

**霸菱國際系列基金**

**年報及查核財務報告**

**(節譯文)**

**2008年4月30日**

## 致霸菱國際系列基金（以下稱「本信託」）單位持有人之獨立會計師查核報告

本事務所已查核本信託截至 2008 年 4 月 30 日之年度財務報告，包括資產負債表、損益表、可買回單位持有參與人之資產淨值變動表、投資組合報告和相關附註。上述財務報告皆依其內容所載之會計政策所製作。

### 經理公司及查核人員之個別責任

經理公司應依照愛爾蘭適用法規，及會計準則委員會(Accounting Standards Board)所頒布及愛爾蘭合格會計師公會(Institute of Chartered Accountants in Ireland)所發布之會計準則（愛爾蘭一般公認會計原則）之規定製作年報和財務報告之職責，皆載於經理公司責任報告內。

本事務所之職責為依照相關法令及（英國和愛爾蘭）國際查核準則查核上述財務報告。本報告及提出之相關意見僅為本信託之整體單位持有人所製作，不得另作其他用途。除非經本事務所事先書面之同意，本事務所對出具之意見除上述之目的外，不向任何閱讀或取得本報告之他人負責。

本事務所向您提出此財務報告是否遵照愛爾蘭一般公認會計原則提供真實公正之觀點，及是否依照包括 2003 年歐盟（可轉讓證券集合投資事業）規則及其修正之愛爾蘭法令，以及香港單位信託及互惠基金守則之條款妥適備置。本事務所亦將陳述本事務所是否取得所有實行查核所需之資訊及說明，以及財務報告內容是否與帳目所載者相符等事，並將報告就本事務所之意見，經理公司是否為本信託妥善保存相關帳目簿冊。

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### 查核意見之基準

本事務所依照查核實務委員會(Auditing Practices Board)所頒布之（英國和愛爾蘭）國際審計準則實行查核事宜。查核事項包括以測試方式檢查與財務報告所列之金額及揭露事項有關之證據。此外，亦包括評估經理公司於製作財務報告中所作之重大預測和評價，及評估該會計政策是否適用、得持續和充分揭露本信託之事項。

本事務所進行並實施查核作業，以便取得所有本事務所認為足以合理保證該財務

報告未存有詐欺或其他違法行為或錯誤而導致重大錯誤之聲明之充分資訊及聲明。本事務所於作成意見時，亦評量財務報告中所呈現之所有資訊是否適切。

### **意見**

本事務所認為，上述財務報告確實依照愛爾蘭一般公認會計原則就本信託截至2008年4月30日為止之狀態及其年度之結果提供真實公正之觀點；且確實依據2003年歐盟（可轉讓證券集合投資事業）規則及其修正以及香港單位信託及互惠基金守則之條款妥適製作。

本事務所已取得一切本事務所認為查核所需之資訊及說明。依本事務所之意見，經理公司確已為本信託妥善保存相關帳目簿冊。本信託之財務報告與其帳目內容相符。

**PricewaterhouseCoopers**

都柏林之合格會計師與經註冊之查核人員

2008年7月31日



# The Baring International Umbrella Fund

Annual Report and Audited Financial Statements

**30 April 2008**



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## Management and Administration

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### **Managers**

Baring International Fund Managers (Ireland) Limited  
Registered Office  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **Investment Manager**

Baring Asset Management Limited  
155 Bishopsgate  
London EC2M 3XY  
United Kingdom

### **Trustee**

Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **Administrator and Registrar**

Northern Trust International Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### **Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants & Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Directors of the Managers**

Richard Bellis (Appointed 14 August 2007)  
William Collins (Resigned 3 August 2007)  
Anthony Cooney\*  
Ian Pascal  
Paul Savage  
Mark Thorne\*

### **Sponsoring Broker**

NCB Stockbrokers Limited  
3 George's Dock  
IFSC  
Dublin 1  
Ireland

\*Non-executive directors independent of the Investment Manager

## Introduction

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The Baring International Umbrella Fund (the "Trust") is a unit trust managed by Baring International Fund Managers (Ireland) Limited (the "Managers"). The Trust was established pursuant to a trust deed dated 22 November, 1990 (as supplemented or amended from time to time) (the "Trust Deed") made between the Managers and Northern Trust Fiduciary Services (Ireland) Limited as trustee (the "Trustee") and authorised by the Financial Regulator pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). The Trust received UCITS III status on 20 December 2006. It has been authorised by the Securities and Futures Commission in Hong Kong.

The Trust is organised in the form of an umbrella fund. The Trust Deed provides that the Trust may offer separate classes of Unit each representing interest in a Fund comprised of a distinct portfolio of investments. A separate trust fund (a "Fund") is maintained for each series of Units and is invested in accordance with the investment objective applicable to such Fund to date. Each Fund may create more than one class of Units in relation to a Fund and these separate classes of Units may be denominated in different currencies. A Unit represents a beneficial interest in the Trust (a "Unit").

Units are available in the following Funds and denominations:-

<b>Fund</b>	<b>Functional Currency</b>	<b>Unit Denominations</b>	<b>Fund Launch Date</b>
Baring Asia Growth Fund	US\$	US\$, € and £	February 1987
Baring Australia Fund	US\$	US\$ and €	December 1981
Baring Europa Fund	US\$	US\$ and €	April 1987
Baring Hong Kong China Fund	US\$	US\$ and €	December 1982
Baring International Bond Fund	US\$	US\$, € and £	July 1978
Baring Japan Fund	US\$	US\$ and €	March 1976
Baring North America Fund	US\$	US\$, € and £	November 1957
Baring Pacific Fund	US\$	US\$ and €	October 1978

## Independent Auditor's Report to the Unitholders of The Baring International Umbrella Fund (the "Trust")

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We have audited the Trust's financial statements for the year ended 30 April 2008 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders, the Portfolio Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective Responsibilities of the Managers and the Auditors**

The Managers' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Managers' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Trust's Unitholders as a body and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to whether proper books of account have been kept by the Managers for the Trust.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Managers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Trust's affairs at 30 April 2008 and of its results for the year then ended; and have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Hong Kong Code on Unit Trusts and Mutual Funds.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Managers for the Trust. The Trust's financial statements are in agreement with the books of account.

