/2023 | 31/08/2022 |
|--------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank interest | 32 | 1 |
| Overseas dividends | 2,212 | 2,482 |
| UK dividends | 156 | 163 |
| | <u>2,400</u> | <u>2,646</u> |

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

4. Expenses

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager: | | |
| Manager's service charge | 704 | 749 |
| | <hr/> | <hr/> |
| | 704 | 749 |
| | | |
| Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee: | | |
| Trustee fees | 16 | 17 |
| Safe custody charges | 13 | 19 |
| | <hr/> | <hr/> |
| | 29 | 36 |
| | | |
| Other expenses: | | |
| Administration fees | 3 | 4 |
| Audit fees | 12 | 12 |
| ISDA | – | (7) |
| Professional fees | 1 | 1 |
| Registrar and transfer agency fees | 18 | 20 |
| Regulatory fees | 11 | 5 |
| Standing charges | 3 | 3 |
| Taxation fees* | 7 | (2) |
| | <hr/> | <hr/> |
| | 55 | 36 |
| | | |
| Total expenses | <hr/> | <hr/> |
| | 788 | 821 |

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

5. Taxation

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| a) Analysis of tax charges for the year: | | |
| Overseas withholding tax | 93 | 435 |
| Current tax charge (note 5b) | <u>93</u> | <u>435</u> |

b) Factors affecting taxation charge for the year:

The tax assessed for the year is lower (31 August 2022: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2022: 20%). The differences are explained below:

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Net revenue before taxation | <u>1,612</u> | <u>1,825</u> |
| Corporation tax at 20% | 322 | 365 |
| Effects of: | | |
| Double taxation relief expenses | – | (1) |
| Excess management expenses not utilised | 151 | 158 |
| Non-taxable overseas dividends | (442) | (489) |
| Overseas withholding tax | 93 | 435 |
| Tax on franked dividends | (31) | (33) |
| Current tax charge for the year (note 5a) | <u>93</u> | <u>435</u> |

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £5,536,308 (31 August 2022: £5,385,346) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|--|---------------------|---------------------|
| Final Distribution | 1,379 | 1,330 |
| | 1,379 | 1,330 |
| Add: Revenue deducted on cancellation of units | 156 | 72 |
| Deduct: Revenue received on issue of units | (9) | (12) |
| | 147 | 60 |
| Total distributions | 1,526 | 1,390 |

Details of the distributions per unit are set out in the Distribution Tables on page 69.

Distributions payable at the year end of £1,379,362 (31 August 2022: £1,330,087) are disclosed in the Balance Sheet on page 56.

7. Movement between net revenue and distributions

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|-----------------------------|---------------------|---------------------|
| Net revenue after taxation | 1,519 | 1,390 |
| Equalisation on conversions | 7 | – |
| | 1,526 | 1,390 |

8. Debtors

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Accrued revenue | 29 | 80 |
| Amount receivable for creation of units | 1 | 1 |
| Overseas tax recoverable | 330 | 364 |
| | 360 | 445 |

9. Cash and bank balances

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|------------------------|---------------------|---------------------|
| Cash and bank balances | 1,391 | 2,007 |
| | 1,391 | 2,007 |

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

10. Other creditors

| | 31/08/2023 | 31/08/2022 |
|---|------------|------------|
| | £'000 | £'000 |
| Accrued expenses | 94 | 408 |
| Amounts payable for cancellation of units | 40 | 39 |
| | <u>134</u> | <u>447</u> |

11. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2022: same).

12. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

13. Financial instruments

In pursuing its investment objective set out on page 40, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

14. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2022: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14. Risks of financial instruments (continued)

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2023, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £3.460 million (31 August 2022: £3.491 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2023:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-----------------|--------------------------------------|------------------------------|----------------|
| Danish krone | 3,792 | 4 | 3,796 |
| Euro | 51,415 | 398 | 51,813 |
| Norwegian krone | 1,401 | – | 1,401 |
| Swedish krona | 1,113 | – | 1,113 |
| Swiss franc | 11,488 | – | 11,488 |
| | 69,209 | 402 | 69,611 |

Currency exposure for the year ended 31 August 2022:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-----------------|--------------------------------------|------------------------------|----------------|
| Euro | 51,000 | 364 | 51,364 |
| Norwegian krone | 2,028 | – | 2,028 |
| Swedish krona | 2,247 | – | 2,247 |
| Swiss franc | 14,554 | – | 14,554 |
| | 69,829 | 364 | 70,193 |

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14. Risks of financial instruments (continued)

Foreign currency risk sensitivity analysis

At 31 August 2023, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £0.696 million (31 August 2022: £0.705 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

| | Floating rate 31/08/2023 £'000 | Fixed rate 31/08/2023 £'000 | Non-interest bearing 31/08/2023 £'000 | Total 31/08/2023 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 69,209 | 69,209 |
| Cash at bank | 1,391 | – | – | 1,391 |
| Other assets | – | – | 360 | 360 |
| Liabilities | – | – | (1,513) | (1,513) |
| | 1,391 | – | 68,056 | 69,447 |

| | Floating rate 31/08/2022 £'000 | Fixed rate 31/08/2022 £'000 | Non-interest bearing 31/08/2022 £'000 | Total 31/08/2022 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 69,829 | 69,829 |
| Cash at bank | 2,007 | – | – | 2,007 |
| Other assets | – | – | 445 | 445 |
| Liabilities | – | – | (1,777) | (1,777) |
| | 2,007 | – | 68,497 | 70,504 |

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to GBP bank deposit/overdraft rates or the international equivalent.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2023 (31 August 2022: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14. Risks of financial instruments (continued)

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2023, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2022: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

15. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2023:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 69,209 | – | – | 69,209 |
| | <u>69,209</u> | <u>–</u> | <u>–</u> | <u>69,209</u> |

Valuation technique for the year ended 31 August 2022:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 69,829 | – | – | 69,829 |
| | <u>69,829</u> | <u>–</u> | <u>–</u> | <u>69,829</u> |

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Portfolio transaction costs

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Analysis of total purchase costs: | | |
| Purchases before transaction costs | 11,366 | 22,040 |
| Corporate Actions | 1,095 | 2,999 |
| Commissions: | | |
| Equities total value paid | 4 | 7 |
| Taxes: | | |
| Equities total value paid | 19 | 16 |
| Total transaction costs | 23 | 23 |
| Gross purchases total | 12,484 | 25,062 |
| | 31/08/2023 £'000 | 31/08/2022 £'000 |
| Analysis of total sale costs: | | |
| Sales before transaction costs | 20,367 | 25,860 |
| Corporate Actions | 1,092 | 3,002 |
| Commissions: | | |
| Equities total value paid | (6) | (8) |
| Total transaction costs | (6) | (8) |
| Total sales net of transaction costs | 21,453 | 28,854 |

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed next page. Transaction costs vary depending on the transaction value and market sentiment.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Portfolio transaction costs (continued)

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| Analysis of total purchase costs: | % | % |
| Commissions: | | |
| Equities percentage of total equities purchases costs | 0.04 | 0.03 |
| Equities percentage of average NAV | 0.01 | 0.01 |
| Taxes: | | |
| Equities percentage of total equities purchases costs | 0.17 | 0.07 |
| Equities percentage of average NAV | 0.03 | 0.02 |
| | 31/08/2023 | 31/08/2022 |
| Analysis of total sale costs: | % | % |
| Commissions: | | |
| Equities percentage of total equities sales costs | (0.03) | (0.03) |
| Equities percentage of average NAV | (0.01) | (0.01) |

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.04% (31 August 2022: 0.08%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17. Unit classes

The Trust currently has two unit classes: A GBP Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 41. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 42. The distribution per unit class is given in the distribution tables on page 69. All classes have the same rights on winding up.

| | Class A GBP Inc | Class I GBP Inc |
|----------------------|------------------|------------------|
| Opening units | 1,201,672 | 3,581,969 |
| Units created | 30,827 | 54,827 |
| Units liquidated | (101,257) | (577,738) |
| Units converted | (85,434) | 84,816 |
| Closing units | 1,045,808 | 3,143,874 |

18. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2023, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2022: same).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence.

Barings European Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Related party transactions (continued)

Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

19. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class has not changed from 1,679.00p and I GBP Income class decreased from 1,695.00p to 1,686.00p as at 1 December 2023. Subsequent to the year end, the number of units of the I GBP Income class decreased from 3,143,874 to 2,282,075 as at 1 December 2023. These movements take into account routine transactions.

The Manager continues to monitor investment performance in line with investment objectives.

Barings European Growth Trust

Distribution Tables

For the year ended 31 August 2023

Final Distribution

Group 1: Units purchased prior to 1 September 2022

Group 2: Units purchased between 1 September 2022 and 31 August 2023

Final distribution - Class A GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 12) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 23.6158 | 0.0000 | 23.6158 | 18.5852 |
| 2 | 14.9151 | 8.7007 | 23.6158 | 18.5852 |

Final distribution - Class I GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 12) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 36.0188 | 0.0000 | 36.0188 | 30.8979 |
| 2 | 23.9813 | 12.0375 | 36.0188 | 30.8979 |

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings Europe Select Trust (the “Trust”) is to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI Europe ex UK Small Cap (Total Net Return) Index over a rolling five year period by investing in equity and equity related securities in Europe excluding the United Kingdom.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity-related securities of smaller companies incorporated in, or exercising the predominant part of their economic activity in Europe excluding the United Kingdom, or quoted or traded on the stock exchanges in Europe excluding the United Kingdom.

Smaller European companies can be defined as those companies which are constituents of the bottom 30% total market capitalisation of Europe’s listed companies (this excludes companies in the United Kingdom).

The Trust will invest at least 50% of the Trust’s total assets in equities of companies that exhibit positive improving environmental, social and governance (ESG) characteristics. Such companies are selected through the use of proprietary research supported with the use of third party data. This analysis is also an important driver behind the Investment Manager’s policy of active company engagement in which the Investment Manager seeks to influence (or identify the need to influence) ESG practices and to improve disclosure.

The Trust may invest up to 25% of its total assets directly and indirectly in equities and equity-related securities outside of Europe (including in the United Kingdom), as well as in larger companies, and in fixed income and cash. Furthermore, up to 50% of its total assets may be invested in equities and equity related securities of companies that exhibit less positive ESG characteristics.

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 managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging). Please refer to the Prospectus for the full investment objective and policy.

Benchmark

Until 31 July 2023, the target benchmark was the EMIX Smaller European Companies Ex UK (Total Net Return) Index. From 31 July 2023, the target benchmark is MSCI Europe ex UK Small Cap (Total Net Return) Index. The benchmark has been selected as it tracks the performance of small and medium sized companies from developed European countries excluding the UK. The benchmark constituents are not required to exhibit positive/improving ESG characteristics.

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.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” or GARP. We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth and upside disciplines can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises quality criteria when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

Risk Profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- The Trust can hold smaller company shares, which can be more difficult to buy and sell as they may trade infrequently and in small volumes, so their share prices may fluctuate more than those of larger companies.
- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust’s value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative, as a relatively small movement may have a larger impact on derivatives than the underlying assets. Some derivative transactions may be entered into directly with an eligible person or institution (a “counterparty”). There is a risk that the counterparty may not meet its obligations or becomes insolvent, which could cause the Trust to incur a loss.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk.
- Losses may occur if an organization through which we buy an asset (such as a bank) fails to meet its obligations.
- 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 derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2023

| Total Trust size: 31 August 2023 | £630.30 million | |
|----------------------------------|-----------------------------------|--------------------------------------|
| Total Trust size: 31 August 2022 | £687.44 million | |
| OCF* | 31/08/2023 | 31/08/2022 |
| Class A GBP Inc** | 1.56% | 1.56% |
| Class A EUR Acc** | 1.56% | 1.56% |
| Class A EUR Inc** | 1.56% | 1.56% |
| Class A USD Acc | 1.56% | 1.56% |
| Class I GBP Acc | 0.81% | 0.81% |
| Class I GBP Inc | 0.81% | 0.81% |
| Class I EUR Acc | 0.81% | 0.81% |
| Class I EUR Inc | 0.81% | 0.81% |
| | Initial charge | Annual charge |
| Class A GBP Inc** | up to 5.00% | 1.50% |
| Class A EUR Acc** | up to 5.00% | 1.50% |
| Class A EUR Inc** | up to 5.00% | 1.50% |
| Class A USD Acc | up to 5.00% | 1.50% |
| Class I GBP Acc | Nil | 0.75% |
| Class I GBP Inc | Nil | 0.75% |
| Class I EUR Acc | Nil | 0.75% |
| Class I EUR Inc | Nil | 0.75% |
| | Minimum initial investment | Minimum subsequent investment |
| Class A GBP Inc** | £1,000 | £500 |
| Class A EUR Acc** | €5,000 | €1,000 |
| Class A EUR Inc** | €5,000 | €1,000 |
| Class A USD Acc | US\$5,000 | US\$2,500 |
| Class I GBP Acc | £10,000,000 | £500 |
| Class I GBP Inc | £10,000,000 | £500 |
| Class I EUR Acc | €10,000,000 | €1,000 |
| Class I EUR Inc | €10,000,000 | €1,000 |

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the year. It includes fees paid for investment management, trustee and general charges.

** Calculation based on mid-price.

Barings Europe Select Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2023 (continued)

| Price per unit | (pence/cents per unit) |
|-----------------|------------------------|
| Class A GBP Inc | 4,382.00p |
| Class A EUR Acc | 5,536.00c |
| Class A EUR Inc | 5,110.00c |
| Class A USD Acc | 6,008.00c |
| Class I GBP Acc | 110.80p |
| Class I GBP Inc | 4,409.00p |
| Class I EUR Acc | 5,724.00c |
| Class I EUR Inc | 5,207.00c |

Barings Europe Select Trust

Trust Information

| | Class A GBP Inc - Distribution units | | | Class A EUR Acc - Accumulation units | | |
|---|--------------------------------------|------------|------------|--------------------------------------|------------|------------|
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (p) | (p) | (p) | (c) | (c) | (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 4,091.89 | 5,550.13 | 4,321.13 | 5,159.75 | 6,917.82 | 5,144.69 |
| Return before operating charges | 353.80 | (1,336.36) | 1,332.32 | 456.51 | (1,663.64) | 1,867.50 |
| Operating charges | (67.89) | (75.77) | (75.88) | (85.68) | (94.43) | (94.37) |
| Return after operating charges | 285.91 | (1,412.13) | 1,256.44 | 370.83 | (1,758.07) | 1,773.13 |
| Distributions | (42.50) | (46.11) | (27.44) | (53.31) | (60.00) | (35.29) |
| Retained distributions on accumulation units | – | – | – | 53.31 | 60.00 | 35.29 |
| Closing net asset value per unit after direct transaction costs of* | 4,335.30 | 4,091.89 | 5,550.13 | 5,530.58 | 5,159.75 | 6,917.82 |
| | 3.59 | 2.64 | 3.15 | 4.53 | 3.29 | 3.92 |
| Performance | | | | | | |
| Return after charges | 6.99% | (25.44)% | 29.08% | 7.19% | (25.41)% | 34.47% |
| Other information | | | | | | |
| Closing net asset value ('000) | £74,041 | £83,609 | £185,204 | €13,015 | €16,107 | €31,433 |
| Closing number of units | 1,707,858 | 2,043,290 | 3,336,929 | 235,324 | 312,160 | 454,372 |
| Operating charges | 1.56% | 1.56% | 1.55% | 1.56% | 1.56% | 1.55% |
| Direct transaction costs | 0.08% | 0.05% | 0.06% | 0.08% | 0.05% | 0.06% |
| Prices | | | | | | |
| Highest unit price | 4,746.00 | 5,618.00 | 5,581.00 | 5,788.00 | 7,041.00 | 5,942.99 |
| Lowest unit price | 3,782.00 | 4,059.00 | 4,121.00 | 4,659.00 | 5,083.00 | 4,395.82 |
| Class A EUR Inc - Distribution units | | | | | | |
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (c) | (c) | (c) | (c) | (c) | (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 4,762.50 | 6,455.70 | 4,823.50 | 5,139.95 | 8,171.81 | 6,121.29 |
| Return before operating charges | 421.73 | (1,551.31) | 1,749.88 | 955.72 | (2,937.86) | 2,162.89 |
| Operating charges | (79.15) | (89.45) | (87.68) | (93.14) | (94.00) | (112.37) |
| Return after operating charges | 342.58 | (1,640.76) | 1,662.20 | 862.58 | (3,031.86) | 2,050.52 |
| Distributions | (49.93) | (52.44) | (30.00) | (58.81) | (57.53) | (41.86) |
| Retained distributions on accumulation units | – | – | – | 58.81 | 57.53 | 41.86 |
| Closing net asset value per unit after direct transaction costs of* | 5,055.15 | 4,762.50 | 6,455.70 | 6,002.53 | 5,139.95 | 8,171.81 |
| | 4.18 | 3.12 | 3.64 | 4.92 | 3.28 | 4.66 |
| Performance | | | | | | |
| Return after charges | 7.19% | (25.42)% | 34.46% | 16.78% | (37.10)% | 33.50% |
| Other information | | | | | | |
| Closing net asset value ('000) | €45,902 | €64,300 | €164,531 | \$16,467 | \$15,458 | \$28,995 |
| Closing number of units | 908,021 | 1,350,127 | 2,548,618 | 274,326 | 300,744 | 354,813 |
| Operating charges | 1.56% | 1.56% | 1.55% | 1.56% | 1.56% | 1.55% |
| Direct transaction costs | 0.08% | 0.05% | 0.06% | 0.08% | 0.05% | 0.06% |
| Prices | | | | | | |
| Highest unit price | 5,343.00 | 6,571.00 | 5,571.23 | 6,317.00 | 8,285.00 | 5,945.32 |
| Lowest unit price | 4,301.00 | 4,743.00 | 4,121.36 | 4,481.00 | 5,132.00 | 4,398.08 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings Europe Select Trust

Trust Information (continued)

| | Class I GBP Acc - Accumulation units | | | Class I GBP Inc - Distribution units | | |
|---|--------------------------------------|------------|-------------------------|--------------------------------------|------------|------------|
| | 31/08/2023 | 31/08/2022 | 31/08/2021 [^] | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (p) | (p) | (p) | (p) | (p) | (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 102.65 | 136.58 | 101.84 | 4,087.92 | 5,556.62 | 4,323.55 |
| Return before operating charges | 8.89 | (32.98) | 35.61 | 353.56 | (1,342.95) | 1,338.32 |
| Operating charges | (0.89) | (0.95) | (0.87) | (35.32) | (39.55) | (39.41) |
| Return after operating charges | 8.00 | (33.93) | 34.74 | 318.24 | (1,382.50) | 1,298.91 |
| Distributions | (1.91) | (2.13) | (1.65) | (75.94) | (86.20) | (65.84) |
| Retained distributions on accumulation units | 1.91 | 2.13 | 1.65 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 110.65 | 102.65 | 136.58 | 4,330.22 | 4,087.92 | 5,556.62 |
| | 0.09 | 0.06 | 0.08 | 3.60 | 2.65 | 3.17 |
| Performance | | | | | | |
| Return after charges | 7.79% | (24.84)% | 34.11% | 7.78% | (24.88)% | 30.04% |
| Other information | | | | | | |
| Closing net asset value ('000) | £16,523 | £9,975 | £5,091 | £449,637 | £484,301 | £949,468 |
| Closing number of units | 14,933,676 | 9,718,054 | 3,727,683 | 10,383,699 | 11,847,115 | 17,087,144 |
| Operating charges | 0.81% | 0.81% | 0.80% | 0.81% | 0.81% | 0.80% |
| Direct transaction costs | 0.08% | 0.05% | 0.06% | 0.08% | 0.05% | 0.06% |
| Prices | | | | | | |
| Highest unit price | 119.50 | 138.00 | 136.70 | 4,757.00 | 5,625.00 | 5,621.00 |
| Lowest unit price | 94.93 | 101.00 | 100.00 | 3,781.00 | 4,088.00 | 4,128.00 |
| | Class I EUR Acc - Accumulation units | | | Class I EUR Inc - Distribution units | | |
| | 31/08/2023 | 31/08/2022 | 31/08/2021 | 31/08/2023 | 31/08/2022 | 31/08/2021 |
| | (c) | (c) | (c) | (c) | (c) | (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 5,296.03 | 7,047.25 | 5,201.78 | 4,819.17 | 6,467.10 | 4,830.91 |
| Return before operating charges | 468.61 | (1,700.90) | 1,894.66 | 427.02 | (1,498.51) | 1,758.78 |
| Operating charges | (45.90) | (50.32) | (49.19) | (41.78) | (47.53) | (46.01) |
| Return after operating charges | 422.71 | (1,751.22) | 1,845.47 | 385.24 | (1,546.04) | 1,712.77 |
| Distributions | (98.64) | (109.36) | (81.19) | (89.73) | (101.89) | (76.58) |
| Retained distributions on accumulation units | 98.64 | 109.36 | 81.19 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 5,718.74 | 5,296.03 | 7,047.25 | 5,114.68 | 4,819.17 | 6,467.10 |
| | 4.67 | 3.38 | 3.96 | 4.25 | 3.19 | 3.70 |
| Performance | | | | | | |
| Return after charges | 7.98% | (24.85)% | 35.48% | 7.99% | (23.91)% | 35.45% |
| Other information | | | | | | |
| Closing net asset value ('000) | €27,197 | €28,087 | €68,474 | €3,813 | €3,531 | €59,389 |
| Closing number of units | 475,578 | 530,349 | 971,638 | 74,556 | 73,272 | 918,322 |
| Operating charges | 0.81% | 0.81% | 0.80% | 0.81% | 0.81% | 0.80% |
| Direct transaction costs | 0.08% | 0.05% | 0.06% | 0.08% | 0.05% | 0.06% |
| Prices | | | | | | |
| Highest unit price | 5,961.00 | 7,184.00 | 6,053.75 | 5,425.00 | 6,593.00 | 5,616.74 |
| Lowest unit price | 4,785.00 | 5,210.00 | 4,450.71 | 4,324.00 | 4,841.00 | 4,133.06 |

[^]Unit class was launched on 30 October 2020.

