



BARING EMERGING MARKETS DEBT LOCAL CURRENCY FUND

JUNE 2010

SUMMARY FUND OBJECTIVE

The objective of the Fund is to maximise total return by investing in local currency-denominated emerging market debt securities. (Please refer to the Prospectus for the full investment objective and policy.)

Note: The Fund was previously known as the Emerging Market Income Fund until the 17th June 2010 when the fund converted to the Baring Emerging Markets Debt Local Currency Fund.

All fund information in this factsheet relates to the US\$ A Income share type

FUND INFORMATION ¹

Fund Manager	Alan Wilde
Fund Type	Irish Authorised UCITS
Fund Size (Mn)	US\$209.3
Inception Date ⁵	15.12.2006
NAV price ⁴	US\$11.75
Share Types Available	Income/Accumulation
Available Classes	A (US\$,EUR,GBP hedged,HKD) I (US\$,EUR,GBP)
Umbrella	Investment Funds
Min Investment	US\$5000
Min Subsequent Inv	US\$500
Management Charges	Initial 5.00% Annual 1.25%
XD Date	01 May
Dividend Paid By	31 Jul
ISIN	IE00B1HM8V28
Bloomberg Code	BAREMGA ID
Lipper ID	65066592
TER	2.1% as at 30.04.10
Benchmark Index	JPM GBI-EM Global Diversified
Underlying Yield ³	6.2%
Distribution Yield ³	6.2%
Modified Duration	4.3
UK Distributor Status Sought	Yes
Morningstar Rating	★★★★

Ratings are subject to change.

MANAGER'S COMMENTS

Performance summary

The local currency debt market rebounded from last month's sell-off demonstrating its resilience to the prevailing negative risk sentiment. With the exception of some Emerging European bond markets, Emerging Market (EM) bond yields generally ended the month lower with Asian and Latin American local currency debt outperforming. The strength of the US dollar relative to EM currencies however detracted from the market return due to the safe haven status of the US dollar. Eastern European currencies were most severely impacted due to their close proximity to the intensifying reaction to the European sovereign debt crisis. With the majority of currency positions in line with the benchmark index, relative performance was neutral.

Strategy / portfolio positioning

Trading this month focussed on the restructuring of the fund. We closed all off benchmark currency positions and sold the EM equity component of the fund. From these proceeds we built up bond positions in Malaysia, South Africa and Thailand whilst retaining our existing allocation to local currency debt markets. We also opened some new currency positions, namely Malaysian ringgit, Russian rouble, South African rand and the Thai baht. While we have some intra-regional diversification from the benchmark index, net positions are aligned on a regional basis in both bonds and currencies.

Market outlook

Recent volatility has overshadowed strong growth in many EM countries. Latin American economic growth remains robust with an impressive recovery in domestic demand necessitating the Central Banks in Peru and Brazil to hike rates in June. Most Asian countries are projecting rate hikes with China's relaxation of its currency peg to the US dollar expected to serve as a catalyst for others in this region to respond more quickly to strong economic growth and also bodes well for intra-regional trade growth.

HISTORIC PERFORMANCE ² (CASH VALUE OF US\$1000)



Past performance is not a guide to future performance. The chart shown above should be viewed in conjunction with the rolling 12 month performance table below.

CALENDAR YEAR PERFORMANCE (US\$) ²

% Change	Fund	Index
2009	+27.1	N/A
2008	-10.4	N/A
2007	+16.2	N/A
2006	N/A	N/A
2005	N/A	N/A

ROLLING 12 MONTH PERFORMANCE (US\$) ²

% Change	Fund
30 June 2009 - 30 June 2010	+12.7
30 June 2008 - 30 June 2009	+0.3
30 June 2007 - 30 June 2008	+7.8
30 June 2006 - 30 June 2007	N/A
30 June 2005 - 30 June 2006	N/A

PERFORMANCE (US\$) ²

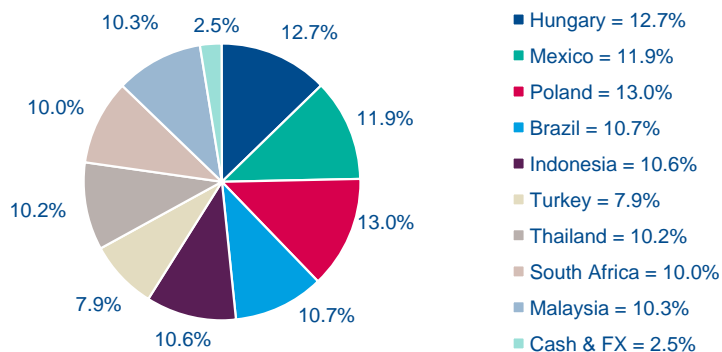
% Change	Fund	Index
1 month	+0.4	-0.3
3 months	-2.8	N/A
YTD	-0.1	N/A
1 year	+12.7	N/A