**PricewaterhouseCoopers,**

**Chartered Accountants and Registered Auditors, Dublin**

**31 July 2008**

## Statement of Managers' Responsibilities

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The Managers are required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations") to prepare financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting principles to give a true and fair view of the state of affairs of the Trust at the year end and of the results and movements for the year then ended. In preparing these financial statements, the Managers

- select and consistently applies suitable accounting policies
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The financial statements must comply with the disclosure requirements of the UCITS Regulations, (as amended). The Managers are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Trust Deed and the UCITS Regulations, (as amended) and the provisions of the Hong Kong Code on Units Trusts and Mutual Funds. The Managers are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the Trustee to the Unitholders for the year ended 30 April 2008

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We have enquired into the conduct of the Managers in respect of the Baring International Umbrella Fund ('the Trust') for the year ended 30 April 2008, in our capacity as Trustee to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust as a body, in accordance with the Financial Regulator's UCITS Notice 4 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Trustee

Our duties and responsibilities are outlined in the Financial Regulator's UCITS Notice 4. One of those duties is to enquire into the conduct of the Trust in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the UCITS Regulations. It is the overall responsibility of the Managers to comply with these provisions. If the Managers have not so complied, we as Trustee must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Trustee Opinion

The Trustee conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Trust has been managed, (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

### Opinion

In our opinion, The Baring International Umbrella Fund has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Managers and Trustee by the Trust Deed and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

## Baring Asia Growth Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	70.49	58.76	19.96

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Asia Growth Fund	20.02*	26.78	41.47	11.76	47.17
MSCI All Country Far East ex Japan Index	22.66	19.91	35.96	12.52	50.84

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The investment objective of the Baring Asia Growth Fund is to achieve capital growth by investing in Asian equity markets through securities in any country excluding Japan. The policy of the manager is to focus mainly on the larger markets of Hong Kong, Singapore and Malaysia, but does not exclude opportunistically investing in smaller markets such as Korea, the Philippines, Taiwan, Thailand, China and India. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring Asia Growth Fund is invested in the Asia Pacific equity markets, using a “bottom up” investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a “Growth at a Reasonable Price”, or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Investment Manager of the Fund. BAML has further appointed Baring Asset Management (Asia) Limited as sub Investment Manager to the Baring Asia Growth Fund.

The manager of the Baring Asia Growth Fund is Henry Chan, Head of our Asian Investment Team. Henry has thirteen years of investment experience and is responsible for directing our Asia Pacific investment strategy and portfolio construction process.

## Risk Profile

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The Baring Asia Growth Fund is invested primarily in equities listed in the Asia Pacific region excluding Japan. As such, the Fund is exposed to the volatility that can characterise equity share prices from time to time. Many of these countries are emerging equity markets and, as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets. Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

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There are no major changes to report.

## Strategy and Performance

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During the twelve months to 30 April 2008 the Baring Asia Growth Fund delivered a strongly positive return in absolute terms, although slightly behind the comparative index. The strong performance was caused by our emphasis on China and successful stock selection in Korea, Singapore, Taiwan and Hong Kong. In China, Materials stocks, such as Anhui Conch Cement, China Shenhua and Aluminum Corp of China rose as sustained demand led to higher prices for their products. Better than expected results from financial companies Ping An Insurance and China Merchant Bank led to strength in their share prices, aiding the performance of the Fund. Gains in Singapore came from our holdings of shipbuilding stocks, such as Cosco Corp and SembCorp Marine, and the exposure to Singapore Exchange. In Taiwan, our investment in Far Eastern Textile and Asia Cement generated both absolute return and relative performance as investors focused on the underlying value of their assets. Elsewhere, our investment in Indonesia coal mining company Bumi Resources and Hong Kong Exchanges & Clearing also added value.

Over the year our strategy was to favour consumer-related companies which benefit from the rising household income in the region. We also invested in cement and steel companies that are benefiting from strong demand from housing and infrastructure spending and that have the ability to raise prices. During the first six months of the year under review, we favoured the shipping and ship-building sectors. Generally, we had less emphasis on regional technology companies and Hong Kong real estate and financial companies during the year.

## Review of the Market

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The Asian equity markets registered strong gains between May and late-July 2007, helped by higher corporate earnings estimates and stronger than expected prospects for economic growth. Rising concern about problems in the US sub-prime mortgage market caused a subsequent correction. In late August, the regional markets began a strong rally after the US Federal Reserve aggressively cut interest rates, leading to speculation of further cuts. Share prices in the region were also helped by China allowing individual investors to invest directly in the Hong Kong market. The markets peaked at the end of October before investor sentiment once more turned negative. Factors that contributed to the nervousness included China raising interest rates in order to control inflation and the concern that a potential US recession would affect the demand for exports. Credit markets stabilised from the middle of March 2008, leading to an improved risk appetite and the recovery of regional equity markets. China was the best performing market during the year, followed by Thailand, Indonesia and Taiwan.

## Market Outlook

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Domestic demand within Asia remains robust. We believe that Asian markets are very well positioned in terms of growth and valuations in the long-term. China and other Asian countries have enough domestic demand, excess savings and policy flexibility to buffer a potential deceleration in exports. Moreover, rising demand from oil-producing countries, which have benefited from the surging oil price, is likely to provide business opportunities for construction companies in the region.

The central banks of Asia (ex-Japan) continue to follow policies designed to stimulate their economies, leading us to remain focused on our core investment strategy of favouring companies exposed to the growth in domestic consumption. We also favour the beneficiaries of the Middle East boom, such as construction and shipbuilding companies. Despite some adjustments to counter higher volatility, we will continue to focus on domestic economic growth and consumption, infrastructure spending, certain technologies, and the beneficiaries of capital expenditure in emerging markets.

New political leadership in Taiwan and Thailand is expected to attempt to revive their economies and to be more aware of the needs of investors. With reduced political risk and the potential return of funds to their home market by local investors, we have become more positive in our investment stance towards Taiwan, focusing mainly on the domestic sectors. In China, a number of new initiatives by the authorities are likely to improve investor sentiment. These include a reduction in the transaction levy and the decision to introduce restrictions on the selling of large blocks of shares that were previously not tradable.

Markets are likely to take their near-term direction from corporate earnings. Although consensus earnings growth estimates have declined slightly after recent results announcements, they are still expected to grow at a healthy, double-digit, rate in 2008. While any further slowdown in exports may lead to further downgrades, and rising input costs could affect margins, Asia is still expected to deliver modest earnings growth in 2008, driven by robust domestic demand and infrastructure spending. Despite the sharp recovery from mid-March, we believe the valuation of Asian equities remains attractive, supported by solid earnings growth and strong balance sheets.