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings Europe Select Trust

Report of the Investment Manager

Performance

Over the 12-month period to 31 August 2023, the Barings Europe Select Trust (the “Trust”) gained 6.54% on the Class A GBP Inc (net of fees) and outperformed against the target benchmark, which returned 3.91%. The table below shows the 1 year and 5 year annualised net return for the Class A GBP Inc units against the target benchmark.

| | 1 year | 5 years |
|---|--------|---------|
| Barings Europe Select Trust | 6.54% | 0.96% |
| MSCI Europe ex UK Small Cap (Total Net Return) Index* | 3.91% | 3.14% |

** From 31 July 2023, MSCI Europe ex UK Small Cap (Total Net Return) (previously, EMIX Smaller European Companies Ex UK (Total Net Return) Index) is the target benchmark.*

European smaller company equities delivered an absolute return, reflecting stronger economic growth and profitability in Europe than had been feared, and tentative hopes that interest rates in the US and Europe were approaching their peak.

Over the period, both stock selection and country allocation contributed positively to relative performance. Stylistically, Value orientated equities outperformed Growth over the period, however, strong stock selection and positive asset allocation offset this.

Stock selection in the Information Technology sector was one of the largest positive contributors to relative performance, driven predominantly by Dutch semiconductor equipment manufacturer ASM International. This followed strong profit growth, and increased enthusiasm for generative artificial intelligence (AI), with the company’s leading-edge tools pivotal to production of the most advanced semiconductor chips. The portfolio also benefitted from minimal exposure to the Real Estate sector, which underperformed against a backdrop of rising interest rates. This decision remains a by-product of our investment process, in which we generally avoid companies that remain overly dependent on economic developments, such as interest rates. In contrast, stock selection in the Financials sector negatively impacted relative performance, driven by the holding in French payments processor Worldline as the shares sold off after a strong run of performance in 2022.

Key purchases over the period included French cable manufacturer Nexans, a company we believe to be well placed to capture the structural growth opportunities arising from electrification, and the growing need for modernisation of national grid networks to facilitate the increasing use of renewable energy. We also initiated a position in Puma, which manufactures sports and sports lifestyle apparel as we believed that the valuation was attractive and recognised the solid execution of management. Strong share price performance over a short period of time meant that valuation looked full and our target price was reached, and subsequently we sold the position. Elsewhere, we took profits in Swiss insurance group Baloise, reflecting valuation considerations and slower than anticipated growth in the company’s dividend.

Over five years the, Trust has underperformed relative to the benchmark performance objective but has delivered the objective of capital growth.

Whilst growth-style equities outperformed value over the five-years, stock selection had a negative impact on a relative return whilst country allocation contributed positively. Value has outperformed Growth dramatically in recent years which has proved to be a material headwind for our Growth at a Reasonable Price (GARP) investment approach, which focuses on quality companies with sustainable growth prospects. This shift in style has followed large macro driven events, including changes in the inflationary environment, geopolitics and interest rates, resulting in marked underperformance by companies with higher quality characteristics.

Barings Europe Select Trust

Report of the Investment Manager (continued)

The top ten purchases and sales during the year were as follows:

| Purchases | Costs £'000 | Sales | Proceeds £'000 |
|-----------------------|----------------|-----------------------------|-------------------|
| Puma | 14,621 | Puma | 13,858 |
| Nexans | 11,311 | Bâloise | 13,498 |
| Bureau Veritas | 10,334 | Smurfit Kappa Group | 12,840 |
| ISS | 10,031 | BE Semiconductor Industries | 12,282 |
| HelloFresh | 9,865 | Hera | 12,143 |
| Iveco | 9,194 | Recordati | 11,762 |
| Banco de Sabadell | 8,906 | Rexel | 10,209 |
| Gerresheimer | 8,184 | Chr Hansen | 9,904 |
| Accelleron Industries | 7,862 | Eurazeo | 9,782 |
| Axfood | 7,779 | Applus Services | 9,734 |

Market Outlook

Equity markets are likely to remain volatile over the coming months as investors continue to show limited confidence in the outlook for the global economy amid the headwinds of higher interest and inflation rates, which remain above long-term trends. Despite this difficult economic backdrop, earnings have been resilient, with companies generally proving effective at passing on rising costs to their customers. In addition, recession has yet to appear, with business sentiment and economic activity consistent with the constraining effects of lower growth and higher inflation, and well above the lows of last year.

Inflation in the US and across much of Europe has continued to trend downwards, increasing views that we may be approaching peak interest rates, although the USA is further ahead than the EU in the context. However, the outlook for corporate profit growth is unclear. Recent earnings growth was supported by the ability of companies to pass on cost increases to end consumers. Whether end consumers will be as willing to continue to accept price increases going forward, remains up for debate.

More positively, valuations for smaller European companies continue to look compelling, both relative to their own history and when compared to larger companies in Europe. In this context, our Growth at a Reasonable Price approach remains unchanged, focusing on reasonably valued companies whose profit growth potential is demonstrably improving. Given the trends outlined above, we anticipate that company-specific earnings revisions will become increasingly important determinant of share price developments, with opportunities for stock selection more widespread.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings Europe Select Trust

Environmental, Social and Governance (“ESG”) Integration

ESG INTEGRATION PROCESS

Barings integrates environmental, social, and governance (“ESG”) considerations into all company analysis and investment decisions. We achieve this through a focus on integration, forward-looking dynamics, and active engagement with management teams to unlock long-term returns and improve ESG outcomes.

Integration

Integrating ESG is core to our fundamental research and allows us to better assess the risks and opportunities for our investments that are not apparent in traditional fundamental analysis. This influences both our quality assessment of a company as well as its valuation, and is therefore integral to decision making.

Dynamic & Forward Looking

Our proprietary assessment is aimed at capturing improving or deteriorating standards to highlight and reward more sustainable business practices, rather than relying on static assessments from third parties.*

Engagement

We aim to drive outcomes through direct engagement with corporate management teams, potentially unlocking value for our investors, rather than relying on blanket exclusions.

Please note, we will not directly invest in companies that violate International Conventions on cluster munitions, anti-personnel mines, chemical and biological weapons. We will not knowingly hold companies that are materially involved in the production, stockpiling and use of these weapons at the time of investment. Our strong preference is to engage with companies, as opposed to applying a broad based sector exclusion approach.

For the purposes of the Sustainable Finance Disclosure Regulation, this Trust promotes environmental or social characteristics and is classified as an Article 8 product.

Holdings % with Positive or Improving ESG Characteristics as at 31 August 2023

| | Positive or Improving | All Others |
|-----------------------------|-----------------------|------------|
| Barings Europe Select Trust | 74.16% | 25.84% |

ENGAGEMENT CASE STUDY: PUMA

Engagement Category: Governance

Format: Email

Contact: investor Relations

Engagement Overview

We engaged with Puma, a global leader in sporting goods, to encourage them to be more open and transparent in their communication with shareholders and potential shareholders.

Engagement Objective: Improve Disclosure

Our aim was to change the attitude of management and encourage them to improve disclosure and communication with the wider financial market so that the attractions of the company could be more fully appreciated by both minority shareholders and potential shareholders.

Outcome: Ongoing

Puma has been a leader in many areas of ESG for well over a decade – pioneering supply chain sustainability; publishing an Environmental profit and loss long before sustainability reports became industry standard; and driving industry standards and cohesion through stakeholder engagement forums.

*Barings cost of equity is applied to value companies. This includes an ESG adjustment of between +2% to 1% to the cost of equity in our valuation process based on our proprietary assessment of each company’s ESG profile. The best ESG rated stocks are awarded a 1% discount to the required cost of equity while the worst have a 2% premium applied to our required cost of equity.

Barings Europe Select Trust

Environmental, Social and Governance (“ESG”) Integration (continued)

Given this leadership (and the attractions of the business model itself) it is frustrating that access to management remains limited. We engaged with investor relations to encourage management to allow transcripts of their quarterly earnings calls to be published online – in line with industry standard. This would allow a broader range of market participants to get exposure to management; conduct more informed investment research and appreciate the attractions of the investment case.

This was well received, and we have received a commitment to disclose the transcripts, which we will monitor.

Barings Europe Select Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings Europe Select Trust (the “Trust”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the “Trust”) for the year ended 31 August 2023

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings Europe Select Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings Europe Select Trust (the "Trust") for the year ended 31 August 2023 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 7 December 2023

Barings Europe Select Trust

Directors' Statement

The financial statements on pages 90 to 103 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

A. BEHEN Director

London 7 December 2023

Barings Europe Select Trust

Portfolio Statement

as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net value (£) | assets (%) |
|-----------|----------------------------------|---|---------------|
| | Equities: 97.35% (98.26%) | | |
| | Austria: 3.06% (2.65%) | | |
| 284,647 | BAWAG | 10,631,748 | 1.69 |
| 46,404 | S&T | 791,806 | 0.12 |
| 35,560 | Schoeller Bleckman | 1,573,336 | 0.25 |
| 288,719 | Wienerberger | 6,317,805 | 1.00 |
| | | 19,314,695 | 3.06 |
| | Belgium: 2.36% (2.61%) | | |
| 322,544 | Azelis Group | 5,558,981 | 0.88 |
| 66,195 | Barco | 1,108,505 | 0.18 |
| 63,452 | D'ieteren | 8,226,352 | 1.30 |
| | | 14,893,838 | 2.36 |
| | Denmark: 6.57% (8.34%) | | |
| 2,123,516 | Alm Brand | 2,741,480 | 0.44 |
| 56,094 | Chr Hansen | 2,909,624 | 0.46 |
| 574,631 | ISS | 8,086,342 | 1.28 |
| 123,132 | Pandora | 10,033,755 | 1.59 |
| 146,217 | Royal Unibrew | 10,111,346 | 1.60 |
| 202,215 | Topdanmark | 7,529,368 | 1.20 |
| | | 41,411,915 | 6.57 |
| | Finland: 5.37% (7.87%) | | |
| 237,142 | Cargotec | 8,837,072 | 1.40 |
| 359,287 | Huhtamaki | 9,753,547 | 1.55 |
| 919,109 | Metso Outotec | 8,531,101 | 1.35 |
| 331,918 | Valmet | 6,705,270 | 1.07 |
| | | 33,826,990 | 5.37 |
| | France: 16.48% (14.12%) | | |
| 49,920 | Alten | 5,628,731 | 0.89 |
| 303,257 | Bureau Veritas | 6,472,110 | 1.03 |
| 888,758 | Elis | 13,549,568 | 2.15 |
| 49,730 | Gaztransport Et Technigaz | 4,929,314 | 0.78 |
| 163,858 | IPSOS | 6,471,452 | 1.03 |
| 54,601 | Mersen | 1,947,620 | 0.31 |
| 150,912 | Nexans | 9,808,513 | 1.56 |
| 100,166 | Publicis Groupe | 6,242,311 | 0.99 |
| 152,525 | Quadiant | 2,495,339 | 0.39 |
| 268,102 | Rexel | 5,004,592 | 0.79 |
| 52,082 | Sopra Steria | 9,065,544 | 1.44 |
| 460,451 | SPIE | 10,920,582 | 1.73 |
| 101,710 | Ubisoft Entertainment | 2,404,422 | 0.38 |
| 206,886 | Verallia | 7,791,187 | 1.24 |
| 13,529 | Virbac | 3,166,930 | 0.50 |
| 306,257 | Worldline | 7,996,197 | 1.27 |
| | | 103,894,412 | 16.48 |

Barings Europe Select Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Bid-Market value (£) | Percentage of total net assets (%) |
|-----------|--|----------------------|------------------------------------|
| | Equities: 97.35% (98.26%) (continued) | | |
| | Germany: 13.13% (5.28%) | | |
| 89,560 | CTS Eventim AG | 4,469,380 | 0.71 |
| 231,534 | Duerr | 5,471,472 | 0.87 |
| 26,160 | Eckert & Ziegler | 755,923 | 0.12 |
| 169,613 | Evotec | 3,113,766 | 0.50 |
| 156,186 | Fraport | 6,694,766 | 1.06 |
| 356,543 | Freenet | 6,762,499 | 1.07 |
| 68,943 | Gerresheimer | 6,934,232 | 1.10 |
| 468,816 | HelloFresh | 11,802,354 | 1.87 |
| 84,905 | Hugo Boss | 5,037,900 | 0.80 |
| 217,499 | Jenoptik | 5,080,127 | 0.81 |
| 67,129 | Krones | 5,755,994 | 0.91 |
| 162,904 | Nordex | 1,553,269 | 0.25 |
| 86,541 | Puma | 4,579,921 | 0.73 |
| 117,505 | Scout24 | 6,323,383 | 1.00 |
| 59,449 | Sixt | 4,985,326 | 0.79 |
| 76,807 | Stabilus | 3,408,171 | 0.54 |
| | | 82,728,483 | 13.13 |
| | Ireland: 0.48% (1.64%) | | |
| 241,817 | Glanbia | 3,043,849 | 0.48 |
| | Italy: 11.20% (13.76%) | | |
| 799,164 | Ariston | 5,026,275 | 0.80 |
| 396,699 | Banca Generali | 11,476,682 | 1.82 |
| 590,942 | Brembo | 6,465,553 | 1.03 |
| 75,529 | DiaSorin | 6,234,043 | 0.99 |
| 907,412 | FincoBank | 9,939,753 | 1.58 |
| 636,609 | Infrastrutture Wireless Italiane | 6,274,685 | 0.99 |
| 131,059 | Intercos | 1,501,355 | 0.24 |
| 121,936 | Interpump Group | 4,882,688 | 0.77 |
| 982,669 | Iveco | 7,635,571 | 1.21 |
| 1,762,672 | Pirelli & C | 6,943,408 | 1.10 |
| 40,198 | Reply | 3,219,300 | 0.51 |
| 62,988 | Tinexta Spa | 993,770 | 0.16 |
| | | 70,593,083 | 11.20 |
| | Luxembourg: 0.78% (0.00%) | | |
| 617,029 | Lottomatica Spa | 4,903,450 | 0.78 |
| | Netherlands: 10.40% (12.23%) | | |
| 196,275 | Aalberts Industries | 6,454,172 | 1.02 |
| 33,799 | Alfen N.V. | 1,562,658 | 0.25 |
| 238,947 | Arcadis | 8,875,651 | 1.41 |
| 24,129 | ASM International | 9,270,954 | 1.47 |
| 277,084 | ASR Nederland | 9,705,405 | 1.54 |
| 106,171 | Corbion | 2,006,447 | 0.32 |
| 59,290 | Euronext | 3,396,003 | 0.54 |
| 156,530 | Flow Traders | 2,499,122 | 0.40 |
| 55,811 | IMCD | 6,118,299 | 0.97 |
| 114,593 | TKH Group | 4,185,794 | 0.66 |

Barings Europe Select Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Bid-Market value (£) | Percentage of total net assets (%) |
|------------|---|----------------------|------------------------------------|
| | Equities: 97.35% (98.26%) (continued) | | |
| | Netherlands: 10.40% (12.23%) (continued) | | |
| 80,792 | Van Lanschot Kempen | 1,884,289 | 0.30 |
| 336,364 | Vopak | 9,558,114 | 1.52 |
| | | 65,516,908 | 10.40 |
| | Norway: 3.06% (4.83%) | | |
| 586,258 | Borregaard | 6,758,321 | 1.07 |
| 325,657 | Kitron | 896,367 | 0.14 |
| 944,450 | Storebrand | 5,959,486 | 0.95 |
| 560,735 | TGS-NOPEC Geophysical Company | 5,692,387 | 0.90 |
| | | 19,306,561 | 3.06 |
| | Portugal: 0.47% (0.00%) | | |
| 998,141 | NOS | 2,971,541 | 0.47 |
| | Spain: 5.03% (5.13%) | | |
| 387,116 | Applus Services | 3,146,731 | 0.50 |
| 10,652,712 | Banco de Sabadell | 10,166,361 | 1.61 |
| 320,842 | CIE Automotive | 7,647,970 | 1.21 |
| 1,422,421 | Sacyr | 3,600,433 | 0.57 |
| 138,720 | Viscofan | 7,160,539 | 1.14 |
| | | 31,722,034 | 5.03 |
| | Sweden: 10.22% (8.41%) | | |
| 622,383 | AAK | 9,136,313 | 1.45 |
| 1,254,365 | Alleima | 4,522,655 | 0.72 |
| 457,542 | Arjo | 1,419,402 | 0.23 |
| 449,164 | Axfood | 8,594,330 | 1.36 |
| 677,456 | Elekta | 3,849,553 | 0.61 |
| 219,811 | Getinge | 3,021,682 | 0.48 |
| 809,178 | Hexpol | 6,313,683 | 1.00 |
| 29,678 | HMS Networks | 935,704 | 0.15 |
| 167,205 | Loomis | 3,535,443 | 0.56 |
| 496,111 | Munters Group | 4,861,109 | 0.77 |
| 877,805 | Nordnet | 9,032,754 | 1.43 |
| 1,006,519 | Securitas | 6,504,028 | 1.03 |
| 321,345 | SkiStar | 2,683,927 | 0.43 |
| | | 64,410,583 | 10.22 |
| | Switzerland: 8.74% (11.39%) | | |
| 438,191 | Accelleron Industries | 9,427,130 | 1.50 |
| 3,700,266 | Aryzta | 4,857,856 | 0.77 |
| 5,874 | Bucher Industries | 435,725 | 0.07 |
| 161,612 | DKSH | 9,813,074 | 1.56 |
| 9,649 | Siegfried | 6,873,485 | 1.09 |
| 436,289 | SIG Combibloc | 9,237,843 | 1.46 |
| 35,633 | Tecan | 11,275,771 | 1.79 |

Barings Europe Select Trust**Portfolio Statement (continued)**as at 31 August 2023

| | | Percentage Bid-Market of total net value assets (£) (%) | |
|-----------------|---|--|---------------|
| Holdings | Investments | | |
| | Equities: 97.35% (98.26%) (continued) | | |
| | Switzerland: 8.74% (11.39%) (continued) | | |
| 49,690 | Temenos | 3,140,352 | 0.50 |
| | | 55,061,236 | 8.74 |
| | Portfolio of investments: 97.35% (98.26%) (Cost: £555,281,733) | 613,599,578 | 97.35 |
| | Net other assets | 16,696,317 | 2.65 |
| | Net assets | 630,295,895 | 100.00 |

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 August 2022.

