



BARING EMERGING MARKETS DEBT LOCAL CURRENCY FUND

JULY 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\$269.5
Inception Date ⁵	15.12.2006
NAV price ⁴	US\$12.24
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	6.0%
Distribution Yield ³	6.0%
Modified Duration	4.5
UK Distributor Status Sought	Yes
Morningstar Rating	★★★★

Ratings are subject to change.

MANAGER'S COMMENTS

Performance summary

The local currency Emerging Market (EM) debt market performed strongly in July as appetite for risk returned to financial markets. All EM bond markets posted positive returns outperforming their developed markets counterparts where government bond yields generally ended the month higher. Local currency EMD continues to be well supported due to favourable debt levels and strong investor flows into the region. Additionally, EM currencies rallied across the board against the US dollar with Emerging European currencies outperforming partially due to the stronger Euro. Relative performance derived from currency management was fairly neutral with positive contributions from overweight positions offset by the associated currency underweight positions (relative to the Benchmark Index) due to the weakness of the US dollar.

Strategy / portfolio positioning

We made no major asset allocation changes this month and retained our neutral regional allocation relative to the benchmark index. Our intra-regional diversification focuses on Colombia as our largest underweight position relative to the benchmark index (-6% active position) favouring Hungary and Mexico in terms of exposure. Hungary performed well on the back of stronger than expected activity data emerging from the export driven industrial sector helped by evidence of a German economic recovery. In local currency terms Mexico was one of the strongest markets returning 2.1% according to JP Morgan indices as the central bank retained its 4.5% policy rate for the eleventh consecutive month. The Mexican peso also appreciated against the US dollar adding a further +1.9% to this market return.

Market outlook

Record low yields on developed government bonds relative to high risk premia should continue to offer support to the local currency EM debt market. Fading near-term concerns over Europe's sovereign funding problems is making the heightened risk premia associated with EM assets attractive to investors. Furthermore, evidence of a strong upward economic cycle in countries such as Brazil and Malaysia has necessitated rate hikes of 0.5% and 0.25% by their respective central banks this month.

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
31 July 2009 - 31 July 2010	+12.1
31 July 2008 - 31 July 2009	+5.2
31 July 2007 - 31 July 2008	+6.3
31 July 2006 - 31 July 2007	N/A
31 July 2005 - 31 July 2006	N/A

PERFORMANCE (US\$) ²

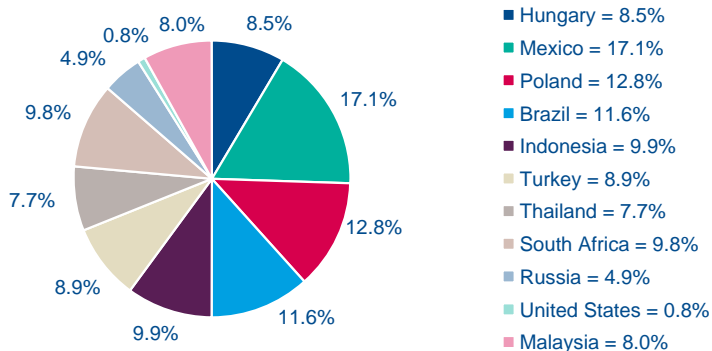
% Change	Fund	Index
1 month	+4.6	+5.5
3 months	+1.1	N/A
YTD	+4.4	N/A
1 year	+12.1	N/A

ANNUALISED PERFORMANCE (US\$) ²

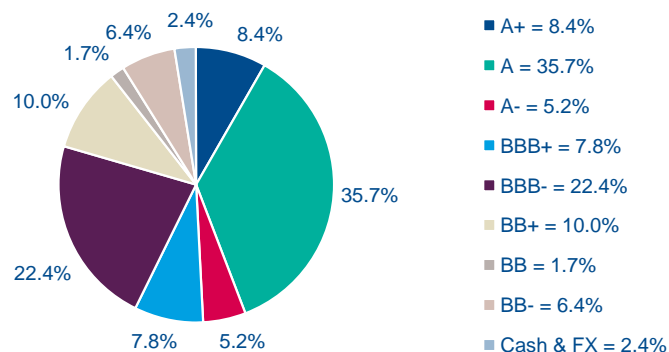
% Change	Fund	Index
3 years annualised	+7.8	N/A
5 years annualised	N/A	N/A
10 years annualised	N/A	N/A
SI annualised	+9.7	N/A

www.baring.com

COUNTRY BREAKDOWN ¹



CREDIT RATING ¹



TOP 10 HOLDINGS ¹

	(%)
Poland 5.50% 25.10.19	12.1
South Africa 8.00% 21.12.18	9.2
Malaysia 3.835% 12.08.15	8.8
Thailand 4.125% 18.11.16	8.6
Hungary 6.75% 24.02.17	8.3
Turkey 10.00% 09.01.13	7.0
Mexico 8.00% 17.12.15	6.3
Mexico 9.00% 22.12.11	5.8
Indonesia 11.00% 15.12.12	4.7
Hungary 6.00% 12.10.11	4.6

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.

This document is approved and issued by Baring Asset Management Limited. This is not an offer to sell or an invitation to apply for any product or service of Baring Asset Management and is by way of information only. Before investing in any product, we recommend that recipients who are not professional investors contact their financial adviser.

All relevant documents relating to the product, such as reports and accounts and prospectus (which specify the particular risks associated with a product, together with any specific restrictions applying and the basis of dealing) should be read. The information in this document does not constitute investment, tax, legal or other advice or recommendation or, an offer to sell or an invitation to apply for any product or service of Baring Asset Management.

The value of any investments and any income generated may go down as well as up and is not guaranteed. Past performance is not a guide to future performance. Quoted yields are not guaranteed. Changes in rates of exchange may have an adverse effect on the value, price or income of an investment. There are additional risks associated with investments (made directly or through investment vehicles which invest) in emerging or developing markets. Investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth. We reasonably believe that the information contained herein from 3rd party sources, as quoted, is accurate as at the date of publication. The information and any opinions expressed herein may change at any time. This document may include internal portfolio construction guidelines. As guidelines the fund is not required to and may not always be within these limits. These guidelines are subject to change without prior notice and are provided for information purposes only.

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.

Version 03/2009



Baring Asset Management Limited
155 Bishopsgate
EC2M 3XY
United Kingdom

Authorised and regulated by the
Financial Services Authority

CONTACT US: +44 (0) 845 082 2479
Calls may be recorded and monitored

www.baring.com