## Portfolio Information – (Unaudited)

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<b>Top Ten</b>	<b>% of NAV</b>
Samsung Electricals	5.07
China Mobile	4.91
Taiwan Semiconductor Manufacturing	2.53
Ping An Insurance of China	2.08
Yaunta Financial Holding	1.74
Shinhan Financial	1.63
Asustek Computer	1.63
Asia Cement	1.62
Industrial and Commercial Bank of China	1.61
Hong Kong Exchanges and Clearing	1.55

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	91.79	59.67	47.07	35.85	32.81	28.16
Euro Class - €	63.63	43.98	38.21	27.11	27.39	30.79
Sterling Class - £	44.29	29.87	26.45	18.66	18.10	19.32
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	27.88	35.62	39.96	27.07	30.72	
Euro Class - €	31.41	37.99	40.57	25.44	N/A	
Sterling Class - £	19.23	N/A	N/A	N/A	N/A	

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	58.71	38.75	32.14	25.95	20.34	19.61
Euro Class - €	39.00	30.79	25.62	21.58	17.93	17.78
Sterling Class - £	29.29	21.04	17.43	14.67	12.68	12.21
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	17.70	22.64	24.41	20.02	16.89	
Euro Class - €	19.19	25.12	24.41	18.03	N/A	
Sterling Class - £	13.62	N/A	N/A	N/A	N/A	

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
China	17.28	-	-	-
Hong Kong	21.33	37.22	33.88	30.16
India	0.38	-	-	1.62
Indonesia	1.27	3.85	4.71	-
Ireland	0.65	-	-	-
Malaysia	1.93	9.01	-	4.94
Philippines	0.30	1.16	0.44	1.22
Singapore	4.50	10.23	9.70	5.19
South Korea	23.76	23.69	31.56	27.68
Taiwan	21.07	13.24	15.36	22.52
Thailand	3.67	-	3.53	7.12
<b>Total Investments</b>	<b>96.14</b>	<b>98.40</b>	<b>99.18</b>	<b>100.45</b>
Cash	3.78	0.21	0.15	0.51
Other Net Assets/(Liabilities)	0.08	1.39	0.67	(0.96)
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each geographic location. The movement in each countries position between years has to be inferred.

## Significant Portfolio Movements – Unaudited

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
China Mobile	28,972	Bumi Resources	13,751
Samsung Electronic	19,815	Doosan Heavy Industries and Construction	13,078
POSCO	19,567	Singapore Exchange	12,936
Taiwan Semiconductot Manufacturing	16,889	Hyundai Heavy Industries	12,442
Ping an Insurance Group Co of China	16,532	Firich Enterprises	12,112
Angang Steel	15,818	DBS Group Holdings	11,226
China Life Insurance	15,082	China Steel	10,945
Asia Cement	14,850	Zijin Mining Group	10,894
Hynix Semiconductor	14,478	China Mobile	10,628
Hyundai Heavy Industries	14,328	AngangSteel	10,627
PetroChina	14,237	Ping an Insurance Group of China	10,558
China COSCO Holdings	14,090	Cosco Corp Singapore	10,270
Powertech Technology	13,898	Yangzijiang Shipbuilding Holdings	10,180
Industrial & Commercial Bank of China	13,622	China Life Insurance	9,950
Firich Enterprises	13,367	China Communications	9,919
DBS Group Holdings	13,337	Keppel	9,876
Sino-Ocean Land Holdings	11,941	China Res Power Holdings	9,596
Sun Hung Kai Properties	11,714	Hong Kong Exchanges and Clearings	9,500
Taiwan Cement	11,573	Air China Ltd	9,425
Bumi Resources	11,501	Noble Group	9,344

## Portfolio Statement

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss			Fair Value US\$	% of NAV	
	Equities & Convertibles	Currency	Nominal Holdings			
China	Aluminum of China	HKD	2,292,000	3,875,551	0.60	
	Angang Steel	HKD	4,010,000	10,011,303	1.54	
	Anhui Conch Cement	HKD	882,000	7,026,897	1.08	
	Anta Sports Products	HKD	3,135,000	3,503,153	0.54	
	China Communications Construction	HKD	1,339,374	3,182,337	0.49	
	China Construction Bank	HKD	9,782,000	8,822,392	1.36	
	China COSCO Holdings	HKD	1,023,000	3,044,858	0.47	
	China Merchants Bank	HKD	2,085,500	8,708,925	1.34	
	China Petroleum & Chemical	HKD	5,948,000	6,310,734	0.97	
	China Railway Construction	HKD	2,471,500	3,836,625	0.60	
	China Shenhua Energy	HKD	1,871,500	8,583,596	1.32	
	Guangzhou R&F Properties	HKD	1,279,200	3,626,888	0.56	
	Industrial & Commercial Bank of china	HKD	13,254,000	10,491,450	1.61	
	Jiangxi Copper	HKD	2,934,000	7,114,187	1.09	
	PetroChina	HKD	4,800,000	7,143,361	1.10	
	Ping An Insurance of china	HKD	1,435,500	13,609,777	2.08	
	Tencent Holdings	HKD	517,000	3,419,185	0.53	
	Hong Kong	AAC Acoustic Technologies Holdings	HKD	2,509,000	2,414,156	0.37
		ASM Pacific Technology	HKD	1,046,200	7,127,096	1.10
		BOC Hong Kong Holdings	HKD	2,617,500	6,766,516	1.04
Cheung Kong Holdings		HKD	328,000	5,104,322	0.79	
China Mobile		HKD	1,857,500	31,908,970	4.91	
China Overseas Land & Investment		HKD	2,520,000	5,302,098	0.82	
CNOOC		HKD	4,634,000	8,180,462	1.26	
Esprit Holdings		HKD	257,700	3,170,563	0.49	
Genting International		SGD	288,430	128,172	0.02	
Giordano International		HKD	7,274,000	3,163,562	0.49	
Hang Seng Bank		HKD	334,200	6,688,588	1.03	
Hengan International		HKD	1,258,000	4,478,649	0.69	
Hong Kong & China Gas		HKD	2,017,000	5,899,893	0.91	
Hong Kong Exchanges and Clearing		HKD	493,500	10,079,375	1.55	
Hutchison Whampoa		HKD	718,000	7,019,122	1.08	
Li & Fung		HKD	1,338,000	5,501,581	0.85	
Lifestyle International Holdings		HKD	1,420,000	2,958,542	0.45	
MTR		HKD	2,087,000	7,456,775	1.15	
Ports Design		HKD	2,262,436	7,270,887	1.12	
Sun Hung Kai Properties		HKD	450,000	7,880,405	1.21	
India	Zee Entertainment Enterprises	INR	464,743	2,447,070	0.38	
				138,499,734	2.13	
Indonesia	Bank Rakyat Indonesia	IDR	6,825,500	4,320,872	0.66	
	Bumi Resources	IDR	5,568,500	3,977,070	0.61	
	Summarecon Agung	IDR	545,458	10,920	0.00	
Ireland	Baring Global Investment Umbrella Fund	USD	400,000	4,196,000	0.65	
Malaysia	IOI Bhd	MYR	2,630,600	6,079,424	0.94	
	Muhibbah Engineering	MYR	1,652,000	1,448,687	0.22	
	Public Bank BHD	MYR	1,385,700	5,001,023	0.77	
Philippines	Aboitiz Power	PHP	16,463,000	1,928,345	0.30	
Singapore	CapitaLand	SGD	1,502,000	7,479,937	1.15	
	DBS Holdings	SGD	439,000	6,403,864	0.99	
	Keppel	SGD	417,000	3,154,798	0.49	
	Singapore Press Holdings	SGD	1,375,000	4,474,090	0.69	
	Singapore Telecommunications	SGD	1,147,000	3,251,989	0.50	
	United Overseas Bank	SGD	295,000	4,420,287	0.68	
				29,184,965	4.50	
South Korea	CJ CheilJedang	KRW	24,368	6,173,874	0.95	
	Daelim Industrial	KRW	49,608	6,691,771	1.03	
	GS Engineering & Construction	KRW	50,366	7,395,704	1.14	
	Hankook Tire	KRW	332,930	5,087,581	0.78	
	Hynix Semiconductor	KRW	329,690	8,779,699	1.35	
	Hyundai Department Store	KRW	61,206	6,428,306	0.99	
	Hyundai Engineering & Construction	KRW	52,481	4,817,071	0.74	
	Hyundai Motor	KRW	77,738	6,539,434	1.01	
	Kookmin Bank	KRW	116,192	8,073,869	1.24	
	KT&G	KRW	84,105	6,949,443	1.07	
	LG	KRW	80,433	6,686,068	1.03	
	LG Chem	KRW	34,150	3,396,302	0.52	
	LG Electronics	KRW	63,542	9,868,145	1.52	
	MegaStudy	KRW	17,902	5,899,016	0.91	