Barings Europe Select Trust

Independent Auditors' Report to the Unitholders of Barings Europe Select Trust

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings Europe Select Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2023 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2023; the Statement of Total Return, and Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings Europe Select Trust

Independent Auditors' Report to the Unitholders of Barings Europe Select Trust (continued)

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Manager's report

In our opinion, the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Barings Europe Select Trust

Independent Auditors' Report to the Unitholders of Barings Europe Select Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
7 December 2023

Barings Europe Select Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2023

Statement of Total Return

| | Notes | 31/08/2023 | | 31/08/2022 | |
|--|-------|------------|---------------|------------|------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 40,025 | | (320,839) |
| Revenue | 3 | 18,056 | | 30,775 | |
| Expenses | 4 | (6,555) | | (10,444) | |
| Interest payable and other similar charges | 5 | (11) | | (283) | |
| Net revenue before taxation | | 11,490 | | 20,048 | |
| Taxation | 6 | (1,238) | | (4,604) | |
| Net revenue after taxation | | | 10,252 | | 15,444 |
| Total return before distributions | | | 50,277 | | (305,395) |
| Distributions | 7 | | (10,284) | | (15,444) |
| Change in net assets attributable to unitholders from investment activities | | | 39,993 | | (320,839) |

Statement of Change in Net Assets Attributable to Unitholders

| | 31/08/2023 | | 31/08/2022 | |
|--|------------|----------------|------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Opening net assets attributable to unitholders | | 687,435 | | 1,439,151 |
| Amounts receivable on issue of units | 86,243 | | 272,157 | |
| Amounts payable on cancellation of units | (184,299) | | (704,191) | |
| | | (98,056) | | (432,034) |
| Dilution adjustment | | – | | 138 |
| Changes in net assets attributable to unitholders from investment activities | | 39,993 | | (320,839) |
| Retained distribution on accumulation units | 7 | 922 | | 1,015 |
| Unclaimed distributions | | 2 | | 4 |
| Closing net assets attributable to unitholders | | 630,296 | | 687,435 |

Barings Europe Select Trust**Balance Sheet**as at 31 August 2023

| | Notes | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|--------------|-----------------------------|-----------------------------|
| Assets | | | |
| Investment assets | | 613,600 | 675,478 |
| Current assets: | | | |
| Debtors | 9 | 9,397 | 7,852 |
| Cash and bank balances | 10 | 20,698 | 19,337 |
| Total assets | | 643,695 | 702,667 |
| Liabilities | | | |
| Creditors: | | | |
| Distribution payable on income units | 7 | (8,896) | (11,827) |
| Other creditors | 11 | (4,503) | (3,405) |
| Total liabilities | | (13,399) | (15,232) |
| Net assets attributable to unitholders | | 630,296 | 687,435 |

Barings Europe Select Trust

Notes to the Financial Statements

for the year ended 31 August 2023

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017. The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as at close of business on 31 August 2023, being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at close of business on 31 August 2023.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2023, there were no stock dividends on this Trust.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. Accounting policies (continued)

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

| | 31/08/2023 | 31/08/2022 |
|---|---------------|------------------|
| | £'000 | £'000 |
| Non-derivative securities | 39,706 | (320,685) |
| Currency gains/(losses) | 336 | (153) |
| Transaction charges | (19) | (2) |
| CSDR penalty reimbursement* | 2 | 1 |
| Net capital gains/(losses) on investments | <u>40,025</u> | <u>(320,839)</u> |

* These are penalties imposed on trades with settlement delays. The Central Securities Depositories Regulation (CSDR) provides for a schedule of cash penalties following the initial failure of a transaction. Penalties are calculated whenever a trade instruction fails to settle on the Intended Settlement Date (ISD) or which is input and matched after the ISD.

3. Revenue

| | 31/08/2023 | 31/08/2022 |
|--------------------|---------------|---------------|
| | £'000 | £'000 |
| Bank interest | 157 | 31 |
| Overseas dividends | 17,899 | 30,744 |
| | <u>18,056</u> | <u>30,775</u> |

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

4. Expenses

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager: | | |
| Manager's service charge | 6,180 | 9,785 |
| | 6,180 | 9,785 |
| Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee: | | |
| Trustee fees | 111 | 156 |
| Safe custody charges | 115 | 309 |
| | 226 | 465 |
| Other expenses: | | |
| Administration fees | 2 | 3 |
| Audit fees | 12 | 12 |
| Professional fees | 1 | 1 |
| Registrar and transfer agency fees | 118 | 158 |
| Regulatory fees | 2 | 2 |
| Standing charges | 3 | 3 |
| Taxation fees* | 11 | 15 |
| | 149 | 194 |
| Total expenses | 6,555 | 10,444 |

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|-------------------|---------------------|---------------------|
| Interest expenses | 11 | 283 |
| | 11 | 283 |

6. Taxation

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|---------------------|---------------------|
| a) Analysis of tax charges for the year: | | |
| Overseas withholding tax | 1,238 | 4,604 |
| Current tax charge (note 6b) | 1,238 | 4,604 |
| | 1,238 | 4,604 |

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

6. Taxation (continued)

b) Factors affecting taxation charge of the year:

The tax assessed for the year is lower (31 August 2022: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2022: 20%). The differences are explained below:

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| | £'000 | £'000 |
| Net revenue before taxation | 11,490 | 20,048 |
| Corporation tax at 20% | 2,298 | 4,010 |
| Effects of: | | |
| Double taxation relief expenses | (6) | – |
| Excess management expenses not utilised | 1,248 | 2,132 |
| Non-taxable overseas dividends | (3,540) | (6,142) |
| Overseas withholding tax | 1,238 | 4,604 |
| Current tax charge for the year (note 6a) | 1,238 | 4,604 |

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of £38,534,335 (31 August 2022: £37,286,726) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units and comprise:

| | 31/08/2023 | 31/08/2022 |
|--|-------------------|------------|
| | £'000 | £'000 |
| Interim Distribution | 170 | – |
| Interim Accumulation | 14 | – |
| Final Distribution | 8,896 | 11,827 |
| Final Accumulation | 908 | 1,015 |
| | 9,988 | 12,842 |
| Add: Revenue deducted on cancellation of units | 916 | 3,411 |
| Deduct: Revenue received on issue of units | (620) | (809) |
| | 296 | 2,602 |
| Total distributions | 10,284 | 15,444 |

Details of the distributions per units are set out in the Distribution Tables on pages 104 to 107.

Distributions payable at the year end of £8,895,741 (31 August 2022: £11,826,941) are disclosed in the Balance Sheet on page 91.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

8. Movement between net revenue and distributions

| | 31/08/2023 | 31/08/2022 |
|-----------------------------|-------------------|------------|
| | £'000 | £'000 |
| Net revenue after taxation | 10,252 | 15,444 |
| Equalisation on conversions | 32 | – |
| | 10,284 | 15,444 |

9. Debtors

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| | £'000 | £'000 |
| Accrued revenue | 77 | 311 |
| Amount receivable for creation of units | 550 | 1,356 |
| Overseas tax recoverable | 5,074 | 5,469 |
| Sales awaiting settlement | 3,696 | 716 |
| | 9,397 | 7,852 |

10. Cash and bank balances

| | 31/08/2023 | 31/08/2022 |
|------------------------|-------------------|------------|
| | £'000 | £'000 |
| Cash and bank balances | 20,698 | 19,337 |
| | 20,698 | 19,337 |

11. Other creditors

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| | £'000 | £'000 |
| Accrued expenses | 608 | 816 |
| Amounts payable for cancellation of units | 831 | 2,587 |
| Currency deals awaiting settlement | – | 2 |
| Purchases awaiting settlement | 3,064 | – |
| | 4,503 | 3,405 |

12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2022: same).

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into the capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14. Financial instruments

In pursuing its investment objective set out on page 70, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2022: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2023, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £30.680 million (31 August 2022: £33.774 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than sterling, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into sterling on the day of receipt.

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

These net assets consist of the following:

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15. Risks of financial instruments (continued)

Currency exposure for the year ended 31 August 2023:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-----------------|--------------------------------------|------------------------------|----------------|
| Danish krone | 41,412 | 6,171 | 47,583 |
| Euro | 433,409 | 9,154 | 442,563 |
| Norwegian krone | 19,307 | 775 | 20,082 |
| Swedish krona | 64,411 | 57 | 64,468 |
| Swiss franc | 55,061 | 5,956 | 61,017 |
| US dollar | – | 287 | 287 |
| | 613,600 | 22,400 | 636,000 |

Currency exposure for the year ended 31 August 2022:

| | Portfolio of investments £'000 | Net other assets £'000 | Total £'000 |
|-----------------|--------------------------------------|------------------------------|----------------|
| Danish krone | 57,352 | 2,434 | 59,786 |
| Euro | 448,754 | 16,018 | 464,772 |
| Norwegian krone | 33,237 | 148 | 33,385 |
| Swedish krona | 57,809 | 5,260 | 63,069 |
| Swiss franc | 78,326 | 7 | 78,333 |
| US dollar | – | 463 | 463 |
| | 675,478 | 24,330 | 699,808 |

Foreign currency risk sensitivity analysis

At 31 August 2023, if the value of the sterling increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £6.360 million (31 August 2022: £6.998 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15. Risks of financial instruments (continued)

The interest rate risk profile of financial assets and liabilities consists of the following:

| | Floating rate 31/08/2023 £'000 | Fixed rate 31/08/2023 £'000 | Non-interest bearing 31/08/2023 £'000 | Total 31/08/2023 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 613,600 | 613,600 |
| Cash at bank | 20,698 | – | – | 20,698 |
| Other assets | – | – | 9,397 | 9,397 |
| Liabilities | – | – | (13,399) | (13,399) |
| | 20,698 | – | 609,598 | 630,296 |

| | Floating rate 31/08/2022 £'000 | Fixed rate 31/08/2022 £'000 | Non-interest bearing 31/08/2022 £'000 | Total 31/08/2022 £'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | – | – | 675,478 | 675,478 |
| Cash at bank | 19,337 | – | – | 19,337 |
| Other assets | – | – | 7,852 | 7,852 |
| Liabilities | – | – | (15,232) | (15,232) |
| | 19,337 | – | 668,098 | 687,435 |

The floating rate assets and liabilities comprise bank balances, whose rates are determined by reference to GBP bank deposit/overdraft rates or the international equivalent.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2023 (31 August 2022: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. As at 31 August 2023, the Trust did not hold any open forward currency contracts with any counterparty (31 August 2022: same).

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

Derivatives and other financial instruments

The Trust did not hold any derivatives that could impact the value of the Trust significantly in the current or prior year.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the year-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2023:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 613,600 | – | – | 613,600 |
| | 613,600 | – | – | 613,600 |

Valuation technique for the year ended 31 August 2022:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 675,478 | – | – | 675,478 |
| | 675,478 | – | – | 675,478 |

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

17. Portfolio transaction costs

| | 31/08/2023 £'000 | 31/08/2022 £'000 |
|---|-----------------------------|-----------------------------|
| Analysis of total purchase costs: | | |
| Purchases before transaction costs* | 388,316 | 348,116 |
| Corporate Actions | – | 12,240 |
| Commissions: | | |
| Equities total value paid | 127 | 136 |
| Taxes: | | |
| Equities total value paid | 265 | 317 |
| Total transaction costs | 392 | 453 |
| Gross purchases total | 388,708 | 360,809 |
| | | |
| | 31/08/2023 £'000 | 31/08/2022 £'000 |
| Analysis of total sale costs: | | |
| Sales before transaction costs | 486,616 | 761,721 |
| Corporate Actions | – | 12,240 |
| Commissions: | | |
| Equities total value paid | (161) | (263) |
| Total transaction costs | (161) | (263) |
| Total sales net of transaction costs | 486,455 | 773,698 |

The above analysis covers any direct transaction costs suffered by the Trust during the year.

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions are not separately identifiable and do not form part of the analysis above. The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

The average portfolio dealing spread is disclosed below. Transaction costs vary depending on the transaction value and market sentiment.

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

17. Portfolio transaction costs (continued)

| | 31/08/2023 | 31/08/2022 |
|---|-------------|------------|
| Analysis of total purchase costs: | % | % |
| Commissions: | | |
| Equities percentage of total equities purchases costs | 0.03 | 0.04 |
| Equities percentage of average NAV | 0.00 | 0.01 |
| Taxes: | | |
| Equities percentage of total equities purchases costs | 0.07 | 0.09 |
| Equities percentage of average NAV | 0.00 | 0.03 |
| | | |
| Analysis of total sale costs: | 31/08/2023 | 31/08/2022 |
| | % | % |
| Commissions: | | |
| Equities percentage of total equities sales costs | 0.03 | (0.03) |
| Equities percentage of average NAV | 0.00 | (0.02) |
| Taxes: | | |
| Equities percentage of total equities sales costs | - | - |
| Equities percentage of average NAV | - | - |

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.17% (31 August 2022: 0.15%), based on close of business prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has eight unit classes: A EUR Acc, A EUR Inc, A GBP Inc, A USD Acc, I EUR Acc, I GBP Acc, I EUR Inc and I GBP Inc. The annual management charge and Trust management fee can be found on page 72. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 74 and 75. The distribution per unit class is given in the distribution tables on pages 104 to 107. All classes have the same rights on winding up.

| | Class A GBP Inc | Class A EUR Acc | Class A EUR Inc |
|----------------------|------------------|-----------------|-----------------|
| Opening units | 2,043,290 | 312,160 | 1,350,127 |
| Units created | 35,394 | 29,632 | 169,220 |
| Units liquidated | (234,388) | (106,468) | (599,040) |
| Units converted | (136,438) | - | (12,286) |
| Closing units | 1,707,858 | 235,324 | 908,021 |

Barings Europe Select Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Unit classes (continued)

| | Class A USD Acc | Class I GBP Acc | Class I GBP Inc |
|----------------------|-----------------|-------------------|-------------------|
| Opening units | 300,744 | 9,718,054 | 11,847,115 |
| Units created | 73,246 | 8,406,739 | 1,364,424 |
| Units liquidated | (99,664) | (3,198,383) | (2,963,532) |
| Units converted | – | 7,266 | 135,692 |
| Closing units | 274,326 | 14,933,676 | 10,383,699 |

| | Class I EUR Acc | Class I EUR Inc |
|----------------------|-----------------|-----------------|
| Opening units | 530,349 | 73,272 |
| Units created | 79,900 | 4,654 |
| Units liquidated | (134,671) | (15,458) |
| Units converted | – | 12,088 |
| Closing units | 475,578 | 74,556 |

19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2023, the Investment Manager had holdings of 1,000 units (31 August 2022: 1,000), equivalent to 0.00% (31 August 2022: 0.00%) of units held in the Trust. Amounts due from or to the Investment Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

20. Post balance sheet events

Subsequent to the year end, the price per unit of the A GBP Income class has decreased from 4,382.00p to 4,284.00p, A EUR Accumulation class from 5,536.00c to 5,439.00c, A EUR Income class from 5,110.00c to 4,971.00c, A USD Accumulation class from 6,008.00c to 5,916.00c, I GBP Accumulation class from 110.80p to 109.60p, I GBP Income class from 4,409.00p to 4,287.00p, I EUR Accumulation class from 5,724.00c to 5,634.00c and I EUR Income class from 5,207.00c to 5,039.00c as at 1 December 2023. Subsequent to the year end, the number of units of the A EUR Accumulation class decreased from 235,324 to 207,545 as at 1 December 2023. These movements take into account routine transactions.

The Manager continues to monitor investment performance in line with investment objectives.

Barings Europe Select Trust

Distribution Tables

Interim Distribution

Group 1: Units purchased prior to 1 September 2022

Group 2: Units purchased between 1 September 2022 and 28 February 2023

Interim distribution - Class A GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Interim accumulation - Class A EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Interim distribution - Class A EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Interim accumulation - Class A USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | Nil | Nil | Nil | Nil |
| 2 | Nil | Nil | Nil | Nil |

Interim accumulation - Class I GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 0.0389 | 0.0000 | 0.0389 | Nil |
| 2 | 0.0000 | 0.0389 | 0.0389 | Nil |

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Distribution Tables (continued)

Interim distribution - Class I GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 1.5022 | 0.0000 | 1.5022 | Nil |
| 2 | 0.0000 | 1.5022 | 1.5022 | Nil |

Interim accumulation - Class I EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 1.9656 | 0.0000 | 1.9656 | Nil |
| 2 | 1.9096 | 0.0560 | 1.9656 | Nil |

Interim distribution - Class I EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 1.7436 | 0.0000 | 1.7436 | Nil |
| 2 | 1.7058 | 0.0378 | 1.7436 | Nil |

Group 1: Units purchased prior to 1 March 2023

Group 2: Units purchased between 1 March 2023 and 31 August 2023

Final distribution - Class A GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 42.4997 | 0.0000 | 42.4997 | 46.1105 |
| 2 | 15.9007 | 26.5990 | 42.4997 | 46.1105 |

Final accumulation - Class A EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 53.3053 | 0.0000 | 53.3053 | 60.0031 |
| 2 | 52.9194 | 0.3859 | 53.3053 | 60.0031 |

Barings Europe Select Trust

Distribution Tables (continued)

Final distribution - Class A EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 49.9320 | 0.0000 | 49.9320 | 52.4435 |
| 2 | 49.4854 | 0.4466 | 49.9320 | 52.4435 |

Final accumulation - Class A USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 58.8125 | 0.0000 | 58.8125 | 57.5259 |
| 2 | 58.2692 | 0.5433 | 58.8125 | 57.5259 |

Final accumulation - Class I GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 1.8702 | 0.0000 | 1.8702 | 2.1293 |
| 2 | 1.0153 | 0.8549 | 1.8702 | 2.1293 |

Final distribution - Class I GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 74.3948 | 0.0000 | 74.3948 | 86.2010 |
| 2 | 12.5789 | 61.8159 | 74.3948 | 86.2010 |

Final accumulation - Class I EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 96.6125 | 0.0000 | 96.6125 | 109.3593 |
| 2 | 96.0757 | 0.5368 | 96.6125 | 109.3593 |

Barings Europe Select Trust

Distribution Tables (continued)

Final distribution - Class I EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 87.9271 | 0.0000 | 87.9271 | 101.8863 |
| 2 | 87.3240 | 0.6031 | 87.9271 | 101.8863 |

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance

Investment Objective and Policy

The investment objective of Barings German Growth Trust (the “Trust”) is to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the HDAX® (Total Return) Index over a rolling five year period by investing in equity and equity related securities in Germany.

The Trust will seek to achieve its investment objective by investing at least 75% of its total assets directly and indirectly in equities and equity related securities of companies incorporated in, or exercising the predominant part of their economic activity in Germany, or quoted or traded on the stock exchanges in Germany.

For the remainder of its total assets, the Trust may invest directly and indirectly in equities and equity related securities outside of Germany as well as in fixed income and cash.

In order to implement the investment policy, the Trust may gain exposure through American depositary receipts, global depositary receipts and other equity related securities including participation notes, structured notes, equity-linked notes and debt securities convertible into equities. The Trust may also obtain indirect exposure through investments in collective investment schemes (including collective investment schemes which are managed by the Manager or an associate of the Manager) and other transferable securities. It may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging).

Please refer to the Prospectus for the full investment objective and policy.

Benchmark

The target benchmark is the HDAX® (Total Return) Index. The benchmark has been selected as it tracks the performance of the stock market index in Germany.

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.

How the Trust is Managed

At Barings, our equity investment teams share the philosophy of quality “Growth at a Reasonable Price” (GARP). We believe that earnings growth is the principal driver of equity market performance over the medium to long term, and favour high-quality companies for their ability to outperform the market on a risk-adjusted basis. In particular, we believe that structured fundamental research and a disciplined investment process combining quality, growth, upside, and Economic, Social, Governance (ESG) considerations can allow us to identify attractively priced, long-term growth companies which will outperform the market. Our approach emphasises both growth and quality criterion when looking at companies and a three- to five-year time horizon when forecasting company earnings. In determining upside, we use consistent and transparent methods to place emphasis on discounted earnings models. We value companies on a long term-term basis utilizing proprietary valuation models that incorporate ESG analysis and macro considerations.

