



250 years of open minds
and uncommon perspectives.

IMPORTANT: This letter requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice.

21 August 2015

To: All Shareholders in the Baring Multi Asset Fund

Dear Shareholder

NOTICE OF CHANGES TO THE BARING MULTI ASSET FUND (the "Fund")

We are writing to you as an investor in the Fund to give you notice of some changes we are making to the Fund. This letter serves as a formal notice of these changes which are intended to take effect from 23 October 2015. **Although you do not need to take any action, we recommend that you read this letter (the "Effective Date").**

Change 1 – Investment objective

The Fund is currently categorised as being in the Mixed Investment 20-60% Shares sector*. Following our review of the Fund's performance, we believe it would be more suited to the Targeted Absolute Return sector because the requirements of this sector reflect more accurately the Fund's investment approach and potential outcome.

As part of this change we have revised the investment objective of the Fund and we have set out full details of this change below.

**The Investment Association groups similar funds into the same "sector" primarily for investors to be able to compare funds within the same sector. There are a number of different sectors available and further detail can be found at <http://www.theinvestmentassociation.org/investment-industry-information/fund-sectors/sector-definitions.html>.*

The current and proposed investment objective of the Fund

We have illustrated below how, with effect from 22 October 2015, the investment objective of the Fund will change:

	Current investment objective	Proposed new investment objective
Objective	The investment objective of the Fund is to generate a capital return which exceeds UK inflation over the medium to long term.	The investment objective of the Fund is to generate a capital return which exceeds in excess of UK inflation (RPI) over the medium to long term <u>a three year period</u> . <u>There is no guarantee that this objective will be achieved over the three year period, or any other period, and the capital value of the Fund is at risk.</u>

Baring Fund Managers Limited
155 Bishopsgate, London, EC2M 3XY

Tel: +44 (0)20 7628 6000
Fax: +44 (0)20 7638 7928
www.barings.com

Registered in England No. 00941405. Registered office as above. VAT Registration No. GB 853 9757 72.
Authorised and regulated by the Financial Conduct Authority

The revised investment objective includes the change that the Fund aims to achieve its objective over a three year period rather than over the medium to long term, as is currently the case, which could be as long as 5 years or more. The second sentence has been added as this is wording which is now required by the rules we are subject to when managing investments like the Fund i.e., for funds which aim to have a positive return. This addition does not however represent a change to the way in which the Fund is managed.

There will not be any impact on your investment in the Fund as a result of this change and its investment strategy, policy and restrictions will remain the same. In addition, the risk profile of the Fund will remain the same as currently.

Change 2 – Change in administration fee

We are also taking this opportunity to notify you that the administration fee (plus VAT thereon where applicable) that was previously taken out of the property of the Fund is no longer being taken. Instead, since 1 April 2015 we have been paying the Fund's administrator's fees out of our remuneration under the ACD agreement.

Change 3 – Method of payment for purchase and redemption of shares

From the Effective Date we will no longer be accepting cheques or bankers drafts as a means of payment for the purchase of shares in the Fund. We will only accept electronic forms of payment by BACS transfer, for more information on how to make a BACS transfer to us, please contact us by telephone on 020 7214 1004. We will also no longer use cheques or other methods of payment as set out in your instruction as a means of paying you the sale proceeds of any redemptions of shares in the Fund, and this will now be done by BACS transfer to you.

Change 4 – Dilution adjustment

Shareholders in the Fund currently buy or sell shares at a single, mid-market, price which is approximately the mid-point between a price based on the Fund's underlying assets being bought (the "offer" price) and a price based on the Fund's underlying assets being sold (the "bid" price). This use of a single price means that when an investor acquires shares in the Fund the price they pay may be lower than the price the Fund would have to pay if it were to buy the equivalent value of underlying assets. When a shareholder redeems shares, the share price they receive may be higher than the price at which the Fund can sell assets to meet the redemption. The effect of this mis-match, coupled with various dealing charges, taxes and commissions is to slightly reduce the value of the Fund for continuing shareholders in the Fund. This effect is called "dilution".

Currently, we can take steps to protect the shareholders against this dilution by moving, or 'swinging', the price of the Fund away from the mid-market price, i.e. the price representing the average of the buying and selling value of the investments the Fund holds, either up to a value representing the buying value of these investments in the case of large net subscriptions or down to a value representing the selling value in the case of large net redemptions.

We will continue to protect against dilution in this way. However, we are changing the threshold at which we can move the price of the Fund.

Currently, we would normally seek to adjust, or swing, the price when the effect of a net inflow or outflow on any one day exceeds 0.06% per share of the net asset value of the Fund, as measured on a middle-market basis (i.e. on an net asset value per share valuation of the Fund) using the average of the buying and selling values of the investments held by the Fund. This means that in practice there needs to be exceptionally large inflows or outflows before the

price can be swung. We are changing this because the current threshold means that we are not able to take steps to protect against dilution as regularly as we would like in the interests of existing and continuing shareholders.

With effect from the Effective Date, we may instead move to swing the price of the Fund where the effect of the net outflows or net inflows on a given dealing day or on a recurring basis over a short period of time is regarded as material.

Accordingly, this will mean that there is a greater potential for the price of shares in the Fund to move away from their mid-market value with a view to protect against dilution. This will be in the overall interest of existing and continuing investors in the Fund.

In addition, we will be updating the prospectus to include detail of the factors which we consider when determining whether or not to apply a dilution adjustment in respect of a net inflow/outflow to the Fund. A full list of the factors is set out in the prospectus but these include factors such as whether there are any transaction taxes which are due or whether there are any charges incurred in the dealing in the investments in the Fund which will affect the value of the Fund.

Change 5 – Publication of prices of class A shares

From the Effective Date we will be changing the way in which we publish prices for class A shares. The prices for this class of shares will no longer be published in the Financial Times but will continue to be published at www.barings.com or on the "Daily Fund Prices" page of the Investment Association website. For your information, the Investment Managers Association was previously the Investment Management Association and accordingly its website has changed to www.theinvestmentassociation.org. Prices can also be obtained by telephone on 020 7214 1004.

Updates to the prospectus and NURS-KIID

From the Effective Date the prospectus and NURS-KIID will be amended to reflect the above changes. A copy of these documents will be available from 23 October 2015.

Questions?

If you have any questions, please contact the Customer Service Team on 0870 870 8065 between 9.00am and 5.00pm Monday to Friday. Calls may be recorded for quality and training purposes.

Yours sincerely



Director, Baring Fund Managers Limited