## Portfolio Statement (continued)

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss		Nominal Holdings	Fair Value US\$	% of NAV	
	Equities & Convertibles	Currency				
	NHN	KRW	15,080	3,476,882	0.54	
	POSCO	KRW	17,245	8,412,195	1.29	
	Samsung C&T	KRW	41,157	2,839,403	0.44	
	Samsung Card	KRW	60,193	3,343,723	0.51	
	Samsung Electronics	USD	1	352	0.00	
	Samsung Electronics	KRW	46,653	32,975,241	5.07	
	Shinhan Financial	KRW	184,004	10,587,786	1.63	23.76
Taiwan	Asia Cement	TWD	5,903,400	10,613,724	1.62	
	Asustek Computer	TWD	3,267,106	10,579,507	1.63	
	Cathay Financial Holding	TWD	689,000	1,930,465	0.30	
	Chinatrust Financial Holding	TWD	6,295,000	6,546,965	1.01	
	Chunghwa Telecom	TWD	3,558,000	9,163,484	1.41	
	Far Eastern Textile	TWD	5,469,000	9,168,829	1.41	
	Firich Enterprises	TWD	358,000	3,282,841	0.51	
	First Financial Holding	TWD	5,396,000	6,550,262	1.01	
	Goldsun Development & Construction	TWD	9,253,840	6,876,623	1.06	
	High Tech Computer	TWD	201,000	5,176,673	0.80	
	HON HAI Precision Industry	TWD	1,705,120	9,873,807	1.52	
	Powertech Technology	TWD	1,563,000	6,230,463	0.96	
	Synnex Technology International	TWD	1,888,000	5,048,294	0.78	
	Taiwan Cement	TWD	5,747,000	9,333,219	1.44	
	Taiwan Fertilizer	TWD	1,170,000	5,661,909	0.87	
	Taiwan Semiconductor Manufacturing	TWD	7,557,000	16,537,136	2.53	
	Teco Electric and Machinery	TWD	4,662,000	3,059,055	0.47	
	Yuanta Financial Holding	TWD	11,980,000	11,398,294	1.74	21.07
Thailand	Bangkok Bank	THB	1,596,200	6,990,290	1.08	
	Kasikornbank	THB	3,082,100	8,545,205	1.31	
	PTT Exploration & Production	THB	1,135,900	5,940,750	0.91	
	Shin	THB	3,112,200	2,421,907	0.37	3.67
	<b>Total financial assets at fair value through profit or loss</b>			624,756,896	96.14	
	Cash			24,568,656	3.78	
	Other Net Assets			494,095	0.08	
	<b>Total Net Assets attributable to holders of redeemable participating units</b>			<b>649,819,647</b>	<b>100.00</b>	

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

## Portfolio Classification

Transferable securities

## % of Asset

Value

100.00

100.00

## Balance Sheet

As at 30 April 2008

		<b>Baring Asia Growth Fund 30/04/2008 US\$</b>	<b>Baring Asia Growth Fund 30/04/2007 US\$</b>
<b>Assets</b>	<b>Notes</b>		
Financial Assets At Fair Value Through Profit or Loss	1	624,756,896	251,191,734
Receivable For Securities Sold	1	7,856,061	2,351,134
Receivable For Units Sold	1	133,831	774,753
Dividends and Interest Receivable	1	1,079,309	538,242
Other assets		60,882	10,711
Cash	1	24,568,656	533,173
<b>Total Assets</b>		<b>658,455,635</b>	<b>255,399,747</b>
<b>Liabilities</b>			
Management fee payable	2	659,108	263,513
Payable for securities purchased	1	5,673,378	-
Payable for units redeemed	1	2,786,719	314,577
Administration fee payable	2	227,516	94,865
Trustee fee payable	2	14,767	6,762
Accrued expenses	2	304,749	15,771
Other Liabilities		1,886	-
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>9,668,123</b>	<b>695,488</b>
<b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>648,787,512</b>	<b>254,704,259</b>
Adjustments from bid market prices to last traded market prices	1	1,032,135	561,807
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>649,819,647</b>	<b>255,266,066</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	8,336,395	3,945,377
	Euro Class	803,598	370,887
	Sterling Class	77,742	27,793
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	70.49	58.76
	€	45.34	43.16
	£	35.84	29.46