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

Risk Profile

Please see detailed below the key risks applicable to the Trust:

- Changes in exchange rates between the currency of the Trust and the currencies in which the assets of the Trust are valued can have the effect of increasing or decreasing the value of the Trust and any income generated.
- Country-specific funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Trust's value rises and falls and could expose the Trust to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets.
- Losses may occur if an organisation through which we buy an asset (such as a bank) fails to meet its obligations.
- 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 derivatives, structured products, etc), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Please refer to the Prospectus for the full risk profile.

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2023

| Total Trust size: 31 August 2023 | €346.70 million | |
|----------------------------------|-----------------------------------|--------------------------------------|
| Total Trust size: 31 August 2022 | €318.57 million | |
| OCF* | 31/08/2023 | 31/08/2022 |
| Class A GBP Acc | 1.56% | 1.57% |
| Class A GBP Inc | 1.57% | 1.57% |
| Class A EUR Acc | 1.56% | 1.57% |
| Class A EUR Inc | 1.56% | 1.57% |
| Class A USD Acc | 1.56% | 1.57% |
| Class A USD Hedged Acc | 1.56% | 1.57% |
| Class A RMB Hedged Acc | 1.56% | 1.57% |
| Class I GBP Acc | 0.81% | 0.82% |
| Class I GBP Inc | 0.81% | 0.82% |
| Class I GBP Hedged Acc | 0.81% | 0.82% |
| Class I EUR Acc | 0.81% | 0.82% |
| Class I EUR Inc | 0.81% | 0.82% |
| Class I USD Acc | 0.81% | 0.82% |
| | Initial charge | Annual charge |
| Class A GBP Acc | up to 5.00% | 1.50% |
| Class A GBP Inc | up to 5.00% | 1.50% |
| Class A EUR Acc | up to 5.00% | 1.50% |
| Class A EUR Inc | up to 5.00% | 1.50% |
| Class A USD Acc | up to 5.00% | 1.50% |
| Class A USD Hedged Acc | up to 5.00% | 1.50% |
| Class A RMB Hedged Acc | up to 5.00% | 1.50% |
| Class I GBP Acc | Nil | 0.75% |
| Class I GBP Inc | Nil | 0.75% |
| Class I GBP Hedged Acc | Nil | 0.75% |
| Class I EUR Acc | Nil | 0.75% |
| Class I EUR Inc | Nil | 0.75% |
| Class I USD Acc | Nil | 0.75% |
| | Minimum initial investment | Minimum subsequent investment |
| Class A GBP Acc | £1,000 | £500 |
| Class A GBP Inc | £1,000 | £500 |
| Class A EUR Acc | €5,000 | €1,000 |
| Class A EUR Inc | €5,000 | €1,000 |
| Class A USD Acc | US\$5,000 | US\$2,500 |
| Class A USD Hedged Acc | US\$5,000 | US\$2,500 |
| Class A RMB Hedged Acc | US\$5,000 | US\$2,500 |
| Class I GBP Acc | £10,000,000 | £500 |
| Class I GBP Inc | £10,000,000 | £500 |
| Class I GBP Hedged Acc | £10,000,000 | £500 |

Barings German Growth Trust

Investment Objective and Policy and Trust at a Glance (continued)

The Trust at a Glance on 31 August 2023 (continued)

| | Minimum initial investment | Minimum subsequent investment |
|-----------------|----------------------------|-------------------------------|
| Class I EUR Acc | €10,000,000 | €1,000 |
| Class I EUR Inc | €10,000,000 | €1,000 |
| Class I USD Acc | US\$10,000,000 | US\$2,500 |

* The Ongoing Charge Figure ("OCF") reflects the payments and expenses which cover aspects of operating the Trust and is deducted from the assets over the period. It includes fees paid for investment management, trustee and general charges.

| Price per unit | (pence/cents per unit) |
|------------------------|------------------------|
| Class A GBP Acc | 940.50p |
| Class A GBP Inc | 837.40p |
| Class A EUR Acc | 1,098.00c |
| Class A EUR Inc | 975.80c |
| Class A USD Acc | 1,193.00c |
| Class A USD Hedged Acc | 1,396.00c |
| Class A RMB Hedged Acc | RMB94.96 |
| Class I GBP Acc | 1,018.00p |
| Class I GBP Inc | 838.50p |
| Class I GBP Hedged Acc | 1,069.00p |
| Class I EUR Acc | 1,188.00c |
| Class I EUR Inc | 955.90c |
| Class I USD Acc | 1,280.00c |

Barings German Growth Trust

Trust Information

| | Class A GBP Acc - Accumulation units | | | Class A GBP Inc - Distribution units | | |
|---|--------------------------------------|-------------------|-------------------|--------------------------------------|-------------------|-------------------|
| | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 806.54 | 1,025.11 | 782.61 | 719.08 | 918.82 | 702.26 |
| Return before operating charges | 147.16 | (203.80) | 256.23 | 129.96 | (182.67) | 229.89 |
| Operating charges | (14.09) | (14.77) | (13.73) | (12.45) | (13.22) | (12.29) |
| Return after operating charges | 133.07 | (218.57) | 242.50 | 117.51 | (195.89) | 217.60 |
| Distributions | (6.02) | (4.07) | (1.30) | (4.38) | (3.85) | (1.04) |
| Retained distributions on accumulation units | 6.02 | 4.07 | 1.30 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 939.61 | 806.54 | 1,025.11 | 832.21 | 719.08 | 918.82 |
| | 0.15 | 0.30 | 0.34 | 0.13 | 0.27 | 0.30 |
| Performance | | | | | | |
| Return after charges | 16.50% | (21.32)% | 30.99% | 16.34% | (21.32)% | 30.99% |
| Other information | | | | | | |
| Closing net asset value ('000) | £48,894 | £48,182 | £64,778 | £33 | £323 | £422 |
| Closing number of units | 5,203,691 | 5,973,885 | 6,319,159 | 3,983 | 44,954 | 45,970 |
| Operating charges | 1.56% | 1.57% | 1.58% | 1.57% | 1.57% | 1.58% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 995.80 | 1,051.00 | 1,027.00 | 887.80 | 941.00 | 921.10 |
| Lowest unit price | 769.40 | 784.90 | 695.90 | 686.10 | 703.00 | 624.50 |

| | Class A EUR Acc - Accumulation units | | | Class A EUR Inc - Distribution units | | |
|---|--------------------------------------|-------------------|-------------------|--------------------------------------|-------------------|-------------------|
| | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 939.01 | 1,192.95 | 874.38 | 835.20 | 1,065.99 | 781.47 |
| Return before operating charges | 173.46 | (236.74) | 334.54 | 154.33 | (211.52) | 298.80 |
| Operating charges | (16.44) | (17.20) | (15.97) | (14.62) | (15.39) | (14.09) |
| Return after operating charges | 157.02 | (253.94) | 318.57 | 139.71 | (226.91) | 284.71 |
| Distributions | (7.05) | (4.68) | (1.32) | (6.52) | (3.88) | (0.19) |
| Retained distributions on accumulation units | 7.05 | 4.68 | 1.32 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 1,096.03 | 939.01 | 1,192.95 | 968.66 | 835.20 | 1,065.99 |
| | 0.18 | 0.36 | 0.39 | 0.16 | 0.32 | 0.34 |
| Performance | | | | | | |
| Return after charges | 16.72% | (21.29)% | 36.43% | 16.73% | (21.29)% | 36.43% |
| Other information | | | | | | |
| Closing net asset value ('000) | €140,054 | €130,559 | €177,337 | €899 | €870 | €1,248 |
| Closing number of units | 12,778,343 | 13,903,808 | 14,865,376 | 92,772 | 104,164 | 117,057 |
| Operating charges | 1.56% | 1.57% | 1.58% | 1.56% | 1.57% | 1.58% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 1,138.00 | 1,247.00 | 1,025.99 | 1,012.00 | 1,114.00 | 916.95 |
| Lowest unit price | 875.90 | 922.00 | 695.27 | 779.10 | 824.00 | 621.38 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings German Growth Trust

Trust Information (continued)

| | Class A USD Acc - Accumulation units | | | Class A USD Hedged Acc - Accumulation units | | |
|---|--------------------------------------|-------------------|-------------------|---|-------------------|-------------------|
| | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 936.59 | 1,411.07 | 1,042.02 | 1,160.05 | 1,444.16 | 1,049.67 |
| Return before operating charges | 272.29 | (457.32) | 387.78 | 255.28 | (265.15) | 413.00 |
| Operating charges | (17.88) | (17.16) | (18.73) | (21.10) | (18.96) | (18.51) |
| Return after operating charges | 254.41 | (474.48) | 369.05 | 234.18 | (284.11) | 394.49 |
| Distributions | (7.63) | (4.56) | (1.20) | (6.85) | (5.93) | – |
| Retained distributions on accumulation units | 7.63 | 4.56 | 1.20 | 6.85 | 5.93 | – |
| Closing net asset value per unit after direct transaction costs of* | 1,191.00 | 936.59 | 1,411.07 | 1,394.23 | 1,160.05 | 1,444.16 |
| | 0.19 | 0.35 | 0.46 | 0.23 | 0.39 | 0.45 |
| Performance | | | | | | |
| Return after charges | 27.16% | (33.63)% | 35.42% | 20.19% | (19.67)% | 37.58% |
| Other information | | | | | | |
| Closing net asset value ('000) | \$4,158 | \$3,715 | \$6,266 | \$4,870 | \$6,001 | \$8,739 |
| Closing number of units | 349,143 | 396,638 | 444,084 | 349,286 | 517,346 | 605,097 |
| Operating charges | 1.56% | 1.57% | 1.58% | 1.56% | 1.57% | 1.58% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 1,264.00 | 1,421.00 | 1,027.49 | 1,442.00 | 1,513.00 | 1,052.21 |
| Lowest unit price | 838.70 | 928.00 | 697.74 | 1,086.00 | 1,134.00 | 716.18 |

| | Class A RMB Hedged Acc - Accumulation units | | | Class I GBP Acc - Accumulation units | | |
|---|---|---------------------|---------------------|--------------------------------------|-------------------|-------------------|
| | 31/08/2023 (RMB) | 31/08/2022 (RMB) | 31/08/2021 (RMB) | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 81.35 | 99.80 | 70.87 | 866.05 | 1,092.52 | 827.80 |
| Return before operating charges | 164.40 | 124.20 | 155.01 | 158.18 | (218.23) | 272.36 |
| Operating charges | (150.88) | (142.65) | (126.08) | (7.91) | (8.24) | (7.64) |
| Return after operating charges | 13.52 | (18.45) | 28.93 | 150.27 | (226.47) | 264.72 |
| Distributions | (47.36) | – | – | (14.19) | (12.16) | (8.44) |
| Retained distributions on accumulation units | 47.36 | – | – | 14.19 | 12.16 | 8.44 |
| Closing net asset value per unit after direct transaction costs of* | 94.87 | 81.35 | 99.80 | 1,016.32 | 866.05 | 1,092.52 |
| | 1.62 | 2.95 | 3.09 | 0.16 | 0.33 | 0.36 |
| Performance | | | | | | |
| Return after charges | 16.61% | (18.49)% | 40.82% | 17.35% | (20.73)% | 31.98% |
| Other information | | | | | | |
| Closing net asset value ('000) | RMB835 | RMB1,079 | RMB5,079 | £87,552 | £74,915 | £94,833 |
| Closing number of units | 8,803 | 13,266 | 50,889 | 8,614,620 | 8,650,138 | 8,680,206 |
| Operating charges | 1.56% | 1.57% | 1.58% | 0.81% | 0.82% | 0.83% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 98.75 | 105.70 | 99.94 | 1,075.00 | 1,122.00 | 1,094.00 |
| Lowest unit price | 76.00 | 79.62 | 62.74 | 826.60 | 842.00 | 737.00 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings German Growth Trust

Trust Information (continued)

| | Class I GBP Inc - Distribution units | | | Class I GBP Hedged Acc - Accumulation units | | |
|---|--------------------------------------|-------------------|-------------------|---|-------------------|-------------------|
| | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) | 31/08/2023 (p) | 31/08/2022 (p) | 31/08/2021 (p) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 713.78 | 913.17 | 697.41 | 896.14 | 1,120.17 | 812.11 |
| Return before operating charges | 130.47 | (182.38) | 229.46 | 179.85 | (215.40) | 315.78 |
| Operating charges | (6.51) | (6.92) | (6.47) | (8.11) | (8.63) | (7.72) |
| Return after operating charges | 123.96 | (189.30) | 222.99 | 171.74 | (224.03) | 308.06 |
| Distributions | (11.60) | (10.09) | (7.23) | (13.83) | (13.11) | (8.88) |
| Retained distributions on accumulation units | – | – | – | 13.83 | 13.11 | 8.88 |
| Closing net asset value per unit after direct transaction costs of* | 826.14 | 713.78 | 913.17 | 1,067.88 | 896.14 | 1,120.17 |
| | 0.13 | 0.27 | 0.30 | 0.17 | 0.34 | 0.36 |
| Performance | | | | | | |
| Return after charges | 17.37% | (20.73)% | 31.97% | 19.16% | (20.00)% | 37.93% |
| Other information | | | | | | |
| Closing net asset value ('000) | £7,667 | £6,939 | £12,199 | £510 | £435 | £665 |
| Closing number of units | 928,016 | 972,141 | 1,335,914 | 47,768 | 48,556 | 59,331 |
| Operating charges | 0.81% | 0.82% | 0.83% | 0.81% | 0.82% | 0.83% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 885.50 | 937.00 | 921.70 | 1,104.00 | 1,175.00 | 1,122.00 |
| Lowest unit price | 681.40 | 704.00 | 620.90 | 836.70 | 877.00 | 715.30 |
| | Class I EUR Acc - Accumulation units | | | Class I EUR Inc - Distribution units | | |
| | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) |
| Change in net assets per unit | | | | | | |
| Opening net asset value per unit | 1,008.76 | 1,271.53 | 925.05 | 812.09 | 1,038.53 | 761.52 |
| Return before operating charges | 186.61 | (253.27) | 355.19 | 150.70 | (207.04) | 292.16 |
| Operating charges | (9.24) | (9.50) | (8.71) | (7.78) | (7.83) | (6.91) |
| Return after operating charges | 177.37 | (262.77) | 346.48 | 142.92 | (214.87) | 285.25 |
| Distributions | (16.81) | (14.26) | (10.12) | (15.37) | (11.57) | (8.24) |
| Retained distributions on accumulation units | 16.81 | 14.26 | 10.12 | – | – | – |
| Closing net asset value per unit after direct transaction costs of* | 1,186.13 | 1,008.76 | 1,271.53 | 939.64 | 812.09 | 1,038.53 |
| | 0.19 | 0.38 | 0.41 | 0.16 | 0.31 | 0.32 |
| Performance | | | | | | |
| Return after charges | 17.58% | (20.67)% | 37.46% | 17.60% | (20.69)% | 37.46% |
| Other information | | | | | | |
| Closing net asset value ('000) | €11,288 | €10,520 | €7,179 | €262 | €13 | €16 |
| Closing number of units | 951,660 | 1,042,850 | 564,582 | 27,912 | 1,561 | 1,561 |
| Operating charges | 0.81% | 0.82% | 0.83% | 0.81% | 0.82% | 0.83% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% | 0.02% | 0.03% | 0.04% |
| Prices | | | | | | |
| Highest unit price | 1,229.00 | 1,333.00 | 1,093.81 | 989.40 | 1,089.00 | 900.64 |
| Lowest unit price | 941.30 | 989.00 | 736.46 | 757.90 | 808.00 | 606.30 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings German Growth Trust

Trust Information (continued)

| | Class I USD Acc - Accumulation units | | |
|---|---|-------------------|-------------------|
| | 31/08/2023 (c) | 31/08/2022 (c) | 31/08/2021 (c) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 998.34 | 1,490.00 | 1,080.00 |
| Return before operating charges | 290.40 | (483.19) | 420.49 |
| Operating charges | (9.92) | (8.47) | (10.49) |
| Return after operating charges | 280.48 | (491.66) | 410.00 |
| Distributions | (17.44) | (15.49) | (16.45) |
| Retained distributions on accumulation units | 17.44 | 15.49 | 16.45 |
| Closing net asset value per unit after direct transaction costs of* | <u>1,278.82</u> | <u>998.34</u> | <u>1,490.00</u> |
| | 0.21 | 0.33 | 0.49 |
| Performance | | | |
| Return after charges | 28.09% | (33.00)% | 37.96% |
| Other information | | | |
| Closing net asset value ('000) | \$18,572 | \$14,440 | \$0 |
| Closing number of units | 1,452,317 | 1,446,374 | 10 |
| Operating charges | 0.81% | 0.82% | 0.83% |
| Direct transaction costs | 0.02% | 0.03% | 0.04% |
| Prices | | | |
| Highest unit price | 1,356.00 | 1,501.00 | 1,085.66 |
| Lowest unit price | 894.40 | 988.00 | 729.43 |

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that there are other additional transaction costs such as dealing spread and underlying costs with regard to Investment Fund holdings which will also have reduced the Trust and unit class returns before operating charges.

Barings German Growth Trust

Report of the Investment Manager

Performance

Over the 12-month period to 31 August 2023, the Barings German Growth Trust (the “Trust”) gained 16.20% on the Class A EUR Acc (net of fees) but underperformed against the target benchmark, which returned 22.76%. The table below shows the 1 year and 5 year annualised net return for the Class A EUR Acc units against the target benchmark.

| | 1 year | 5 years |
|-----------------------------|--------|---------|
| Barings German Growth Trust | 16.20% | 1.75% |
| HDAX (Total Return) Index | 22.76% | 4.51% |

** From 18 July 2022, the HDAX® (Total Net Return) Index is the target benchmark.*

German equities performed strongly over the period, reflecting stronger economic growth and profitability in Europe than had been feared, and tentative hopes that interest rates in the US and Europe were approaching their peak. Over the period, stock selection negatively impacted relative performance, while asset allocation had a small positive impact. Value-style equities outperformed Growth significantly over the period, which proved to be a headwind for our Growth at a Reasonable Price investment approach.

The Industrials sector had the largest negative impact on relative performance, driven significantly by a lack of exposure to Siemens, an index heavyweight. Siemens' shares rebounded strongly following the improvement in business sentiment amid the tougher economic environment. In contrast, stock selection in the Financials sector contributed positively to relative returns. Commerzbank was one of the best performers, reflecting strong quarterly earnings, with the company benefitting from the rising interest rate environment.

Key purchases over the period included increasing exposure to pharmaceutical and biotechnology company Bayer, which operates the world's leading crop protection and seeds business. The company offers appealing growth at an attractive valuation, and has recently installed a new CEO, which we believe will be supportive for investor perceptions. In addition, we reduced exposure to chemicals company Linde following its delisting from the German stock exchange. Elsewhere, we increased our exposure to Siemens to increase our exposure to larger capitalisations, and manage risk, before reducing towards the end of the period as the valuation discount of smaller companies had become increasingly attractive, and we found a number of other opportunities across lower capitalisations.

Over five years, the Trust has underperformed relative to the benchmark performance objective but has delivered the objective of capital growth.

Whilst our Stock selection was positive, despite Value outperforming Growth dramatically in recent years, asset allocation has had a negative impact on relative performance. In addition, the Trust's consistent exposure to smaller companies, which can tend to underperform during market downturns, was also a notable detractor, with larger companies outperforming. This proved to be a material headwind for our Growth at a Reasonable Price (GARP) investment approach, which focuses on quality companies with sustainable growth prospects.

This shift in style has followed large macro driven events, including changes in the inflationary environment, geopolitics and interest rates.