ANNUALISED PERFORMANCE (US\$) ²

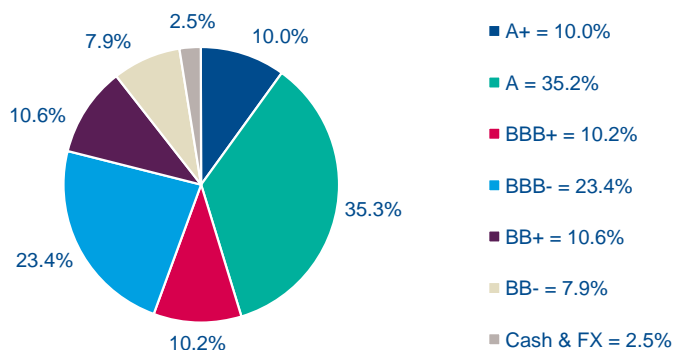
% Change	Fund	Index
3 years annualised	+6.8	N/A
5 years annualised	N/A	N/A
10 years annualised	N/A	N/A
SI annualised	+8.6	N/A

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COUNTRY BREAKDOWN ¹



CREDIT RATING ¹



TOP 10 HOLDINGS ¹

	(%)
Poland 5.50% 25.10.19	13.0
Nota do Tesouro 10.00% 01.01.12	10.7
Malaysia 3.835% 12.08.15	10.3
Thailand 4.125% 18.11.16	10.2
South Africa 8.00% 21.12.18	10.0
Hungary 6.75% 24.02.17	8.1
Turkey 10.00% 09.01.13	7.9
Mexico 8.00% 17.12.15	7.2
Indonesia 11.00% 15.12.12	5.1
Hungary 6.00% 12.10.11	4.5

NOTES

¹ Unless otherwise stated, all fund portfolio figures within this factsheet are as at the end of the month shown at the top of page one. Source: Barings.

² Performance figures are shown in US Dollars on a NAV per share basis, with gross income reinvested. Performance for the period 15/12/06 to 16/06/10 is that of the Baring Emerging Income Fund. From 17th June 2010 we have introduced a benchmark index for risk management and performance measurement purposes. Source: Morningstar. © Morningstar, Inc. 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.

³ The distribution yield reflects the amount that may be expected to be distributed over the next twelve months. The underlying yield reflects the annualised income net of expenses of the fund calculated in accordance with relevant accounting standards. Both yields are calculated as a percentage of the mid-market unit price of the fund and are based on a snapshot of the portfolio on that day. They do not include any preliminary charge and investors may be subject to tax on distributions. The distribution yield is also the underlying yield for this fund. Yields are not guaranteed.

⁴ The NAV price is a single price for dealing which is a mid-price. For purchases, an initial charge is added to the NAV price.

⁵ The Fund was previously known as the Baring Emerging Market Income Fund until the 17th June 2010 when the fund converted to the Baring Emerging Markets Debt Local Currency Fund.

GLOSSARY OF INVESTMENT TERMS

We produce a glossary to assist you in case you find any of the investment terms we've used in this factsheet unfamiliar. This is available from our website www.baring.com/uk/individualinvestors or free on request by calling +44 (0) 845 082 2479.

UNCOMMITTED CASH POLICY

At the close of each day's trading, uncommitted cash is placed overnight into money market funds (currently funds managed by Northern Trust). These money market funds are reviewed on an ongoing basis and the intention is only to use funds that are rated Aaa/MR1+ by Moody's (or an equivalent rating by another ratings agency). The money is placed in these funds to diversify risk on uncommitted cash. The money market funds are not guaranteed and their value may go down as well as up.

IMPORTANT INFORMATION

The fund is managed by Baring International Fund Managers (Ireland) Limited.

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Compensation arrangements under the Financial Services and Markets Act 2000 of the United Kingdom will not be available in respect of any offshore fund. Shares in the Fund are not available in any jurisdiction in which the offer or sale would be prohibited; in particular the Fund may not be sold directly or indirectly in the US or to a US person. Subscriptions will only be received and shares issued on the basis of the current Prospectus.

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