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

		<b>Baring Asia Growth Fund 30/04/2008 US\$</b>	<b>Baring Asia Growth Fund 30/04/2007 US\$</b>
Net assets attributable to holders of redeemable participating units at the beginning of the year	<b>Notes</b>	255,266,066	76,893,962
Increase in net assets for the year attributable to holders of redeemable participating units from operations		26,779,357	45,423,252
Issue of redeemable participating units for the year	5	887,160,065	190,627,739
Redemption of redeemable participating units for the year	5	(519,385,841)	(57,678,887)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>649,819,647</b>	<b>255,266,066</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Asia Growth Fund 30/04/2008 US\$	Baring Asia Growth Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	572,901	137,281
Dividend income	1	9,890,746	2,387,686
Stocklending fee income	1	651,375	82,377
Net fair value gains on financial assets at fair value through profit or loss		25,365,697	45,282,753
<b>Total investment income</b>		<u>36,480,719</u>	<u>47,890,097</u>
<b>Expenses</b>			
Management fees	1		
Administration fees	2	6,895,549	1,726,435
Trustee fees	2	2,482,398	621,517
Audit Fees	2	138,353	34,529
General expenses	2	22,025	11,611
	2	100,449	45,769
<b>Total operating expenses</b>		<u>9,638,774</u>	<u>2,439,861</u>
<b>Net income before finance costs</b>		<u>26,841,945</u>	<u>45,450,236</u>
<b>Finance Costs</b>			
Net income equalisation	1	476,867	203,387
Distributions	4	(138,554)	(391,321)
<b>Total Finance costs</b>		<u>338,313</u>	<u>(187,934)</u>
<b>Profit for the financial year</b>		<u>27,180,258</u>	<u>45,262,302</u>
Withholding tax on dividends and other investment income		(871,229)	(246,410)
<b>Operating profit</b>		<u>26,309,029</u>	<u>45,015,892</u>
Adjustments from bid market prices to last traded market prices		470,328	407,360
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u><u>26,779,357</u></u>	<u><u>45,423,252</u></u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring Australia Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	133.19	115.86	14.96

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008	01/05/2006 - 30/04/2007	01/05/2005 - 30/04/2006	01/05/2004 - 30/04/2005	01/05/2003 - 30/04/2004
		%	%	%	%
Baring Australia Fund	16.62*	27.72	34.61	30.63	32.37
ASX 300 Index	6.60	34.39	28.41	26.39	31.20

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the Baring Australia Fund is to achieve long-term capital growth in the value of assets. The policy of the manager is to hold a diversified portfolio of quoted or traded equity investments in companies incorporated in Australia or quoted or traded on any Australian stock exchange or in companies that have a significant proportion of their assets or interests in Australia. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring Australia Fund is invested in the Australian equity markets, using a “bottom up” investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a “Growth at a Reasonable Price”, or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both “growth” and “value” investment styles, to the benefit of investors.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Investment Manager of the Fund. BAML has further appointed Baring Asset Management (Asia) Limited as sub Investment Manager to the Baring Australia Fund.

The manager of the Baring Australia Fund is Mr Soo-Hai Lim. Soo-Hai has eleven years of investment experience and has specific responsibility for research and investing in the Australian and New Zealand markets. He is also responsible for our research into the smaller markets of South East Asia. Soo-Hai is a CFA Charterholder and graduated from Nanyang Technological University in Singapore in 1994 with a First Class Honours degree in Accountancy.

## Risk Profile

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The Baring Australia Fund is a country-specific fund. A country-specific fund is generally more risky than funds which invest more broadly across a range of global equity markets. As the Baring Australia Fund is invested in equities it is exposed to the volatility which can characterise company share prices from time-to-time. In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors.

## Key Changes Since the Last Report

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There are no major changes to report.

## Strategy and Performance

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Performance over the period was strong, with the Fund outperforming the comparative index by a wide margin. Both stock selection and sector allocation contributed positively. Our emphasis on the Energy and Materials sectors was beneficial and we added to these areas on weakness as the long-term outlook remained compelling. Ironically, these sectors became 'safe havens' given the backdrop of high commodities prices and their low debt levels. Our cautious approach to Financials and Utilities was another positive contributor, especially after the Real Estate sector suffered in response to concerns over high gearing and rising interest rates. Our stock selection added a lot of value during the year. At an early stage, we identified the positive supply/demand dynamics facing soft commodity producers and we participated in this theme via fertiliser company Incitec Pivot, which was the top contributor to performance last year. In addition, our analysis that Rio Tinto was grossly undervalued was finally vindicated when the stock received a takeover bid from rival BHP. We continued to ride the re-rating in resource engineering company WorleyParsons while our small cap stock picks, including iron ore specialist Midwest, mining company Straits Asia, and exploration and mine development company Equinox, all added to performance. Negative contributors were few and far between. However, uranium stocks Paladin Resources and Alliance Resources detracted from performance as investors avoided them due to falling uranium prices. Our lack of exposure to Woodside Petroleum also hurt the Fund's relative performance.

## Review of the Market

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The equity market had a volatile year with sentiment continually impacted by the US sub-prime problems and the resulting credit markets crisis leading to huge trading losses at the global banks, which necessitated massive capital raisings. The Chinese authorities' interest rate rises also added to difficult market conditions. The US sub-prime crisis led to the first major equity market setback in August but the market swiftly rebounded to make new highs in October as policy makers, particularly at the US Federal Reserve, injected liquidity and cut interest rates aggressively. Nonetheless, the drying up of credit markets soon claimed its Australian victims, including Centro Properties and Allco Financial Group, and the market took another battering in January and then yet another in March before recovering in April. Australian banks underperformed as investors worried about rising credit costs. It was a difficult period for stocks with high gearing, as rising risk aversion saw them fall from grace. The Reserve Bank of Australia's aggressive interest rate rises over the period eventually led to a collapse in consumer and business confidence. Earnings downgrades were also quite common and aided in the de-rating of the market. There was also a reduction in bid activity because of the lack of funding available to private equity companies.

## Market Outlook

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While there are signs that the credit markets are stabilising, the Australia economy now faces the challenge of a potential sharp slowdown in domestic consumption following the Reserve Bank of Australia's aggressive series of interest rates rises. Against this backdrop, current earnings estimates look increasingly optimistic. Nonetheless, the equity market has fallen so far that we believe it now reflects many of the risks and therefore looks fairly attractive. The Fund retains its emphasis on the Materials sector, where earnings momentum is strongest given the relentless rise in commodities prices. Admittedly, the risk of weakening demand for commodities has increased, as policy-makers globally attempt to curb inflation. However, the long-term secular uptrend for commodities, as well as the robust balance sheets and cash flows of the sector, still makes it attractive. The banks, which endured a massive setback, are also looking attractively valued, particularly after a reporting season which did not see too drastic a deterioration in credit quality. Overall, we see pockets of value in the market and will take advantage of any over-reaction to buy well managed companies trading at attractive valuations.