Barings German Growth Trust

Report of the Investment Manager (continued)

The top ten purchases and sales during the year were as follows:

| Purchases | Costs €'000 | Sales | Proceeds €'000 |
|------------------|----------------|----------------------|-------------------|
| Siemens | 27,480 | Linde | 25,776 |
| Bayer | 14,888 | Siemens | 8,188 |
| SAP | 10,016 | SAP | 6,819 |
| Rheinmetall | 4,876 | Merck | 5,408 |
| Allianz | 4,154 | GK Software | 5,130 |
| Airbus | 4,153 | Deutsche Telekom | 3,611 |
| Qiagen | 3,561 | Deutsche Boerse | 3,747 |
| Aurubis | 3,134 | Lanxess | 2,680 |
| HeidelbergCement | 2,484 | Brenntag | 2,106 |
| Gerresheimer | 2,163 | Hannover Reinsurance | 2,081 |

Market Outlook

Equity markets are likely to remain volatile over the coming months as investors continue to show limited confidence in the outlook for the global economy amid the headwinds of higher interest and inflation rates, which remain above long-term trends. Despite this difficult economic backdrop, earnings have been resilient, with companies generally proving effective at passing on rising costs to their customers. In addition, recession has yet to appear, with business sentiment and economic activity consistent with the constraining effects of lower growth and higher inflation, and well above the lows of last year.

Inflation in the US and across much of Europe has continued to trend downwards, increasing views that we may be approaching peak interest rates, although the USA is further ahead than the EU in the context. However, the outlook for corporate profit growth is unclear. Recent earnings growth was supported by the ability of companies to pass on cost increases to end consumers. Whether end consumers will be as willing to continue to accept price increases going forward, remains up for debate.

In this context, our Growth at a Reasonable Price approach remains unchanged, focusing on reasonably valued companies whose profit growth potential is demonstrably improving. Given the trends outlined above, we anticipate that company-specific earnings revisions will become increasingly important determinant of share price developments, with opportunities for stock selection more widespread.

Baring Asset Management Limited

Baring Asset Management Limited (the "Investment Manager") gives its portfolio managers full authority to manage their funds as they see fit, within the established guidelines set down. This includes the views that managers may take of the markets and sectors they invest in, which may differ from the views of other Barings portfolio managers.

Barings German Growth Trust

Responsibilities of the Manager and the Trustee

Responsibilities of the Manager

The Collective Investment Schemes sourcebook (“COLL”) requires Baring Fund Managers Limited (the “Manager”) to prepare financial statements for each financial year which give a true and fair view of the financial affairs of the Barings German Growth Trust (the “Trust”) and of its net revenue and net capital gains for the year. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- make judgments and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager confirms that it has complied with the above requirements in preparing the financial statements. The Manager is responsible for the management of the Trust in accordance with the Trust Deed, Prospectus and the COLL. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Trustee’s Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the “Trust”) for the year ended 31 August 2023

NatWest Trustee and Depositary Services Limited (the “Trustee”) must ensure that the Trust is managed in accordance with the Financial Conduct Authority’s Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended (together the “Regulations”), the Trust Deed and Prospectus (together the “Scheme documents”) as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust’s cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust’s assets is remitted to the Trust within the usual time limits;
- the Trust’s income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the “AFM”) are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations, and the Scheme documents in relation to the investment and borrowing powers applicable to the Trust.

Barings German Growth Trust

Responsibilities of the Manager and the Trustee (continued)

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Barings German Growth Trust (the "Trust") for the year ended 31 August 2023 (continued)

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects, the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
London 7 December 2023

Barings German Growth Trust

Directors' Statement

The financial statements on pages 128 to 142 were approved by Baring Fund Managers Limited (the "Manager") and signed on its behalf by:

R. KENT Director

A. BEHEN Director

London 7 December 2023

Barings German Growth Trust

Portfolio Statement

as at 31 August 2023

| Holdings | Investments | Value (€) | Percentage of total net assets (%) |
|-----------|--|-------------------|---|
| | Equities: 97.89% (90.00%) | | |
| | Basic Materials: 3.36% (10.22%) | | |
| 34,000 | HeidelbergCement | 2,528,920 | 0.73 |
| 25,650 | Linde | 9,131,612 | 2.63 |
| | | 11,660,532 | 3.36 |
| | Consumer Discretionary: 6.14% (6.82%) | | |
| 225,000 | Daimler | 15,189,750 | 4.38 |
| 82,000 | Mobilezone | 1,165,634 | 0.34 |
| 166,000 | Polytec | 724,590 | 0.21 |
| 325,000 | SAF-Holland | 3,698,500 | 1.07 |
| 16,000 | Zeal Network | 505,600 | 0.14 |
| | | 21,284,074 | 6.14 |
| | Consumer Staples: 0.35% (0.00%) | | |
| 81,000 | Suedzucker | 1,209,330 | 0.35 |
| | Consumer, Cyclical: 0.57% (0.37%) | | |
| 17,000 | Befesa | 575,960 | 0.16 |
| 48,000 | HelloFresh | 1,409,280 | 0.41 |
| | | 1,985,240 | 0.57 |
| | Energy: 1.16% (1.20%) | | |
| 28,000 | Schoeller Bleckman | 1,444,800 | 0.42 |
| 59,000 | Vereinigte BioEnergie | 2,571,810 | 0.74 |
| | | 4,016,610 | 1.16 |
| | Financials: 20.55% (17.69%) | | |
| 118,000 | Allianz | 26,609,000 | 7.67 |
| 1,110,000 | Commerzbank | 11,399,700 | 3.29 |
| 32,000 | Deutsche Boerse | 5,259,200 | 1.52 |
| 64,000 | Hannover Reinsurance | 12,598,400 | 3.63 |
| 38,500 | Muenchener Rueckversicherungs-Gesellschaftin | 13,833,050 | 3.99 |
| 25,000 | Talanx | 1,550,000 | 0.45 |
| | | 71,249,350 | 20.55 |
| | Health Care: 7.79% (5.76%) | | |
| 233,000 | Bayer | 11,782,810 | 3.40 |
| 64,000 | CompuGroup Medical | 2,786,560 | 0.80 |
| 49,000 | Eckert & Ziegler | 1,651,300 | 0.48 |
| 240,000 | M1 Kliniken | 1,958,400 | 0.57 |
| 47,000 | Medios | 700,300 | 0.20 |
| 55,000 | MPH Health Care | 896,500 | 0.26 |
| 17,863 | Paion | 94,138 | 0.03 |
| 53,000 | PharmaSGP | 1,287,900 | 0.37 |
| 81,000 | Qiagen | 3,432,780 | 0.99 |
| 260,000 | Synlab | 2,401,100 | 0.69 |
| | | 26,991,788 | 7.79 |
| | Industrials: 25.34% (14.90%) | | |
| 48,000 | 2G Energy | 1,212,000 | 0.35 |
| 177,000 | Airbus | 23,955,180 | 6.91 |

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Bid-Market Value (€) | Percentage of total net assets (%) |
|----------|--|-------------------------|--|
| | Equities: 97.89% (90.00%) (continued) | | |
| | Industrials: 25.34% (14.90%) (continued) | | |
| 10,000 | Amadeus Fire | 1,110,000 | 0.32 |
| 81,000 | Bilfinger | 2,577,420 | 0.74 |
| 137,000 | Daimler Truck | 4,451,130 | 1.28 |
| 240,000 | Deutsche Post | 10,435,200 | 3.01 |
| 28,000 | DO & Co | 2,996,000 | 0.87 |
| 49,000 | Duerr | 1,350,440 | 0.39 |
| 86,325 | Enapter | 1,079,062 | 0.31 |
| 50,000 | Frequentis | 1,480,000 | 0.43 |
| 26,000 | Gerresheimer | 3,049,800 | 0.88 |
| 670,000 | Heidelberger Druckmaschinen | 867,650 | 0.25 |
| 65,000 | JOST Werke | 3,074,500 | 0.89 |
| 22,000 | Rheinmetall | 5,544,000 | 1.60 |
| 144,000 | Siemens | 20,082,240 | 5.79 |
| 82,000 | Technotrans | 1,558,000 | 0.45 |
| 158,000 | Traton | 3,016,220 | 0.87 |
| | | 87,838,842 | 25.34 |
| | Information Technology: 20.18% (18.06%) | | |
| 8,500 | Adesso | 975,800 | 0.28 |
| 147,000 | Allgeier | 3,042,900 | 0.88 |
| 6,000 | Also Holding | 1,327,573 | 0.38 |
| 42,000 | DataSE | 2,217,600 | 0.64 |
| 20,957 | Elmos Semiconductor | 1,393,641 | 0.40 |
| 161,000 | GFT Technologies | 4,157,020 | 1.20 |
| 386,000 | Infineon Technologies | 12,751,510 | 3.68 |
| 49,000 | Jenoptik | 1,334,760 | 0.38 |
| 50,000 | LPKF Laser & Electronics | 377,000 | 0.11 |
| 108,000 | Mobotix | 311,040 | 0.09 |
| 107,000 | PSI Software | 2,739,200 | 0.79 |
| 363,000 | S&T | 7,223,700 | 2.08 |
| 193,000 | SAP | 24,920,160 | 7.19 |
| 24,000 | SMA Solar Technology | 1,796,400 | 0.52 |
| 16,000 | Stemmer Imaging | 504,000 | 0.15 |
| 130,000 | SUESS MicroTec | 2,814,500 | 0.81 |
| 76,000 | Traffic Systems | 2,090,000 | 0.60 |
| | | 69,976,804 | 20.18 |
| | Materials: 2.90% (4.07%) | | |
| 80,000 | AlzChem | 1,600,000 | 0.46 |
| 32,000 | Aurubis | 2,442,880 | 0.71 |
| 116,223 | BRAIN Biotechnology Research & Information Network | 528,815 | 0.15 |
| 55,000 | Ibu-Tec Advanced Materials | 1,339,250 | 0.39 |
| 81,000 | Lanxess | 2,366,820 | 0.68 |
| 98,000 | Nabaltec | 1,778,700 | 0.51 |
| | | 10,056,465 | 2.90 |
| | Technology: 0.12% (0.42%) | | |
| 130,000 | 7C Solarparken | 430,950 | 0.12 |

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Percentage Bid-Market of total net Value assets (€) (%) | Value (€) | Percentage of total net assets (%) |
|-----------------|--|--|-------------------|---|
| | Equities: 97.89% (90.00%) (continued) | | | |
| | Telecommunications: 5.18% (6.14%) | | | |
| 835,000 | Deutsche Telekom | | 16,511,290 | 4.76 |
| 65,000 | Freenet | | 1,437,800 | 0.42 |
| | | | 17,949,090 | 5.18 |
| | Utilities: 4.25% (4.35%) | | | |
| 16,000 | ABO Wind | | 806,400 | 0.23 |
| 563,000 | E.ON | | 6,468,870 | 1.87 |
| 193,000 | RWE | | 7,461,380 | 2.15 |
| | | | 14,736,650 | 4.25 |
| | Forward Currency Contracts: 0.02% (0.04%) | | | |
| EUR (4,458,346) | Sold EUR, bought USD 4,900,337 for settlement 14/09/2023 (State Street) | | 46,581 | 0.02 |
| EUR (600,631) | Sold EUR, bought GBP 518,542 for settlement 14/09/2023 (State Street) | | 3,851 | – |
| GBP (15,455) | Sold GBP, bought EUR 18,103 for settlement 14/09/2023 (State Street) | | 87 | – |
| EUR (3,778) | Sold EUR, bought USD 4,152 for settlement 14/09/2023 (State Street) | | 39 | – |
| USD (3,505) | Sold USD, bought EUR 3,241 for settlement 14/09/2023 (State Street) | | 19 | – |
| EUR (1,060) | Sold EUR, bought USD 1,171 for settlement 14/09/2023 (State Street) | | 16 | – |
| EUR (2,098) | Sold EUR, bought USD 2,299 for settlement 14/09/2023 (State Street) | | 16 | – |
| EUR (5,109) | Sold EUR, bought USD 5,574 for settlement 14/09/2023 (State Street) | | 15 | – |
| EUR (1,622) | Sold EUR, bought USD 1,779 for settlement 14/09/2023 (State Street) | | 14 | – |
| EUR (1,861) | Sold EUR, bought USD 2,035 for settlement 14/09/2023 (State Street) | | 9 | – |
| EUR (1,287) | Sold EUR, bought USD 1,409 for settlement 14/09/2023 (State Street) | | 8 | – |
| EUR (389) | Sold EUR, bought USD 429 for settlement 14/09/2023 (State Street) | | 5 | – |
| GBP (2,429) | Sold GBP, bought EUR 2,834 for settlement 14/09/2023 (State Street) | | 3 | – |
| EUR (222) | Sold EUR, bought GBP 192 for settlement 14/09/2023 (State Street) | | 2 | – |
| EUR (311) | Sold EUR, bought GBP 268 for settlement 14/09/2023 (State Street) | | 1 | – |
| EUR (386) | Sold EUR, bought USD 421 for settlement 14/09/2023 (State Street) | | 1 | – |
| EUR (87) | Sold EUR, bought GBP 75 for settlement 14/09/2023 (State Street) | | – | – |
| GBP (1,605) | Sold GBP, bought EUR 1,871 for settlement 14/09/2023 (State Street) | | – | – |

Barings German Growth Trust

Portfolio Statement (continued)

as at 31 August 2023

| Holdings | Investments | Value (€) | Percentage of total net assets (%) |
|---------------|---|--------------------|---|
| | Forward Currency Contracts: 0.02% (0.04%) (continued) | | |
| EUR (216) | Sold EUR, bought USD 235 for settlement 14/09/2023 (State Street) | – | – |
| EUR (1,689) | Sold EUR, bought USD 1,837 for settlement 14/09/2023 (State Street) | – | – |
| EUR (141) | Sold EUR, bought GBP 121 for settlement 14/09/2023 (State Street) | – | – |
| EUR (11) | Sold EUR, bought GBP 9 for settlement 14/09/2023 (State Street) | – | – |
| EUR (184) | Sold EUR, bought GBP 157 for settlement 14/09/2023 (State Street) | (1) | – |
| EUR (135) | Sold EUR, bought USD 146 for settlement 14/09/2023 (State Street) | (1) | – |
| EUR (244) | Sold EUR, bought USD 263 for settlement 14/09/2023 (State Street) | (2) | – |
| EUR (425) | Sold EUR, bought CNH 3,353 for settlement 14/09/2023 (State Street) | (2) | – |
| CNH (29,096) | Sold CNH, bought EUR 3,665 for settlement 14/09/2023 (Northern Trust) | (3) | – |
| USD (329) | Sold USD, bought EUR 299 for settlement 14/09/2023 (State Street) | (3) | – |
| USD (927) | Sold USD, bought EUR 843 for settlement 14/09/2023 (State Street) | (9) | – |
| GBP (1,448) | Sold GBP, bought EUR 1,678 for settlement 14/09/2023 (State Street) | (10) | – |
| GBP (995) | Sold GBP, bought EUR 1,149 for settlement 14/09/2023 (State Street) | (10) | – |
| EUR (7,750) | Sold EUR, bought USD 8,418 for settlement 14/09/2023 (State Street) | (11) | – |
| EUR (3,509) | Sold EUR, bought GBP 3,000 for settlement 14/09/2023 (State Street) | (12) | – |
| GBP (2,406) | Sold GBP, bought EUR 2,787 for settlement 14/09/2023 (State Street) | (18) | – |
| USD (162,481) | Sold USD, bought EUR 149,259 for settlement 14/09/2023 (State Street) | (112) | – |
| EUR (106,708) | Sold EUR, bought CNH 841,767 for settlement 14/09/2023 (State Street) | (588) | – |
| | | 49,885 | 0.02 |
| | Portfolio of investments: 97.91% (90.04%) (Cost: €290,037,514) | 339,435,610 | 97.91 |
| | Net other assets | 7,262,850 | 2.09 |
| | Net assets | 346,698,460 | 100.00 |

Note: Securities shown on the portfolio statement are ordinary shares admitted to official stock exchange listings or traded on a regulated market, unless otherwise stated.

Comparative figures shown in brackets relate to 31 August 2022.

Barings German Growth Trust

Independent Auditors' Report to the Unitholders of Barings German Growth Trust

For the financial year ended 31 August 2023

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Barings German Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 August 2023 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2023; the Statement of Total Return, and Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Barings German Growth Trust

Independent Auditors' Report to the Unitholders of Barings German Growth Trust (continued)

For the financial year ended 31 August 2023

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Barings German Growth Trust

Independent Auditors' Report to the Unitholders of Barings German Growth Trust (continued)

For the financial year ended 31 August 2023

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
7 December 2023

Barings German Growth Trust

Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 August 2023

Statement of Total Return

| | Notes | 31/08/2023 | | 31/08/2022 | |
|--|-------|------------|---------------|------------|-----------------|
| | | €'000 | €'000 | €'000 | €'000 |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 50,566 | | (82,699) |
| Revenue | 3 | 9,233 | | 8,522 | |
| Expenses | 4 | (4,412) | | (4,742) | |
| Interest payable and other similar charges | 5 | (26) | | (84) | |
| Net revenue before taxation | | 4,795 | | 3,696 | |
| Taxation | 6 | (1,308) | | (1,250) | |
| Net revenue after taxation | | | 3,487 | | 2,446 |
| Total return before distributions | | | 54,053 | | (80,253) |
| Distributions | 7 | | (3,507) | | 2,447 |
| Change in net assets attributable to unitholders from investment activities | | | 50,546 | | (82,700) |

Statement of Change in Net Assets Attributable to Unitholders

| | | 31/08/2023 | | 31/08/2022 | |
|--|---|------------|----------------|------------|----------------|
| | | €'000 | €'000 | €'000 | €'000 |
| Opening net assets attributable to unitholders | | | 318,566 | | 400,283 |
| Amounts receivable on issue of units | | 44,187 | | 55,786 | |
| Amounts payable on cancellation of units | | (69,739) | | (57,390) | |
| | | | (25,552) | | (1,604) |
| Changes in net assets attributable to unitholders from investment activities | | | 50,546 | | (82,700) |
| Retained distribution on accumulation units | 7 | | 3,138 | | 2,587 |
| Closing net assets attributable to unitholders | | | 346,698 | | 318,566 |

Barings German Growth Trust**Balance Sheet**as at 31 August 2023

| | Notes | 31/08/2023 €'000 | 31/08/2022 €'000 |
|---|--------------|-----------------------------|-----------------------------|
| Assets | | | |
| Investment assets | | 339,437 | 286,860 |
| Current assets: | | | |
| Debtors | 9 | 587 | 336 |
| Cash and bank balances | 10 | 7,544 | 32,807 |
| Total assets | | 347,568 | 320,003 |
| Liabilities | | | |
| Investment liabilities | | (1) | (13) |
| Creditors | | | |
| Distribution payable on income units | 7 | (136) | (120) |
| Other creditors | 11 | (733) | (1,304) |
| Total liabilities | | (870) | (1,437) |
| Net assets attributable to unitholders | | 346,698 | 318,566 |

Barings German Growth Trust

Notes to the Financial Statements

for the year ended 31 August 2023

1. Accounting policies

Basis of Accounting

The financial statements have been prepared with the historical cost convention, as modified by the revaluation of investments, and in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association (“IA”) in May 2014 (the “IMA SORP 2014”) and amended in June 2017. The financial statements are also in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been prepared on a going concern basis.

Basis of Valuation of Investments

All investments are valued at their fair value as 12 noon on 31 August 2023 being the last business day of the accounting year. The fair value for non-derivative securities is the bid-market price, excluding any accrued interest.

Where values cannot be readily determined, the securities are valued at the Manager’s best assessment of their fair value.

Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at 12 noon on 31 August 2023.

Revenue Recognition

Revenue from quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Bank interest and other revenue is recognised on an accruals basis.

Special Dividends

These are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Amounts recognised as revenue will form part of Trust’s distribution. Any tax thereon will follow the accounting treatment of the principal amount.

Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Trust. Any enhancement above the cash dividend is treated as capital and is non-distributable. As at 31 August 2023, there were no stock dividends on this Trust.

Distribution Policy

Where applicable, for the income (“Inc”) units, the Trust will pay any surplus revenue as a distribution. For accumulation (“Acc”) units, the Trust will retain any surplus revenue for investment in the Trust.

Acc unitholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

Treatment of Expenses

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue for the year on an accruals basis.

