



BARING EMERGING MARKETS DEBT LOCAL CURRENCY FUND

SEPTEMBER 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\$293.8 |
| Inception Date ⁵ | 15.12.2006 |
| NAV price ⁴ | US\$12.84 |
| 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 | 1st business day of the month |
| Dividend Paid By | paid by last business day of the month |
| 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 | 3.9 |
| UK Reporting Status | Yes |
| Morningstar Rating | ★★★★ |

MANAGER'S COMMENTS

Performance summary

Strong performance was evident in both the local Emerging Market Debt (EMD) and EM currency markets. EMD outperformed core government bonds with demand for higher yielding assets boosted by investor opinion that core sovereign rates would continue to be low for a sustained period. With slower growth becoming a reality in many major markets, focus here has shifted to possible future policy responses by their respective Central Banks. The latest statement from the Federal Open Market Committee was dovish in tone, suggesting it would be "prepared to provide additional accommodation if needed to support the economic recovery." Meanwhile EM currencies rallied across the board with Emerging European currencies the principal outperformer as they rebounded from the previous month's poor performance.

Strategy / portfolio positioning

We made small additions to exposure in the shorter end of the Turkish, Thai and Malaysian yield curve without changing the overall structure of the fund. Mexico remains our most favoured market as reflected by our overweight position (relative to the benchmark index). Mexico has become the first Latin American government bond market to become eligible for inclusion into the Citigroup World Government Bond Index. Weakening Mexican domestic demand and benign inflation should keep this bond market well supported and the policy rate on hold for longer than initially anticipated.

Market outlook

We expect local currency EMD performance to remain well supported not only due to lack of yield available from elsewhere in the bond universe but also due to strong fundamentals within the EMD asset class. Central Banks in EM countries are proving credible in terms of inflation and fiscal restraint whilst the broader economies are experiencing sustained growth. EM currencies too should continue to benefit from further capital inflows and improving current account deficits.

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 September 2009 - 30 September 2010 | +13.3 |
| 30 September 2008 - 30 September 2009 | +16.2 |
| 30 September 2007 - 30 September 2008 | -2.6 |
| 30 September 2006 - 30 September 2007 | N/A |
| 30 September 2005 - 30 September 2006 | N/A |

PERFORMANCE (US\$) ²

| % Change | Fund | Index |
|----------|-------|-------|
| 1 month | +5.7 | +5.8 |
| 3 months | +10.5 | +12.4 |
| YTD | +10.4 | N/A |
| 1 year | +13.3 | N/A |

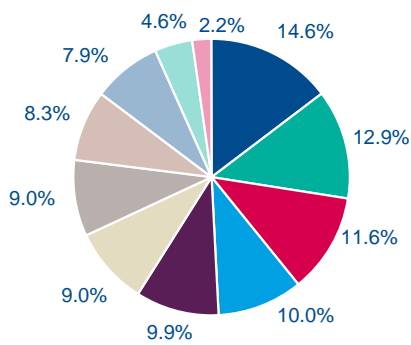
ANNUALISED PERFORMANCE (US\$) ²

| % Change | Fund | Index |
|---------------------|-------|-------|
| 3 years annualised | +8.6 | N/A |
| 5 years annualised | N/A | N/A |
| 10 years annualised | N/A | N/A |
| SI annualised | +10.9 | N/A |

Ratings are subject to change.

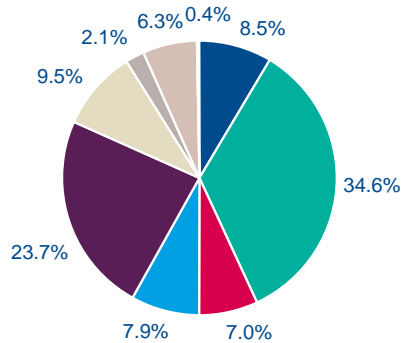
www.barings.com

COUNTRY BREAKDOWN ¹



- Mexico = 14.6%
- Poland = 12.9%
- Brazil = 11.6%
- South Africa = 10.0%
- Indonesia = 9.9%
- Hungary = 9.0%
- Thailand = 9.0%
- Turkey = 8.3%
- Malaysia = 7.9%
- Russia = 4.6%
- United States = 2.2%

CREDIT RATING ¹



- A+ = 8.5%
- A = 34.6%
- A- = 7.0%
- BBB+ = 7.9%
- BBB- = 23.7%
- BB+ = 9.5%
- BB = 2.1%
- BB- = 6.3%
- Cash & FX = 0.4%

TOP 10 HOLDINGS ¹

| | (%) |
|-----------------------------|------|
| Poland 5.50% 25.10.19 | 11.2 |
| South Africa 8.00% 21.12.18 | 8.5 |
| Thailand 4.125% 18.11.16 | 7.9 |
| Hungary 6.75% 24.02.17 | 7.9 |
| Malaysia 3.835% 12.08.15 | 7.7 |
| Turkey 10.00% 09.01.13 | 6.3 |
| Mexico 8.00% 17.12.15 | 5.5 |
| Mexico 9.00% 22.12.11 | 5.0 |
| Hungary 6.00% 12.10.11 | 4.3 |
| Indonesia 11.00% 15.12.12 | 4.1 |

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.

Version 05/SD

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