## Portfolio Information (Unaudited)

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	<b>% of NAV</b>
BHB Billiton	9.37
Rio Tinto	8.75
Commonwealth Bank of Australia	6.96
Australia & New Zealand Banking	5.15
Westpac Banking	4.64
QBE Insurance	4.49
Incitec Pivot	4.07
Worley Parsons	3.95
CSL Ltd / Australia	3.76
Wesfarmers	3.11

**Baring Asset Management Limited**

**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	155.07	118.23	93.74	77.32	60.24	43.51
Euro Class - €	107.51	86.91	75.53	58.27	49.23	46.66
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	42.07	44.80	46.38	42.41	36.17	
Euro Class - €	48.12	49.03	46.75	39.99	N/A	

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	96.69	81.36	66.79	50.81	41.57	35.31
Euro Class - €	71.90	64.64	52.84	42.50	36.56	33.44
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	31.98	34.93	38.46	33.09	28.84	
Euro Class - €	34.93	39.39	35.46	32.61	N/A	

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Apparel	-	-	1.51	1.31
Banks	-	28.68	24.78	28.79
Basic Materials	44.29	-	-	-
Building Materials	-	-	5.87	3.33
Commercial Services	-	3.49	4.55	2.48
Communications	3.39	-	-	-
Consumer, Cyclical	0.55	-	-	-
Consumer, Non- Cyclical	7.80	-	-	-
Diversified Financial Services	0.92	5.38	2.26	-
Energy	2.10	-	-	-
Engineering & Construction	-	2.84	6.00	2.03
Entertainment	-	1.93	1.64	4.37
Financial	25.00	-	-	-
Food	-	3.81	7.15	4.47
Industrial	11.72	-	-	-
Insurance	-	5.15	7.95	8.29
Investment Companies	-	-	-	5.51
Iron/Steel	-	2.42	-	-
Media	-	3.33	-	-
Mining	-	23.60	19.61	14.81
Miscellaneous Manufacturers	-	-	-	4.83
Oil & Gas	-	2.96	7.14	4.86
Real Estate	-	1.37	2.75	4.21
Telecommunications	-	-	-	5.91
Others	-	10.90	7.90	4.69
Open Forwards	-	-	0.02	-
<b>Total Investments</b>	<b>95.77</b>	<b>95.86</b>	<b>99.13</b>	<b>99.89</b>
Cash	4.03	(2.07)	2.09	0.56
Other Net Assets/(Liabilities)	0.20	6.21	(1.22)	(0.45)
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
National Australia Bank	18,063	National Australia Bank Bank	17,446
BHP Billiton	15,602	BHP Billiton	14,560
Westpac Banking	14,156	Westpac Banking	11,331
Rio Tinto	11,738	ASX	8,982
Australia & New Zealand Banking Group	10,596	St George Bank	8,853
Commonwealth Bank of Australia	10,389	Rio Tinto	8,046
Wesfarmers	7,685	Australia & New Zealand Banking Group	6,250
Straits Resources	7,536	Westfield Group	6,070
Lihir Gold	7,304	Midwest Corp	5,812
St George Bank	7,063	Macquaire Group	5,519
Paladin Energy	6,911	Brambles	5,224
Telstra	6,685	Woolworths	4,915
QBE Insurance Group	6,273	Wesfarmers	4,041
Westfield Group	6,198	Onesteel	4,030
Bluescope Steel	6,172	Asciano Group	3,981
ASX	6,035	Quantas Airways	3,912
Newcrest Mining	5,452	Coates Hire	3,676
Equinox Minerals	4,595	Suncorp-Metway	3,563
Quantas Airways	4,496	Caltex Australia	3,446
Oil Search	4,436	Telstra	3,416

## Portfolio Statement

As at 30 April 2008

Financial assets at fair value through profit or loss						
Industry	Equities & Convertibles	Currency	Nominal Holdings	Fair Value US\$	% of NAV	
Basic Materials	Alliance Resources	AUD	1,447,288	1,175,912	0.57	
	Atlas Iron	AUD	560,000	1,605,562	0.77	
	BHP Billiton	AUD	493,107	19,465,878	9.37	
	BlueScope Steel	AUD	344,973	3,559,983	1.71	
	Equinox Minerals	AUD	1,151,436	5,408,892	2.60	
	Fortescue Metals	AUD	202,637	1,400,397	0.67	
	Imdex	AUD	574,330	1,169,280	0.56	
	Incitec Pivot	AUD	55,952	8,445,749	4.06	
	Lihir Gold	AUD	1,858,348	5,102,405	2.46	
	Mount Gibson Iron	AUD	1,310,699	3,574,262	1.72	
	Newcrest Mining	AUD	227,439	6,053,553	2.91	
	Nufarm	AUD	136,951	2,268,921	1.09	
	OneSteel	AUD	433,854	2,589,077	1.25	
	Oxiana	AUD	858,973	2,615,156	1.26	
	Paladin Energy	AUD	861,255	3,410,344	1.64	
	Rio Tinto	AUD	143,275	18,205,452	8.75	
	Straits Resources	AUD	952,878	6,015,678	2.90	44.29
Communications	Telstra	AUD	1,655,549	7,034,836	3.39	
Consumer, Cyclical	JB Hi-Fi	AUD	135,217	1,136,513	0.55	
Consumer, Non-Cyclical	Australian Agricultural	AUD	442,831	1,253,086	0.60	
	CSL Ltd/Australia	AUD	210,571	7,816,931	3.76	
	Resmed	AUD	411,174	1,751,020	0.84	
	Woolworths	AUD	201,904	5,394,651	2.60	7.80
Diversified	Sphere Investments	AUD	911,078	1,914,426	0.92	
Energy	Oil Search	AUD	985,834	4,354,773	2.10	
Financial	Australia & New Zealand Banking	AUD	523,196	10,695,737	5.15	
	Commonwealth Bank of Australia	AUD	346,364	14,459,086	6.96	
	National Australia Bank	AUD	277,325	7,821,617	3.76	
	QBE Insurance	AUD	394,981	9,328,796	4.49	
	Westpac Banking	AUD	421,325	9,636,217	4.64	25.00
	Industrial	Aquarius Platinum	AUD	214,392	3,337,680	1.61
	Dyno Nobel	AUD	1,366,827	3,714,558	1.79	
	Industrea	AUD	2,751,682	1,194,955	0.58	
	United	AUD	106,141	1,403,612	0.68	
	Wesfarmers	AUD	183,424	6,451,148	3.11	
	WorleyParsons	AUD	226,649	8,204,236	3.95	11.72
<b>Total financial assets at fair value through profit or loss</b>				198,970,379	95.77	
	Cash			8,374,686	4.03	
	Other Net Assets			420,507	0.20	
<b>Total Net Assets attributable to holders of redeemable participating units</b>				<b>207,765,572</b>	<b>100.00</b>	