Taxation

Corporation tax is provided for on an accounting basis, hence deferred tax on short-term timing difference does not arise. Deferred tax assets arising from unutilised expenses are only recognised as they are expected to crystallise. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

1. Accounting policies (continued)

Dilution Adjustment

The Trust is single priced and, as a result, may suffer a reduction in value due to costs incurred in the purchase and sale of its underlying investments. With a view to countering this and to act in the best interests of all investors, we have the ability to apply a dilution adjustment, which means we will change the price (up or down) at which you buy or sell. Please refer to the full Prospectus for further details.

2. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

| | 31/08/2023 | 31/08/2022 |
|---|---------------|-----------------|
| | €'000 | €'000 |
| Non-derivative securities | 51,215 | (84,239) |
| Currency (losses)/gains | (267) | 344 |
| Forward currency contracts | (366) | 1,197 |
| Transaction charges | (16) | (1) |
| Net capital gains/(losses) on investments | <u>50,566</u> | <u>(82,699)</u> |

3. Revenue

| | 31/08/2023 | 31/08/2022 |
|--------------------|--------------|--------------|
| | €'000 | €'000 |
| Bank interest | 59 | – |
| Overseas dividends | 9,174 | 8,522 |
| | <u>9,233</u> | <u>8,522</u> |

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

4. Expenses

| | 31/08/2023 €'000 | 31/08/2022 €'000 |
|---|---------------------|---------------------|
| Payable to Baring Fund Managers Limited (the "Manager") or associates of the Manager: | | |
| Manager's service charge | 4,206 | 4,489 |
| | 4,206 | 4,489 |
| Payable to NatWest Trustee and Depositary Services Limited (the "Trustee") or associates of the Trustee: | | |
| Trustee fees | 70 | 72 |
| Safe custody charges | 27 | 34 |
| | 97 | 106 |
| Other expenses: | | |
| Administration fees | 3 | 3 |
| Audit fees | 12 | 11 |
| Professional fees | 3 | 6 |
| PRS fees | (5) | 8 |
| Registrar and transfer agency fees | 86 | 96 |
| Standing charges | 3 | 4 |
| Taxation fees* | 7 | 19 |
| | 109 | 147 |
| Total expenses | 4,412 | 4,742 |

* Taxation fees relates to PricewaterhouseCoopers LLP ("PwC") or an affiliate of PwC.

5. Interest payable and other similar charges

| | 31/08/2023 €'000 | 31/08/2022 €'000 |
|-------------------|---------------------|---------------------|
| Interest expenses | 26 | 84 |
| | 26 | 84 |

6. Taxation

| | 31/08/2023 €'000 | 31/08/2022 €'000 |
|---|---------------------|---------------------|
| a) Analysis of tax charges for the year: | | |
| Overseas withholding tax | 1,308 | 1,250 |
| Current tax charge (note 6b) | 1,308 | 1,250 |
| | 1,308 | 1,250 |

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

6. Taxation (continued)

b) Factors affecting taxation charge for the year:

The tax assessed for the year is higher (31 August 2022: higher) than the standard rate of corporation tax in the UK for an authorised unit trust, which is 20% (31 August 2022: 20%). The differences are explained below:

| | 31/08/2023 | 31/08/2022 |
|---|------------|------------|
| | €'000 | €'000 |
| Net revenue before taxation | 4,795 | 3,696 |
| Corporation tax at 20% | 959 | 739 |
| Effects of: | | |
| Excess management expenses not utilised | 876 | 965 |
| Non-taxable overseas dividends | (1,835) | (1,704) |
| Overseas withholding tax | 1,308 | 1,250 |
| Current tax charge for the year (note 6a) | 1,308 | 1,250 |

c) Provision for the deferred tax

At the year end, there was an unrecognised potential tax asset of €19,371,195 (31 August 2022: €18,495,386) in relation to unutilised management expenses. These are not expected to be utilised in the foreseeable future, unless the nature of the Trust's revenue or capital gains changes.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

| | 31/08/2023 | 31/08/2022 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Final Distribution | 136 | 120 |
| Final Accumulation | 3,138 | 2,587 |
| | 3,274 | 2,707 |
| Add: Revenue deducted on cancellation of units | 397 | 152 |
| Deduct: Revenue received on issue of units | (164) | (412) |
| | 233 | (260) |
| Total distributions | 3,507 | 2,447 |

Details of the distributions per unit are set out in the Distribution Tables on pages 143 to 145.

Distributions payable at the year end of €135,874 (31 August 2022: €120,353) are disclosed in the Balance Sheet on page 129.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

8. Movement between net revenue and distributions

| | 31/08/2023 | 31/08/2022 |
|-----------------------------|--------------|--------------|
| | €'000 | €'000 |
| Net revenue after taxation | 3,487 | 2,446 |
| Equalisation on conversions | 20 | – |
| Income deficit | – | 1 |
| | <u>3,507</u> | <u>2,447</u> |

9. Debtors

| | 31/08/2023 | 31/08/2022 |
|---|------------|------------|
| | €'000 | €'000 |
| Accrued revenue | 6 | – |
| Amount receivable for creation of units | 165 | 210 |
| Overseas tax recoverable | 179 | 85 |
| Sales awaiting settlement | 237 | 41 |
| | <u>587</u> | <u>336</u> |

10. Cash and bank balances

| | 31/08/2023 | 31/08/2022 |
|------------------------|--------------|---------------|
| | €'000 | €'000 |
| Cash and bank balances | 7,544 | 32,807 |
| | <u>7,544</u> | <u>32,807</u> |

11. Other creditors

| | 31/08/2023 | 31/08/2022 |
|---|------------|--------------|
| | €'000 | €'000 |
| Accrued expenses | 408 | 431 |
| Amounts payable for cancellation of units | 325 | 495 |
| Currency deals awaiting settlement | – | 1 |
| Purchases awaiting settlement | – | 377 |
| | <u>733</u> | <u>1,304</u> |

12. Contingent liabilities

There were no contingent liabilities at the year-end date (31 August 2022: same).

13. Equalisation

Equalisation applies only to units purchased during the distribution year (Group 2 units). It is the average amount of net revenue included in the purchase price of all Group 2 units. In the case of income ("Inc") units, it is refunded as part of a unitholder's first distribution. In the case of accumulation ("Acc") units, it is automatically reinvested into capital on the first ex-distribution date after the units were purchased. Being a capital repayment, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

14. Financial instruments

In pursuing its investment objective set out on page 108, the Trust may hold a number of financial instruments. These comprise:

- equity and non-equity shares, fixed-income securities, and floating-rate securities. These are held in accordance with the Trust's investment objective and policies;
- cash, Collective Investment Funds, liquid resources and short-term debtors and creditors that arise directly from its operations;
- unitholders' funds which represent investors' monies which are invested on their behalf;
- borrowings used to finance investment activity;
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Trust's investment activities (and related financing); and
- derivative instruments for the purpose of investment and efficient portfolio management.

15. Risks of financial instruments

The risks arising from the Trust's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The Investment Manager reviews (and agrees with the Trustee) policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate (31 August 2022: same):

Market price risk

Arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Investment Manager meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter described above and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable.

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in their opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth.

Market price risk sensitivity analysis

As at 31 August 2023, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €16.972 million (31 August 2022: €14.343 million).

Foreign currency risk

The revenue and capital value of the Trust's investments can be significantly affected by foreign currency translation movements, as the majority of the Trust's assets and revenue are denominated in currencies other than euro, which is the Trust's functional currency.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Trust. These are: movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the year between when an investment, purchase or sale is entered into and the date when settlement of the investment occurs, and finally, movements in exchange rates affecting revenue received by the Trust. The Trust converts all receipts of revenue received in foreign currencies into euro on the day of receipt.

In addition, the Investment Manager makes significant use of forward currency contracts for investment and efficient portfolio management purposes. These contracts are denominated in a range of currencies, some of which are not held in other assets within the Trust. This increases the exposure of the Trust to exchange rate movements and may significantly affect the returns of the Trust.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15. Risks of financial instruments (continued)

At the year-end date, a proportion of the net assets of the Trust were denominated in currencies other than euro with the effect that the balance sheet and total return can be affected by exchange rate movements. These net assets consist of the following:

Currency exposure for the year ended 31 August 2023:

| | Portfolio of investments €'000 | Net other assets €'000 | Total €'000 |
|--------------|--------------------------------------|------------------------------|----------------|
| Chinese yuan | 103 | – | 103 |
| Swiss franc | 2,493 | – | 2,493 |
| US dollar | 13,509 | 186 | 13,695 |
| Sterling | 581 | (664) | (83) |
| | 16,686 | (478) | 16,208 |

Currency exposure for the year ended 31 August 2022:

| | Portfolio of investments €'000 | Net other assets €'000 | Total €'000 |
|--------------|--------------------------------------|------------------------------|----------------|
| Chinese yuan | 157 | – | 157 |
| Swiss franc | 996 | – | 996 |
| US dollar | 6,220 | 186 | 6,406 |
| Sterling | 524 | (1,165) | (641) |
| | 7,897 | (979) | 6,918 |

Foreign currency risk sensitivity analysis

At 31 August 2023, if the value of the euro increased or decreased by 1%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately €0.162 million (31 August 2022: €0.069 million).

Interest rate risk

The Trust may invest in both fixed-rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the Trust also rises, but the value of fixed-rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will in general have the opposite effect.

The interest rate risk profile of financial assets and liabilities consists of the following:

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15. Risks of financial instruments (continued)

| | Floating rate 31/08/2023 €'000 | Fixed rate 31/08/2023 €'000 | Non-interest bearing 31/08/2023 €'000 | Total 31/08/2023 €'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | (1) | – | 339,437 | 339,436 |
| Cash at bank | 7,544 | – | – | 7,544 |
| Other assets | – | – | 587 | 587 |
| Liabilities | – | – | (869) | (869) |
| | 7,543 | – | 339,155 | 346,698 |

| | Floating rate 31/08/2022 €'000 | Fixed rate 31/08/2022 €'000 | Non-interest bearing 31/08/2022 €'000 | Total 31/08/2022 €'000 |
|--------------------------|--------------------------------------|-----------------------------------|--|------------------------------|
| Portfolio of investments | (13) | – | 286,860 | 286,847 |
| Cash at bank | 32,807 | – | – | 32,807 |
| Other assets | – | – | 336 | 336 |
| Liabilities | – | – | (1,424) | (1,424) |
| | 32,794 | – | 285,772 | 318,566 |

The floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to GBP bank deposit/overdraft rates or the international equivalent.

Interest rate risk sensitivity analysis

The Trust had no significant interest rate risk exposure as at 31 August 2023 (31 August 2022: same).

Liquidity risk

The Trust's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the Trust is the redemption of any units that investors wish to sell.

Credit risk

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. All currency contracts are held with State Street and Northern Trust; please see Portfolio Statement for details of the notional exposure.

The Trust only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time, and these limits are reviewed regularly.

During the year, the Trust made use of "Over The Counter" ("OTC") derivative instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments. The Trust's exposure to counterparty risk in respect of OTC derivative instruments for forward contracts is the notional exposure of these contracts. In order to reduce this risk, collateral may be held by the Trust.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

15. Risks of financial instruments (continued)

Derivatives and other financial instruments

Derivative and forward transactions may be used by the Trust for hedging purposes. The Manager's investment policy in respect of the Trust is that few, if any, hedging transactions will normally be entered into, although hedging transactions are permitted under the rules. Any positions open at the year-end are disclosed in the portfolio statement and are reflected in the balance sheet at their marked to market value.

16. Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

FRS 102 requires the Trust to classify financial instruments measured at fair value into the following hierarchy: The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the period-end date. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Valuation technique for the year ended 31 August 2023:

| | Level 1 €'000 | Level 2 €'000 | Level 3 €'000 | Total €'000 |
|----------------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 339,386 | – | – | 339,386 |
| Forward Currency Contracts | – | 51 | – | 51 |
| | <u>339,386</u> | <u>51</u> | <u>–</u> | <u>339,437</u> |
| Financial Liabilities | | | | |
| Forward Currency Contracts | – | (1) | – | (1) |
| | <u>–</u> | <u>(1)</u> | <u>–</u> | <u>(1)</u> |

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

16. Fair value (continued)

Valuation technique for the year ended 31 August 2022:

| | Level 1 €'000 | Level 2 €'000 | Level 3 €'000 | Total €'000 |
|----------------------------|------------------|------------------|------------------|----------------|
| Financial Assets | | | | |
| Equities | 286,707 | 4 | – | 286,711 |
| Forward Currency Contracts | – | 149 | – | 149 |
| | <u>286,707</u> | <u>153</u> | <u>–</u> | <u>286,860</u> |
| Financial Liabilities | | | | |
| Forward Currency Contracts | – | (13) | – | (13) |
| | <u>–</u> | <u>(13)</u> | <u>–</u> | <u>(13)</u> |

17. Portfolio transaction costs

| | 31/08/2023 €'000 | 31/08/2022 €'000 |
|---|-----------------------|---------------------|
| Analysis of total purchase costs: | | |
| Purchases before transaction costs* | 101,560 | 144,680 |
| Corporate Actions | 17,122 | 4,407 |
| Commissions: | | |
| Equities total value paid | 31 | 59 |
| Total transaction costs | <u>31</u> | <u>59</u> |
| Gross purchases total | <u>118,713</u> | <u>149,146</u> |
| | | |
| Analysis of total sale costs: | | |
| Sales before transaction costs | 98,931 | 145,531 |
| Corporate Actions | 17,122 | 4,407 |
| Commissions: | | |
| Equities total value paid | (26) | (58) |
| Taxes: | | |
| Equities total value paid | (2) | – |
| Total transaction costs | <u>(28)</u> | <u>(58)</u> |
| Total sales net of transaction costs | <u>116,025</u> | <u>149,880</u> |

The above analysis covers any direct transaction costs suffered by the Trust during the year.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

17. Portfolio transaction costs (continued)

In the case of equities and Investment Funds, separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Trust's purchase and sale of equity investments. In addition, there may be dealing spread costs (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions which are not separately identifiable and do not form part of the analysis above.

In the case of Investment Funds, there may be potential dealing spread costs applicable to purchases and sales. Additionally, there are indirect transaction costs suffered in those underlying sub-funds throughout the holding period for the instruments which are not separately identifiable and do not form part of the analysis above.

The average portfolio dealing spread is disclosed on the next page. Transaction costs vary depending on the transaction value and market sentiment.

| | 31/08/2023 | 31/08/2022 |
|---|-------------------|------------|
| Analysis of total purchase costs: | % | % |
| Commissions: | | |
| Equities percentage of total equities purchases costs | 0.03 | 0.04 |
| Equities percentage of average NAV | 0.01 | 0.02 |
| | 31/08/2023 | 31/08/2022 |
| Analysis of total sale costs: | % | % |
| Commissions: | | |
| Equities percentage of total equities sales costs | (0.03) | (0.04) |
| Equities percentage of average NAV | (0.01) | (0.01) |

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.18% (31 August 2022: 0.38%), based on 12 noon prices. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18. Unit classes

The Trust currently has thirteen unit classes: A EUR Acc, A EUR Inc, A GBP Acc, A GBP Inc, A RMB Hedged Acc, A USD Acc, A USD Hedged Acc, I EUR Acc, I EUR Inc, I GBP Acc, I GBP Hedged Acc, I GBP Inc and I USD Acc. The annual management charge and Trust management fee can be found on page 110. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on page 112 to 115. The distribution per unit class is given in the distribution tables on pages 143 to 145. All classes have the same rights on winding up.

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Unit classes (continued)

| | Class A GBP Acc | Class A GBP Inc | Class A EUR Acc |
|----------------------|------------------------|------------------------|------------------------|
| Opening units | 5,973,885 | 44,954 | 13,903,808 |
| Units created | 127,578 | 319 | 509,279 |
| Units liquidated | (564,064) | (3,608) | (1,633,197) |
| Units converted | (333,708) | (37,682) | (1,547) |
| Closing units | 5,203,691 | 3,983 | 12,778,343 |

| | Class A EUR Inc | Class A USD Acc | Class A USD Hedged Acc |
|----------------------|------------------------|------------------------|-----------------------------------|
| Opening units | 104,164 | 396,638 | 517,346 |
| Units created | 2,961 | 143,983 | 44,330 |
| Units liquidated | (14,341) | (191,478) | (212,390) |
| Units converted | (12) | – | – |
| Closing units | 92,772 | 349,143 | 349,286 |

| | Class A RMB Hedged Acc | Class I GBP Acc | Class I GBP Inc |
|----------------------|-----------------------------------|------------------------|------------------------|
| Opening units | 13,266 | 8,650,138 | 972,141 |
| Units created | 2,015 | 1,930,572 | 121,677 |
| Units liquidated | (6,478) | (2,266,225) | (214,414) |
| Units converted | – | 300,135 | 48,612 |
| Closing units | 8,803 | 8,614,620 | 928,016 |

| | Class I GBP Hedged Acc | Class I EUR Acc | Class I EUR Inc |
|----------------------|-----------------------------------|------------------------|------------------------|
| Opening units | 48,556 | 1,042,850 | 1,561 |
| Units created | 64,551 | 631,092 | 26,816 |
| Units liquidated | (65,339) | (723,716) | (478) |
| Units converted | – | 1,434 | 13 |
| Closing units | 47,768 | 951,660 | 27,912 |

| | Class I USD Acc |
|----------------------|------------------------|
| Opening units | 1,446,374 |
| Units created | 390,186 |
| Units liquidated | (384,243) |
| Units converted | – |
| Closing units | 1,452,317 |

Barings German Growth Trust

Notes to the Financial Statements (continued)

for the year ended 31 August 2023

18. Unit classes (continued)

Hedged unit classes

Hedged unit classes attempt to mitigate the effect of fluctuations in the exchange rate of the currency of the relevant hedged unit class relative to the functional currency of the Trust. Although hedging strategies may not necessarily be used in relation to each class within the Trust, the financial instruments used to implement such strategies shall be assets/liabilities of the Trust as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

The currency exposure of the Trust arising from the assets held by the Trust and also any currency transactions entered into by the Trust (other than with respect to a class) will not be allocated to separate classes and will be allocated pro rata to all classes of the Trust. Where currency hedging transactions are entered into in respect of a class (regardless of whether such exposure is attributable to transactions entered into at the class or Trust level), the currency exposure arising from such transactions will be for the benefit of that class only and may not be combined with or offset against the currency exposure arising from transactions entered into in respect of other class.

Hedging techniques incur transaction costs which are borne by the relevant hedged unit class. Gains and losses resulting from hedging transactions will be treated as a capital return or loss and accrue to the relevant hedged unit class.

19. Related party transactions

Baring Asset Management Limited (the "Investment Manager") is the immediate parent company of the Manager and also regarded as a related party. The Investment Manager's fees and expenses will be paid by the Manager out of its remuneration from the Trust. As at 31 August 2023, no amounts due from or to the Investment Manager in respect of unit transactions (31 August 2022: Nil).

The Manager exercises control over the Trust and is therefore a related party by virtue of its controlling influence. Amounts paid during the year or due to the Manager in respect of management fees at the balance sheet date are disclosed under Expenses and Other creditors in the notes to the financial statements.

The Manager acts as principal on all transactions of units in the Trust. The aggregate monies received through the issue and cancellations of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the notes to the financial statements. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the notes to the financial statements.

20. Post balance sheet events

Subsequent to the year end, the price per unit of the A EUR Accumulation class increased from 1,098.00c to 1,128.00c, A GBP Accumulation class from 940.50p to 971.20p, A GBP Income class from 837.40p to 860.20p, A EUR Income class from 975.80c to 996.40c, A USD Accumulation class from 1,193.00c to 1,228.00c, A USD Hedged Accumulation class from 1,396.00c to 1,441.00c, A RMB Hedged Accumulation class from RMB94.96 to RMB97.55, I GBP Accumulation class from 1,018.00p to 1,053.00p, I GBP Income class from 838.50p to 855.60p, I GBP Hedged Accumulation class from 1,069.00p to 1,105.00p, I EUR Accumulation class from 1,188.00c to 1,223.00c, I EUR Income class from 955.90c to 968.80c and I USD Accumulation class from 1,280.00c to 1,321.00c as at 1 December 2023. Subsequent to the year end, the number of units of the I EUR Accumulation class decreased from 951,660 to 681,174, and I EUR Income class from 27,912 to 2,763 as at 1 December 2023. These movements take into account routine transactions.