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

### Portfolio Classification

Transferable securities

% of Asset

Value

100.00

100.00

## Balance Sheet

As at 30 April 2008

	Notes	Baring Australia Fund 30/04/2008 US\$	Baring Australia Fund 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	198,970,379	137,524,482
Receivable for securities sold	1	1,663,457	3,723,527
Receivable for units sold	1	279,289	6,145,285
Dividends and interest receivable	1	24,944	25,920
Other assets		25,276	13,021
Cash	1	8,374,686	-
<b>Total Assets</b>		<b>209,338,031</b>	<b>147,432,235</b>
<b>Liabilities</b>			
Bank overdraft		-	2,968,662
Management fee payable	2	201,026	134,279
Payable for securities purchased	1	565,462	936,026
Payable for units redeemed	1	1,192,086	149,136
Administration fee payable	2	72,967	48,340
Trustee fee payable	2	4,005	2,674
Accrued expenses	2	26,465	15,845
Other Liabilities		2,303	-
<b>Total Liabilities (Excluding Net Assets Attributable To Holders of Redeemable Participating Units)</b>		<b>2,064,314</b>	<b>4,254,962</b>
<b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>207,273,717</b>	<b>143,177,273</b>
Adjustments from bid market prices to last traded market prices	1	491,855	289,365
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>207,765,572</b>	<b>143,466,638</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	1,420,274	1,064,041
	Euro Class	139,638	174,216
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	133.19	115.86
	€	85.67	85.11

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

	Notes	Baring Australia Fund 30/04/2008 US\$	Baring Australia Fund 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		143,466,638	107,607,001
Increase in net assets for the year attributable to holders of redeemable participating units from operations		11,796,753	25,566,244
Issue of redeemable participating units for the year	5	454,458,659	156,721,742
Redemption of redeemable participating units for the year	5	(401,956,478)	(146,428,349)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>207,765,572</b>	<b>143,466,638</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Australia Fund 30/04/2008 US\$	Baring Australia Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	198,433	77,600
Dividend income	1	4,855,930	3,532,570
Stocklending fee income	1	330,197	75,748
Net fair value gains on financial assets at fair value through profit or loss		11,120,521	25,360,025
<b>Total investment income</b>		<u>16,505,081</u>	<u>29,045,943</u>
<b>Expenses</b>	1		
Management fees	2	2,267,775	1,327,927
Administration fees	2	816,399	478,053
Audit Fees		5,769	11,611
Trustee fees	2	45,356	26,559
General expenses	2	36,517	41,701
<b>Total operating expenses</b>		<u>3,171,816</u>	<u>1,885,851</u>
<b>Net income before finance costs</b>		13,333,265	27,160,092
<b>Finance Costs</b>			
Net income equalisation	1	466,697	200,452
Distributions	4	(2,175,824)	(1,749,676)
<b>Total Finance costs</b>		<u>(1,709,127)</u>	<u>(1,549,224)</u>
<b>Profit for the financial year</b>		11,624,138	25,610,868
Withholding tax on dividends and other investment income		(29,875)	(133,653)
<b>Operating profit</b>		<u>11,594,263</u>	<u>25,477,215</u>
Adjustments from bid market prices to last traded market prices		202,490	89,029
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>11,796,753</u>	<u>25,566,244</u>

The accompanying notes form an integral part of these financial statements

## Baring Europa Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	57.16	59.55	-4.01

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Europa Fund	-3.77*	30.45	43.13	13.36	33.69
MSCI Europe Index	-1.11	27.62	30.64	18.84	35.07

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the manager for the Baring Europa Fund is to achieve long-term capital growth in the value of assets. The policy of the manager is to hold a diversified portfolio of quoted or traded equity investments in companies incorporated in any European country including the United Kingdom, or quoted or traded on any European stock exchange or over-the-counter market or in companies that have a significant proportion of their assets or other interests in Europe. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring Europa Fund is invested in European equity markets, including the UK, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on a sector of the market or macroeconomic trends such as interest rate rises.

We invest in companies which we believe offer potential for delivering better than expected earnings growth. We do this by carefully researching a company's corporate strategy and revenue sources. An important part of the investment process involves regular meetings with the management teams of companies in which we are considering investment. We then work to put a price on the shares of the company in the light of our assessment of its earnings prospects and compare this to its peers in the sector and globally. When we are satisfied that a company meets our criteria for investing, we purchase an appropriate number of shares.

In managing the Fund, we aim to keep the number of individual investments in the region of 55 – 65 holdings in the Fund at any given time. Within this, we keep the minimum weighting of a company in the Fund to around 1.5% and the maximum weighting to approximately 3%.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Fund.

The Baring Europa Fund is managed by James Buckley. James has 16 years of investment experience and holds an MBA from Cambridge University. He is responsible for analysing European companies operating in the automobile and financial sectors and managing many of our European portfolios.

## Risk Profile

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The Baring Europa Fund is invested in European companies. It is therefore susceptible to a decline in the markets of the various European countries it invests in. In addition, the approach we take to managing the Fund means that the Fund is likely to prove more volatile in performance than more broadly-based equity funds. The Fund is also exposed to currency risks because the base currency is in US dollars and the underlying holdings are in a mix of European currencies such as the Euro or Swiss franc. As such, exchange rate fluctuations between the US dollar and the various European currencies held in the Fund can enhance or diminish returns for US dollar-based investors.

## Key Changes Since the Last Report

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There are no major changes to report.

## Strategy and Performance

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The Baring Europa Fund slightly underperformed the MSCI Europe Index over the twelve months under review. The collapse in the US housing market, the deteriorating credit environment and the weakening US economy dominated sentiment in the European equity markets and led to a significant increase in volatility.

The biggest areas of weakness for the Fund and the wider market have been the Financial and Real Estate sectors. The scale and spread of asset write-downs in the Financial sector led to requirements for significant recapitalisation and a tangible reassessment of lending risk. Whilst we reduced our exposure to the large-cap European Banks, we retained Anglo Irish, which was amongst the worst performers in the Fund in the period, alongside Austrian real estate operator Immoeast, Irish homebuilder Mclnerness, and Ryanair, the budget airline.

The high oil price and substantial exploration success drove strong performances from oil companies BG Group and Tullow Oil, which were the top contributors to performance over the review period. Another area of strength was the stellar performance of the agro-chemical stocks Yara International and, more recently, K&S as the global demand for soft-commodities gathered pace. Our Materials and Mining stocks also performed well, notably Xstrata and ArcelorMittal.

Our investment approach remains focused on the individual merits of a particular company, rather than taking a position on a sector of the market or on a particular macroeconomic trend. We therefore continue to invest in European companies that we believe will deliver better than expected earnings growth.

## Review of the Market

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Following the slowdown seen in the US economy, European economic indicators have become increasingly mixed, with Germany appearing relatively resilient to the US slowdown, whereas those countries more exposed to housing market and credit booms, such as the UK, Ireland and Spain, appear more vulnerable to weaker economic growth.

Inflation concerns have persisted in Europe, with rising raw material prices impacting manufacturers and consumers. The likelihood of interest rate cuts at the European Central Bank has therefore remained low, driving the Euro to new highs against the US dollar. This has led to the underperformance of significant dollar-exposed companies.