The Manager continues to monitor investment performance in line with investment objectives.

Barings German Growth Trust

Distribution Tables

For the year ended 31 August 2023

Final Distribution

Group 1: Units purchased prior to 1 September 2022

Group 2: Units purchased between 1 September 2022 and 31 August 2023

Final accumulation - Class A GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 6.0153 | 0.0000 | 6.0153 | 4.0698 |
| 2 | 4.4491 | 1.5662 | 6.0153 | 4.0698 |

Final distribution - Class A GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 4.3809 | 0.0000 | 4.3809 | 3.8494 |
| 2 | 4.3809 | 0.0000 | 4.3809 | 3.8494 |

Final accumulation - Class A EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 7.0455 | 0.0000 | 7.0455 | 4.6805 |
| 2 | 7.0235 | 0.0220 | 7.0455 | 4.6805 |

Final distribution - Class A EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 6.2542 | 0.0000 | 6.2542 | 3.8765 |
| 2 | 6.2384 | 0.0158 | 6.2542 | 3.8765 |

Final accumulation - Class A USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 7.6332 | 0.0000 | 7.6332 | 4.5571 |
| 2 | 7.5721 | 0.0611 | 7.6332 | 4.5571 |

Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2023

Final Distribution (continued)

Final accumulation - Class A USD Hedged Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 6.8453 | 0.0000 | 6.8453 | 5.9311 |
| 2 | 6.8114 | 0.0339 | 6.8453 | 5.9311 |

Final accumulation - Class A RMB Hedged Acc (in RMB per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 47.3590 | 0.0000 | 47.3590 | Nil |
| 2 | 41.5336 | 5.8254 | 47.3590 | Nil |

Final accumulation - Class I GBP Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 14.1881 | 0.0000 | 14.1881 | 12.1550 |
| 2 | 11.1657 | 3.0224 | 14.1881 | 12.1550 |

Final distribution - Class I GBP Inc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 11.6030 | 0.0000 | 11.6030 | 10.0852 |
| 2 | 8.6065 | 2.9965 | 11.6030 | 10.0852 |

Final accumulation - Class I GBP Hedged Acc (in pence per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 13.8325 | 0.0000 | 13.8325 | 13.1063 |
| 2 | 12.0613 | 1.7712 | 13.8325 | 13.1063 |

Barings German Growth Trust

Distribution Tables (continued)

For the year ended 31 August 2023

Final Distribution (continued)

Final accumulation - Class I EUR Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 16.8122 | 0.0000 | 16.8122 | 14.2583 |
| 2 | 16.7290 | 0.0832 | 16.8122 | 14.2583 |

Final distribution - Class I EUR Inc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Distribution Paid | 2022 Distribution Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 15.3680 | 0.0000 | 15.3680 | 11.5739 |
| 2 | 15.3680 | 0.0000 | 15.3680 | 11.5739 |

Final accumulation - Class I USD Acc (in cents per unit)

| Group | Net Revenue | Equalisation (Note 13) | 2023 Accumulation Paid | 2022 Accumulation Paid |
|-------|-------------|------------------------|------------------------|------------------------|
| 1 | 17.4364 | 0.0000 | 17.4364 | 15.4875 |
| 2 | 17.3851 | 0.0513 | 17.4364 | 15.4875 |

Barings UK Unit Trusts

The Risk and Reward Profile

| | SRRRI risk category* 31/08/2023 | SRRRI risk category* 31/08/2022 |
|---|------------------------------------|------------------------------------|
| Barings Eastern Trust - Class A GBP Acc | 6 | 6 |
| Barings Eastern Trust - Class A GBP Inc | 6 | 6 |
| Barings Eastern Trust - Class A USD Acc | 6 | 6 |
| Barings Eastern Trust - Class D GBP Inc | 6 | 6 |
| Barings Eastern Trust - Class I GBP Acc | 6 | 6 |
| Barings Eastern Trust - Class I GBP Inc | 6 | 6 |
| Barings Eastern Trust - Class I USD Acc | 6 | 6 |
| | SRRRI risk category* 31/08/2023 | SRRRI risk category* 31/08/2022 |
| Barings European Growth - Class A GBP Inc | 6 | 6 |
| Barings European Growth - Class I GBP Inc | 6 | 6 |
| | SRRRI risk category* 31/08/2023 | SRRRI risk category* 31/08/2022 |
| Barings Europe Select - Class A GBP Inc | 6 | 6 |
| Barings Europe Select - Class A EUR Acc | 6 | 6 |
| Barings Europe Select - Class A EUR Inc | 6 | 6 |
| Barings Europe Select - Class A USD Acc | 6 | 6 |
| Barings Europe Select - Class I GBP Acc | 6 | 6 |
| Barings Europe Select - Class I GBP Inc | 6 | 6 |
| Barings Europe Select - Class I EUR Acc | 6 | 6 |
| Barings Europe Select - Class I EUR Inc | 6 | 6 |

Barings UK Unit Trusts

The Risk and Reward Profile (continued)

| | SRRRI risk category* 31/08/2023 | SRRRI risk category* 31/08/2022 |
|--|------------------------------------|------------------------------------|
| Barings German Growth - Class A GBP Acc | 6 | 6 |
| Barings German Growth - Class A GBP Inc | 6 | 6 |
| Barings German Growth - Class A EUR Acc | 6 | 6 |
| Barings German Growth - Class A EUR Inc | 6 | 6 |
| Barings German Growth - Class A USD Acc | 6 | 6 |
| Barings German Growth - Class A USD Hedged Acc | 6 | 6 |
| Barings German Growth - Class A RMB Hedged Acc | 6 | 6 |
| Barings German Growth - Class I GBP Acc | 6 | 6 |
| Barings German Growth - Class I GBP Inc | 6 | 6 |
| Barings German Growth - Class I GBP Hedged Acc | 6 | 6 |
| Barings German Growth - Class I EUR Acc | 6 | 6 |
| Barings German Growth - Class I EUR Inc | 6 | 6 |
| Barings German Growth - Class I USD Acc | 6 | 6 |

* The Synthetic Risk and Reward Indicator ("SRRRI") is not a measure of the risk of capital loss, but a measure of the Trust's price movement over time; the higher the number, the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Trust. The risk category shown is in line with the Key Information Document ("KID") at year-end, is not guaranteed, and may change over time. The risk categories are measured from 1 to 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Trust is classified in the category indicated due to past movements in the Trust's price. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest. The SRRRI figures shown have not changed during the year.

Barings UK Unit Trusts

Important Information (unaudited)

Constitution

The Trusts were constituted by a Trust Deed between Baring Fund Managers Limited (“the Manager”) and NatWest Trustee and Depositary Services Limited.

This document has been issued by the Manager, which is authorised by the Financial Conduct Authority.

The Trusts are authorised unit trust schemes as defined in section 243 of the Financial Services and Markets Act 2000 and have been established as Undertakings for Collective Investments in Transferable Securities (“UCITS”) schemes.

Performance

Past performance is no indication of current or future performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Any reference in the Investment Manager reports for any of the Trusts should not be read as recommendations to investors to buy or sell the same but are included as illustrations only.

Key changes during the year

Julian Swayne resigned as a Director of the Manager on 31 July 2023.

Martin Horne was appointed as a Director of the Manager effective 31 July 2023.

The Prospectus of the Trusts was updated on 31 July 2023.

The material changes to the Prospectus are outlined as follows:

- The benchmark of Barings Europe Select Trust was replaced with MSCI Europe ex UK Small Cap (Total Net Return) Index as the existing EMIX Smaller European Companies Ex UK (Total Net Return) Index benchmark has been discontinued from 31 July 2023;
- Wording added to allow investor instructions and documentation to be sent by email.

There are other immaterial changes to the Prospectus that are not listed above.

Market timing

Repeatedly purchasing and selling units in the Trusts in response to short-term market fluctuations – known as ‘market timing’ – can disrupt the Manager’s investment strategy and increase the Trusts’ expenses to the prejudice of all unitholders.

The Trusts are not intended for market timing or excessive trading. To deter these activities, the Manager may refuse to accept an application for units from persons that it reasonably believes are engaged in market timing or are otherwise excessive or potentially disruptive to the Trusts.

The Manager also reserves the right to redeem units which it reasonably believes have been purchased by unitholders engaged in market timing.

Publication of prices

The prices of units are published on the Barings website at www.baring.com. You can also obtain prices by telephone by calling +44 (0) 333 300 0372.

Dealing basis

The Manager’s basis for dealing in purchases and sales of the Trusts’ units is “forward”. This means that the price used for any deal will be calculated at the next valuation point following receipt of the investor’s instruction.

Fees and expenses

The Manager’s periodic charge is calculated on each business day, based on the value of the property of the Trust on the immediately preceding business day, and is paid to the Manager monthly, in arrears, on the first business day of the calendar month immediately following. The current annual management fees charged to the Trusts are shown on pages 6, 40, 72 and 110.

Barings UK Unit Trusts

Important Information (unaudited) (continued)

Revenue allocations and reports

Revenue allocations are made on 30 April (interim) and 31 October (final) of each year, where applicable, and forwarded to unitholders together with tax vouchers. The most recent annual report and audited financial statements and interim report and unaudited financial statements will be available on the Baring Asset Management Limited website at www.barings.com.

Prospectus and Manager's reports

Copies of the Prospectus, the Key Information Document(s) ("KID(s)"), and the most recent annual or interim report and financial statements are available to all persons free of charge from the Manager upon request.

PricewaterhouseCoopers LLP (the "Independent Auditor") expresses its opinion on the English version of the annual report and financial statements, and accepts no responsibility for any translations of those financial statements.

Value Assessment

As part of the FCA's Asset Management Market Study, Authorised Fund Managers are now required to produce an annual Value Assessment for all UK authorised funds. The Manager will publish its annual Value Assessment for the Barings funds as part of a broader composite report in December 2023. This is made available on the Barings website at www.barings.com.

Remuneration (unaudited)

The Manager's Remuneration Policy ensures the remuneration arrangements, as defined in the FCA's rules for UCITS and AIFs are:

- (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or the Trust; and
- (ii) consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager is subject to the FCA's UCITS and AIFM Remuneration Codes (SYSC 19B and 19E) and complies with the remuneration principles in a way and to the extent appropriate to its size and business.

Remuneration Committee

Due to the size and nature of the Manager, the Board of Directors considers it appropriate not to apply the requirement to appoint a remuneration committee.

The Manager is part of the Barings Europe Limited (UK) group of companies ("Barings") which is governed by the Remuneration Panel and the Barings LLC Human Resources Committee. The Remuneration Panel and the Barings LLC Human Resources Committee ensure the fair and proportionate application of the remuneration rules and ensures that potential conflicts arising from remuneration are managed and mitigated appropriately.

Remuneration Code Staff

The Manager has determined its Remuneration Code Staff as the following:

1. Senior Management

Senior Management comprises the Board of Directors, all SMFs and all members of the European Management Team ("EMT").

All control functions detailed in section 2 below are also senior managers.

2. Control Functions

The Manager's control functions include the Heads of Risk, Compliance, Legal, Operations, Internal Audit, HR and Finance along with other heads of department in the Executive Committee and the Money Laundering Reporting Officer.

Barings UK Unit Trusts

Important Information (unaudited) (continued)

Remuneration Code Staff (continued)

3. Risk Takers

Risk Takers are defined as the investment managers of the Trust. Investment managers do not work for the Manager directly as the Manager delegates portfolio management to Baring Asset Management Limited ("BAML"). Accordingly, the Manager currently has no risk takers outside of the senior management.

BAML is a MIFIDPRU firm and subject to the Investment Firms Prudential Regime ("IFPR") which has equivalent remuneration rules. BAML's disclosure for IFPR has been published on the Baring's website and is located at <https://www.barings.com/globalassets/2-assets/content/important-disclosures/baml-2022-mifidpru-8-disclosures.pdf>.

4. Employees in the same remuneration bracket as risk takers

The Manager will not treat a person as Remuneration Code Staff if a person's professional activities do not have a material impact on the risk profiles of the firm or the Trust. Accordingly, the Manager currently has no staff in this category.

5. Staff responsible for heading the investment management, administration, marketing and human resources

To the extent that the Manager's staff fall within this category, they are also control function staff falling within section 2 above.

Remuneration Disclosure (unaudited)

The disclosure below details fixed and variable remuneration paid to Baring Fund Managers ("BFM") Staff and BFM Remuneration Code Staff (for the financial year end 31 August 2023).

| | Number of beneficiaries | Total remuneration | Total fixed remuneration | Total variable remuneration |
|--|-------------------------|--------------------|--------------------------|-----------------------------|
| Total remuneration paid by BFM in relation to the Trusts* | 19 | £433,003 | £84,795 | £348,208 |
| Total Senior Management Remuneration paid by BFM** | 19 | £572,681 | £112,148 | £460,533 |
| Risk Takers remuneration | 0 | £0 | £0 | £0 |
| Employees in the same remuneration bracket as risk takers | 0 | £0 | £0 | £0 |
| Carried interest paid by the Trusts | 0 | £0 | £0 | £0 |

The Manager's Remuneration Policy is reviewed annually both in respect of the general principles it contains and its own implementation. No material changes have been made throughout the year or as a result of the review; no irregularities were identified.

Barings UK Unit Trusts

Important Information (unaudited) (continued)

Remuneration Disclosure (unaudited) (continued)

The above disclosures are made in line with Barings' interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, Barings may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Barings fund disclosures in that same year.

Notes:

- The Manager does not make any direct payments to staff who are paid by other Barings Group entities. Figures shown are apportioned on a fund Asset Under Management ("AUM") basis as a proportion of Barings total AUM as at 31 August 2023. Accordingly, the figures are not representative of any individual's actual remuneration.

** Senior management remuneration is apportioned on the basis of the Manager's total AUM as a proportion of Barings total AUM as at 31 August 2023.

Variable remuneration consists of Short Term Incentive awards, Long Term Incentive awards and any other variable payments including benefits in kind.

The Trusts do not pay performance fees.

There has been no award of carry interest in the year.

Barings UK Unit Trusts

Disclosure for Overseas Investors

Special risks resulting from additional German tax publication requirements in Germany

A foreign investment company such as Baring Fund Managers Limited (the "Manager") must provide documentation to the German fiscal authorities upon request, e.g. in order to verify the accuracy of the additional German published tax information. German investors will use this for their tax returns. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Manager's calculation methodology in every material respect. In addition, you should be aware that if it transpires that these publications are incorrect, any subsequent correction will, as a general rule, not have retrospective effect and will, as a general rule, only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current financial year.

Information for investors in Switzerland

The Manager has appointed BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. Units are distributed in Switzerland by BNP PARIBAS, Paris at the above address. Investors can obtain free of charge the Prospectus, the Key Information Document(s) ("KID(s)"), the latest annual and interim reports, copies of the Trust Deed (and any amendments thereto) as well as a list of the purchases and sales made on behalf of the Barings UK Unit Trusts (the "Trusts") from the representative at the above address. Official publications for the Trusts are found on the internet at www.fundinfo.com. Unit prices (Net Asset Value with the words "plus commissions") are published daily on the internet at www.fundinfo.com.

Important information to the performance tables on page 156 to 157

The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units, nor the effect of the Manager's preliminary charge.

In conformity with a Guideline of the Asset Management Association Switzerland ("AMAS") dated 16 May 2008, the Manager is providing the below additional information regarding performance.

Total Expense Ratio ("TER")

Following the Guideline of the Asset Management Association Switzerland ("AMAS") dated 16 May 2008, the Manager is required to publish a total expense ratio ("TER") for the Trusts for the 12 months to 31 August 2023. The TER has been established by the Manager and draws upon the data contained in the "Statement of total return" (Manager's management fee, registration fees, trustee fees, safe custody charges, audit fees, Financial Conduct Authority ("FCA") and other regulatory fees and taxation fees as well as any further fees and costs listed in the "Statement of total return" account which do not form part of the aforementioned categories). It is calculated with reference to these numbers and in conformity with the above guideline.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

The TERs for each class for the year ended 31 August 2023 and 31 August 2022 are as follows:

| | TER 31/08/2023 % | TER 31/08/2022 % |
|---|------------------------|------------------------|
| Barings Europe Select Trust - Class A GBP Inc | 1.56 | 1.56 |
| Barings Europe Select Trust - Class A EUR Acc | 1.56 | 1.56 |
| Barings Europe Select Trust - Class A EUR Inc | 1.56 | 1.56 |
| Barings Europe Select Trust - Class A USD Acc | 1.56 | 1.56 |
| Barings Europe Select Trust - Class I GBP Acc | 0.81 | 0.81 |
| Barings Europe Select Trust - Class I GBP Inc | 0.81 | 0.81 |
| Barings Europe Select Trust - Class I EUR Acc | 0.81 | 0.81 |
| Barings Europe Select Trust - Class I EUR Inc | 0.81 | 0.81 |

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

The TERs for each class for the year ended 31 August 2023 and 31 August 2022 are as follows:

| | TER 31/08/2023 % | TER 31/08/2022 % |
|--|------------------------|------------------------|
| Barings German Growth Trust - Class A GBP Acc | 1.56 | 1.57 |
| Barings German Growth Trust - Class A GBP Inc | 1.57 | 1.57 |
| Barings German Growth Trust - Class A EUR Acc | 1.56 | 1.57 |
| Barings German Growth Trust - Class A EUR Inc | 1.56 | 1.57 |
| Barings German Growth Trust - Class A USD Acc | 1.56 | 1.57 |
| Barings German Growth Trust - Class A USD Hedged Acc | 1.56 | 1.57 |
| Barings German Growth Trust - Class A RMB Hedged Acc | 1.56 | 1.57 |
| Barings German Growth Trust - Class I GBP Acc | 0.81 | 0.82 |
| Barings German Growth Trust - Class I GBP Inc | 0.81 | 0.82 |
| Barings German Growth Trust - Class I GBP Hedged Acc | 0.81 | 0.82 |
| Barings German Growth Trust - Class I EUR Acc | 0.81 | 0.82 |
| Barings German Growth Trust - Class I EUR Inc | 0.81 | 0.82 |
| Barings German Growth Trust - Class I USD Acc | 0.81 | 0.82 |

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Trailer fees and reimbursements

Trailer fees (Bestandespflegekommissionen) may only be paid to the sales agents/partners indicated below:

- authorised sales agents (distributors) within the meaning of Article 19, Para 1, Collective Investment Schemes Act ("CISA");
- sales agents (distributors) exempted from the authorisation requirement within the meaning of Article 19, Para 4, CISA;
- sales partners who place fund units exclusively with institutional investors with professional treasury facilities; and/or;
- sales partners who place fund units with their clients exclusively on the basis of a written commission-based asset management mandate.

Reimbursements (Rückvergütungen) may only be paid to the institutional investors detailed below who from a commercial perspective are holding the fund units for third parties:

- life insurance companies (in respect of fund units held for the account of insured persons or to cover obligations towards insured persons), pension funds and other retirement provision institutions (in respect of fund units held for the account of beneficiaries);
- investment foundations (in respect of fund units held for the account of in-house funds);
- Swiss fund management companies (in respect of fund units held for the account of the funds managed); and
- foreign fund management companies and providers (in respect of fund units held for the account of managed funds and investing unitholders).

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Performance record to 31 August 2023

Barings Europe Select Trust

| | 01/09/2022 - 31/08/2023 % | 01/09/2021 - 31/08/2022 % | 01/09/2020 - 31/08/2021 % | 01/09/2019 - 31/08/2020 % | 01/06/2018 - 31/08/2019 % |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Class A GBP Inc (GBP terms)* | 6.54 | (25.09) | 29.19 | 2.34 | 4.25 |
| MSCI Europe ex UK Small Cap (Total Net Return) Index (GBP terms)** | 3.91 | (20.37) | 36.43 | 6.74 | (0.62) |
| Class A EUR Acc (EUR terms) | 6.73 | (25.07) | 34.51 | 3.69 | 1.00 |
| Class A EUR Inc (EUR terms) | 6.74 | (25.05) | 34.49 | 3.70 | 0.76 |
| Class A USD Acc (USD terms) | 16.28 | (36.80) | 33.73 | 11.81 | (4.74) |
| Class I GBP Acc (GBP terms)* | 7.36 | (24.51) | 34.15 | N/A | N/A |
| Class I GBP Inc (GBP terms) | 7.35 | (24.53) | 29.17 | 3.12 | 5.22 |
| Class I EUR Acc (EUR terms) | 7.24 | (24.49) | 35.52 | 4.50 | 1.72 |
| Class I EUR Inc (EUR terms) | 7.12 | (23.55) | 35.52 | 4.49 | 1.71 |

Performance figures are shown net of fees and charges, on a published NAV per unit basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings/Euromoney.

* The Class I GBP Acc unit class was launched on 30 October 2020.

** From 31 July 2023, the MSCI Europe ex UK Small Cap (Total Net Return) (previously, EMIX Smaller European Companies Ex UK (Total Net Return) Index) is the target benchmark.

Barings UK Unit Trusts

Disclosure for Overseas Investors (continued)

Performance record to 31 August 2023 (continued)

Barings German Growth Trust

| | 01/09/2022 - 31/08/2023 % | 01/09/2021 - 31/08/2022 % | 01/09/2020 - 31/08/2021 % | 01/09/2019 - 31/08/2020 % | 16/05/2018 - 31/08/2019 % |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Class A GBP Acc (GBP terms) | 15.88 | (20.97) | 31.48 | (4.62) | (11.92) |
| Class A GBP Inc (GBP terms) | 15.72 | (20.93) | 31.27 | (4.62) | (11.91) |
| HDAX @ Total Return (EUR terms)* | 22.76 | (20.33) | 23.78 | 6.60 | (5.65) |
| Class A EUR Acc (EUR terms) | 16.20 | (20.93) | 36.87 | (3.35) | (14.53) |
| Class A EUR Inc (EUR terms) | 16.10 | (20.92) | 36.85 | (3.35) | (14.49) |
| Class A USD Acc (USD terms) | 26.58 | (33.30) | 36.00 | 4.20 | (20.80) |
| Class A USD Hedged Acc (USD terms) | 19.52 | (19.28) | 38.20 | (1.32) | (11.21) |
| Class A RMB Hedged Acc (RMB terms) | 16.00 | (18.09) | 41.12 | (1.20) | (10.73) |
| Class I GBP Acc (GBP terms) | 16.81 | (20.34) | 32.43 | (3.91) | (11.03) |
| Class I GBP Inc (GBP terms) | 16.75 | (20.35) | 31.27 | (3.91) | (11.03) |
| Class I GBP Hedged Acc (GBP terms) | 18.54 | (19.63) | 38.45 | (3.21) | (12.39) |
| Class I EUR Acc (EUR terms) | 16.93 | (20.25) | 37.94 | (2.65) | (13.68) |
| Class I EUR Inc (EUR terms) | 17.00 | (20.36) | 37.96 | (2.63) | (17.09) |
| Class I USD Acc (USD terms) | 27.36 | (32.69) | 37.60 | 5.34 | (20.03) |

Performance figures are shown net of fees and charges, on a published NAV per unit basis (mid-price), with gross revenue reinvested.

Source: Morningstar/Barings/HDAX.

* From 18 July 2022, the HDAX® (Total Net Return) Index is the target benchmark.

For data sourced from Morningstar: © Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units. Please note that changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts

Barings Eastern Trust, Barings European Growth Trust, Barings Europe Select Trust and Barings German Growth Trust have been registered for sale in Hong Kong.

Barings Eastern Trust

| | A GBP Acc (p) | A GBP Inc (p) | A USD Acc (c) | A USD Inc* (c) | D GBP Inc** (p) |
|---------------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| 2023 High Low | 1,372.00 1,105.00 | 1,335.00 1,076.00 | 1,693.00 1,270.00 | N/A N/A | 1,380.00 1,109.00 |
| 2022 High Low | 1,735.00 1,254.00 | 1,689.00 1,221.00 | 2,388.00 1,545.00 | N/A N/A | 1,742.00 1,265.00 |
| 2021 High Low | 1,887.00 1,358.00 | 1,837.00 1,322.00 | 2,611.00 1,743.00 | N/A N/A | 1,896.00 1,359.00 |
| 2020 High Low | 1,411.00 935.90 | 1,373.00 910.70 | 1,857.00 1,077.00 | N/A N/A | 1,419.00 937.80 |
| 2019 High Low | 1,145.00 889.70 | 1,150.00 899.00 | 1,139.57 888.47 | N/A N/A | 1,149.99 898.95 |
| 2018 High Low | 1,165.00 856.80 | 1,143.00 840.70 | 1,627.00 1,050.00 | N/A N/A | 1,177.00 858.00 |
| 2017 High Low | 866.30 627.10 | 850.10 615.40 | 1,110.00 890.90 | N/A N/A | 867.70 625.80 |
| 2016 High Low | 770.40 559.00 | 756.10 548.60 | 1,153.00 878.80 | 1,131.00 862.20 | N/A N/A |
| 2015 High Low | 705.80 521.50 | 692.60 511.80 | 1,065.00 848.80 | 1,045.00 833.00 | N/A N/A |
| 2014 High Low | 554.60 522.50 | 544.30 511.80 | 943.60 797.50 | 912.40 728.90 | N/A N/A |

* Class A USD Inc was closed in 2016 hence no data available from 2017 to 2023.

** Class D GBP Inc was only launched in 2017 hence no data available from 2014 to 2016.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Eastern Trust (continued)

| | I GBP Acc* (p) | I GBP Inc (p) | I USD Acc** (p) |
|---------------------|----------------------|----------------------|----------------------|
| 2023 High Low | 1,461.00 1,175.00 | 1,379.00 1,108.00 | 1,718.00 1,286.00 |
| 2022 High Low | 1,830.00 1,328.00 | 1,740.00 1,263.00 | 2,395.00 1,561.00 |
| 2021 High Low | 1,982.00 1,421.00 | 1,893.00 1,357.00 | 2,611.00 1,869.00 |
| 2020 High Low | 1,476.00 976.10 | 1,416.00 936.10 | N/A N/A |
| 2019 High Low | 1,175.00 917.80 | 1,150.00 897.60 | N/A N/A |
| 2018 High Low | 1,195.00 872.70 | 1,175.00 858.00 | N/A N/A |
| 2017 High Low | 879.70 635.00 | 866.70 625.60 | N/A N/A |
| 2016 High Low | 773.37 562.67 | 764.00 556.10 | N/A N/A |
| 2015 High Low | 707.21 579.73 | 701.60 516.80 | N/A N/A |
| 2014 High Low | N/A N/A | 549.40 516.80 | N/A N/A |

* Class I GBP Acc was only launched on 2015 hence no data available for 2014.

** Class I USD Acc was only launched on 2021 hence no data available from 2014 to 2020.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings European Growth Trust

| | A GBP Inc (p) | I GBP Inc (p) |
|---------------------|----------------------|----------------------|
| 2023 High Low | 1,741.00 1,406.00 | 1,753.00 1,410.00 |
| 2022 High Low | 1,762.00 1,418.00 | 1,764.00 1,431.00 |
| 2021 High Low | 1,699.00 1,207.00 | 1,717.00 1,212.00 |
| 2020 High Low | 1,451.00 961.40 | 1,461.00 968.60 |
| 2019 High Low | 1,512.00 1,152.00 | 1,517.00 1,161.00 |
| 2018 High Low | 1,552.00 1,315.00 | 1,564.00 1,318.00 |
| 2017 High Low | 1,326.00 980.40 | 1,338.00 982.80 |
| 2016 High Low | 1,167.00 912.90 | 1,114.00 920.40 |
| 2015 High Low | 1,185.00 964.30 | 1,138.00 970.80 |
| 2014 High Low | 1,107.00 984.60 | 1,064.00 992.00 |

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Europe Select Trust

| | A GBP Inc (p) | A EUR Acc (c) | A Eur Inc (c) | A USD Acc (c) | I GBP Acc* (p) |
|------|------------------|------------------|------------------|------------------|-------------------|
| 2023 | | | | | |
| High | 4,746.00 | 5,788.00 | 5,343.00 | 6,317.00 | 119.50 |
| Low | 3,782.00 | 4,659.00 | 4,301.00 | 4,481.00 | 94.93 |
| 2022 | | | | | |
| High | 5,618.00 | 7,041.00 | 6,571.00 | 8,285.00 | 138.00 |
| Low | 4,059.00 | 5,083.00 | 4,743.00 | 5,132.00 | 101.00 |
| 2021 | | | | | |
| High | 5,581.00 | 5,942.99 | 5,571.23 | 5,945.32 | 136.70 |
| Low | 4,121.00 | 4,395.82 | 4,121.36 | 4,398.08 | 100.00 |
| 2020 | | | | | |
| High | 4,419.00 | 5,616.00 | 5,265.00 | 6,125.00 | N/A |
| Low | 3,072.00 | 3,607.00 | 3,382.00 | 3,928.00 | N/A |
| 2019 | | | | | |
| High | 4,383.00 | 5,141.00 | 4,828.00 | 5,971.00 | N/A |
| Low | 3,534.00 | 4,150.00 | 3,907.00 | 4,728.00 | N/A |
| 2018 | | | | | |
| High | 4,184.00 | 5,000.00 | 4,735.00 | 6,184.00 | N/A |
| Low | 3,828.00 | 4,482.00 | 4,243.00 | 5,206.00 | N/A |
| 2017 | | | | | |
| High | 3,887.00 | 4,717.00 | 4,481.00 | 5,253.00 | N/A |
| Low | 2,793.00 | 3,615.00 | 3,450.00 | 3,982.00 | N/A |
| 2016 | | | | | |
| High | 2,891.00 | 4,042.00 | 3,866.00 | 4,393.00 | N/A |
| Low | 2,439.00 | 3,373.00 | 3,226.00 | 3,783.00 | N/A |
| 2015 | | | | | |
| High | 2,701.00 | 3,908.00 | 3,757.00 | 4,372.00 | N/A |
| Low | 2,033.00 | 2,652.00 | 2,550.00 | 3,380.00 | N/A |
| 2014 | | | | | |
| High | 2,486.00 | 3,106.00 | 3,004.00 | 4,277.00 | N/A |
| Low | 2,299.00 | 2,406.00 | 2,327.00 | 3,834.00 | N/A |

* Class I GBP Acc was launched on 30 October 2020 hence no data available from 2014 to 2020.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings Europe Select Trust (continued)

| | I GBP Inc (p) | I EUR Acc* (c) | I EUR Inc (c) |
|---------------------|----------------------|----------------------|----------------------|
| 2023 High Low | 4,757.00 3,781.00 | 5,961.00 4,785.00 | 5,425.00 4,354.00 |
| 2022 High Low | 5,625.00 4,088.00 | 7,184.00 5,210.00 | 6,593.00 4,841.00 |
| 2021 High Low | 5,621.00 4,128.00 | 6,053.75 4,450.71 | 5,616.74 4,133.06 |
| 2020 High Low | 4,434.00 3,084.00 | 5,655.00 3,635.00 | 5,287.00 3,398.00 |
| 2019 High Low | 4,424.00 3,552.00 | 5,152.00 4,152.00 | 4,886.00 3,939.00 |
| 2018 High Low | 4,212.00 3,837.00 | 4,973.00 4,438.00 | 4,786.00 4,271.00 |
| 2017 High Low | 3,929.00 2,803.00 | 4,660.00 3,550.00 | 4,531.00 3,450.00 |
| 2016 High Low | 2,917.00 2,450.00 | 3,940.00 3,293.00 | 3,892.00 3,252.00 |
| 2015 High Low | 2,722.00 2,043.00 | 3,794.00 3,777.00 | 3,793.00 2,563.00 |
| 2014 High Low | 2,507.00 2,317.00 | N/A N/A | 3,033.00 2,874.00 |

* Class I EUR Acc was only launched in 2015 hence no data available for 2014.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust

| | A GBP Inc (p) | A GBP Acc (p) | A Eur Acc (c) | A EUR Inc (c) | A USD Acc (c) |
|---------------------|------------------|--------------------|--------------------|--------------------|----------------------|
| 2023 High Low | 887.80 686.10 | 995.80 769.40 | 1,138.00 875.90 | 1,012.00 779.00 | 1,264.00 838.70 |
| 2022 High Low | 941.00 703.00 | 1,051.00 784.90 | 1,247.00 922.00 | 1,114.00 824.00 | 1,421.00 928.00 |
| 2021 High Low | 921.10 624.50 | 1,027.00 695.90 | 1,025.99 695.27 | 916.95 621.38 | 1,027.49 697.74 |
| 2020 High Low | 778.10 479.00 | 866.10 533.10 | 1,031.00 572.50 | 922.30 512.30 | 1,126.00 615.10 |
| 2019 High Low | 846.20 639.90 | 936.90 708.50 | 1,068.00 785.80 | 960.40 706.90 | 1,262.00 894.70 |
| 2018 High Low | 887.30 752.00 | 980.20 830.70 | 1,117.00 956.60 | 1,009.00 864.00 | 1,378.00 1,083.00 |
| 2017 High Low | 771.10 535.80 | 846.40 587.90 | 997.70 712.10 | 907.80 648.10 | 1,095.00 788.00 |
| 2016 High Low | 584.30 500.90 | 634.80 544.20 | 879.20 694.60 | 808.40 638.70 | 966.60 785.20 |
| 2015 High Low | 589.60 497.30 | 638.80 538.80 | 885.70 606.60 | 817.50 559.80 | 1,014.00 772.90 |
| 2014 High Low | 553.30 516.50 | 596.80 557.30 | 722.10 566.10 | 669.60 515.70 | 990.80 909.40 |

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust (continued)

| | A USD Hedged Acc* (c) | A CHF Hedged Acc** (CHF) | A RMB Hedged Acc* (RMB) | I GBP Acc (p) | I GBP Inc (p) |
|---------------------|--------------------------------|-----------------------------------|----------------------------------|--------------------|------------------|
| 2023 High Low | 1,442.00 1,086.00 | N/A N/A | 98.75 76.00 | 1,075.00 826.60 | 885.50 681.40 |
| 2022 High Low | 1,513.00 1,134.00 | N/A N/A | 105.70 79.62 | 1,122.00 842.00 | 937.00 704.00 |
| 2021 High Low | 1,052.21 716.18 | N/A N/A | 99.94 62.74 | 1,094.00 737.00 | 921.70 620.90 |
| 2020 High Low | 1,223.00 679.40 | N/A N/A | 82.82 45.98 | 912.30 562.00 | 775.60 477.80 |
| 2019 High Low | 1,208.00 904.60 | N/A N/A | 81.33 61.30 | 973.90 740.00 | 840.70 638.90 |
| 2018 High Low | 1,253.00 1,064.00 | 11.35 9.74 | 83.87 70.80 | 1,017.00 857.00 | 885.90 747.00 |
| 2017 High Low | 1,105.00 778.00 | 9.30 6.75 | 73.02 49.90 | 886.00 602.40 | 771.10 532.10 |
| 2016 High Low | 954.80 755.10 | 9.06 7.14 | 59.71 47.93 | 649.6 556.1 | 584.40 500.30 |
| 2015 High Low | N/A N/A | N/A N/A | N/A N/A | 648.7 546.1 | 589.40 496.10 |
| 2014 High Low | N/A N/A | N/A N/A | N/A N/A | 600.9 560.9 | 553.30 516.50 |

* Class A USD Hedged Acc and A RMB Hedged Acc were only launched in 2016 hence no data available from 2014 to 2015.

** Class A CHF Hedged Acc was only launched in 2016 and closed in 2018 hence no data available from 2014 to 2015 and 2019 to 2023.

Barings UK Unit Trusts

Unit Price History - Hong Kong Registered Trusts (continued)

Barings German Growth Trust (continued)

| | I GBP Hedged Acc* (p) | I EUR Acc** (c) | I Eur Inc** (c) | I USD Acc** (c) |
|---------------------|--------------------------------|--------------------|--------------------|----------------------|
| 2023 High Low | 1,104.00 836.70 | 1,229.00 941.30 | 989.40 757.90 | 1,356.00 894.40 |
| 2022 High Low | 1,175.00 877.00 | 1,333.00 989.00 | 1,089.00 808.00 | 1,501.00 988.00 |
| 2021 High Low | 1,122.00 715.30 | 1,093.81 736.46 | 900.64 606.30 | 1,085.66 729.43 |
| 2020 High Low | 961.20 530.20 | 1,087.00 603.60 | 902.20 501.50 | 1,167.00 638.30 |
| 2019 High Low | 966.30 719.30 | 1,111.00 821.10 | 969.00 688.00 | 1,290.00 918.80 |
| 2018 High Low | 1,007.00 857.20 | 1,159.00 989.00 | 1,020.00 871.00 | 1,406.00 1,100.00 |
| 2017 High Low | 891.00 826.20 | 1,030.00 730.00 | 919.00 652.10 | 1,111.00 794.00 |
| 2016 High Low | N/A N/A | 895.00 710.10 | 807.70 641.30 | 930.90 788.10 |
| 2015 High Low | N/A N/A | N/A N/A | N/A N/A | N/A N/A |
| 2014 High Low | N/A N/A | N/A N/A | N/A N/A | N/A N/A |

* Class I GBP Hedged Acc was only launched in 2017 hence no data available from 2014 to 2016.

** Class I EUR Acc, I EUR Inc and I USD Acc were only launched in 2016 hence no data available from 2014 to 2015.

Barings UK Unit Trusts

Directory

Manager

Baring Fund Managers Limited

Authorised and regulated by the Financial Conduct Authority ("FCA").

Investment Manager

Baring Asset Management Limited

20 Old Bailey

London, EC4M 7BF

Authorised and regulated by the FCA.

Sub-Investment Manager*

Barings Asset Management (Asia) Limited

35th Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

Delegate of Sub-Investment Manager*

Barings Singapore Pte. Limited

Guoco Tower #25-01

1 Wallich Street

Singapore 078881

**Sub-Investment Manager and delegate of Sub-Investment Manager for Barings Eastern Trust.*

Directors

J. Armstrong (non-executive)

A. Behen

R. Kent

J. Swayne (resigned 31 July 2023)

M. Horne (appointed 31 July 2023)

K. Troup (non-executive)

Registered Office

20 Old Bailey

London, EC4M 7BF

Trustee

NatWest Trustee and Depositary Services Limited

250 Bishopsgate

London, EC2M 4AA

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA.

Administrator & Registrar

Northern Trust Global Services SE

6 rue Lou Hemmer

Senningerberg

Luxembourg, L-1748

Barings UK Unit Trusts

Directory (continued)

The Administrator & Registrar's principal place of business in the United Kingdom:

Northern Trust Global Services SE UK Branch

50 Bank Street

London, E14 5NT

Authorised by the PRA and regulated by the FCA and PRA.

Independent Auditors

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow, G2 7EQ

Paying agent

Société Générale Luxembourg**

11, avenue Emile Reuter

L-2420 Luxembourg

Operational Centre:

28/32 Place de la Gare

L-1616 Luxembourg

**Effective 9 December 2022, Société Générale Luxembourg was appointed as paying agent, replacing the jurisdictional paying agents previously in place.

Swiss representative and paying agent

BNP PARIBAS, Paris

Zurich Branch

Selnaustrasse 16

8002 Zurich

Switzerland

The Prospectus, the Key Information Document(s) ("KID(s)"), a list of portfolio changes, the Trust Deed as well as the annual and the interim reports and financial statements are available on www.barings.com, or via the office of the paying agent and the Swiss representative and paying agent.

Address:

Baring Asset Management Limited
20 Old Bailey
London, EC4M 7BF

Contact:

Tel: +44 (0)20 7628 6000
Fax: +44 (0)20 7638 7928
www.barings.com

BARINGS

The logo for Barings, featuring the word "BARINGS" in a bold, dark blue, sans-serif font. Below the text is a horizontal line that is green on the left and blue on the right.