## Market Outlook

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Despite the rally since mid March, European equity markets remain highly attractive from a valuation perspective, with equities cheap relative to other asset classes and many companies and sectors trading near their historical lows. While the fundamentals of some sectors have clearly deteriorated, we believe that much of the sell off has been indiscriminate, creating a number of attractive investment opportunities particularly in light of concerted Central Bank action to alleviate liquidity pressures.

## Portfolio Information (Unaudited)

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<b>Top Ten</b>	<b>% of NAV</b>
BG Group	2.63
SUEZ	2.53
E.ON	2.52
Tullow Oil	2.46
Nestle	2.36
Yara International	2.30
Xstrata	2.20
Koninklijke	2.19
Banco Santander	2.17
Telefonica	2.14

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	63.81	59.83	45.68	34.77	30.82	26.18
US dollar Class C	58.94	-	-	-	-	-
Euro Class C	38.20	-	-	-	-	-
Euro Class - €	45.01	43.94	36.87	26.03	24.43	28.68

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	30.39	42.97	47.80	41.29	41.71	
US dollar Class C	-	-	-	-	-	
Euro Class C	-	-	-	-	-	
Euro Class - €	34.97	47.16	49.89	36.69	N/A	

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	48.95	39.58	31.47	26.97	21.11	17.77
US dollar Class C	51.52	-	-	-	-	-
Euro Class C	34.09	-	-	-	-	-
Euro Class - €	33.58	31.45	24.76	22.10	18.38	16.10

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	21.38	26.91	36.69	36.35	29.39	
US dollar Class C	-	-	-	-	-	
Euro Class C	-	-	-	-	-	
Euro Class - €	23.34	30.45	34.79	32.91	N/A	

## Statement of Movements in Portfolio Holdings

	30/04/2008	30/04/2007	30/04/2006	30/04/2005
	% of NAV*	% of NAV*	% of NAV*	% of NAV*
Basic Materials	11.88	7.81	6.06	2.72
Communications	7.95	4.84	7.42	11.51
Consumer, cyclical	3.32	3.25	5.72	12.62
Consumer, non-cyclical	16.14	17.39	7.41	17.56
Diversified	-	1.63	3.65	0.97
Energy	7.01	8.06	11.17	9.03
Financial	25.12	33.70	30.57	23.86
Industrial	14.79	10.19	13.92	8.44
Technology	4.69	3.66	4.21	3.47
Utilities	8.43	3.72	5.26	6.57
<b>Total Investments</b>	<b>99.33</b>	<b>94.25</b>	<b>95.39</b>	<b>96.75</b>
Cash	0.17	4.97	5.30	0.77
Other Net (Liabilities)/Assets	0.50	0.78	(0.69)	2.48
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movements in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost	Sales	Proceeds
	US\$'000		US\$'000
Soc Generale	20,320	Heineken Holding	15,433
E. ON	15,190	Tullow Oil	14,806
ABB	15,039	Roche Holdings	14,663
Nokia	14,924	EDF	14,623
Nestle	14,919	Telenor	13,522
Aker Solutions	14,363	Cosmote Mobile	13,244
Total	14,215	OMV	13,164
Allianz	14,122	Total	12,831
UniCredito Italiano	13,464	LVMH Moet Hennessy Louis Vuitton	12,759
Novo-Nordisk	12,040	Unione Di Banche Italiane	12,691
MAN	11,891	TGS Nopec	12,384
Lonmin	11,671	SOC Generale	12,335
Cap Gemini	11,523	ABB	12,301
InBev	11,344	UBS	12,256
International Power	11,132	Essilor Intl	12,122
Grafton Group	10,886	Altadis	12,098
Porsche	10,535	Autonomy	12,014
Telefonica	10,409	Forth Ports	11,888
Michael Page International	10,095	BG Group	11,867
Koninklijke Kpn Nv	9,744	E. ON	11,235

## Portfolio Statement

As at 30 April 2008

Industry	Financial assets at fair value through profit or loss Equities & Convertibles	Currency	Nominal Holdings	Fair Value US\$		% of NAV	
Basic Materials	ArcelorMittal	EUR	64,436	5,558,731		2.03	
	K+S	EUR	13,049	5,316,107		1.94	
	Lonmin	GBP	70,550	4,305,764		1.57	
	Lonza	CHF	37,318	5,034,911		1.84	
	Xstrata	GBP	78,934	6,031,517		2.20	
Communications	Yara International	NOK	87,441	6,306,599	32,553,629	2.30	
	KONINKLIJKE	EUR	327,644	6,008,036		2.19	
	Nokia OYJ	EUR	166,042	4,953,650		1.81	
	Premiere	EUR	233,580	4,953,160		1.81	
	Telefonica	EUR	205,775	5,873,509	21,788,355	2.14	
Consumer, Cyclical	Porsche Automobil Holding	EUR	25,483	4,660,162		1.70	
	Swatch	CHF	16,756	4,441,534	9,101,696	1.62	
Consumer, Non Cyclical	Basilea Pharmaceutica	CHF	19,611	2,855,531		1.04	
	Forth Ports	GBP	123,988	5,250,432		1.91	
	Fresenius	EUR	59,825	4,973,078		1.81	
	Genmab	DKK	67,806	3,665,686		1.34	
	InBev	EUR	55,810	4,585,528		1.67	
	Michael Page International	GBP	636,348	3,548,290		1.29	
	Nestle	CHF	13,677	6,473,657		2.36	
	Novo Nordisk	DKK	69,175	4,726,860		1.72	
	Parmalat	EUR	1,262,606	4,205,533		1.53	
	Shire	GBP	218,621	4,037,652	44,322,247	1.47	
	Energy	BG	294,403	7,220,712		2.63	
		Cie Generale de Geophysique-Veritas	EUR	21,093	5,263,806		1.92
		Tullow Oil	GBP	458,272	6,751,131	19,235,649	2.46
Financial	Allianz	EUR	25,031	5,047,589		1.84	
	Amlin	GBP	824,565	4,463,994		1.63	
	Anglo Irish Bank	EUR	18,083	239,520		0.09	
	Anglo Irish Bank	EUR	317,967	4,216,610		1.54	
	AXA	EUR	136,026	4,975,952		1.81	
	Banco Santander	EUR	281,709	5,956,237		2.17	
	Bank of Cyprus Public	EUR	305,514	4,122,714		1.50	
	Barclays	GBP	470,003	4,141,427		1.51	
	Henderson	GBP	1,419,073	3,440,037		1.25	
	Immoeast	EUR	455,909	4,529,094		1.65	
	Julius Baer Holding	CHF	60,200	4,348,035		1.59	
	Man	GBP	414,349	4,628,988		1.69	
	Piraeus Bank	EUR	149,157	4,962,377		1.81	
	Societe Generale	EUR	49,715	5,735,645		2.09	
	ST Modwen Properties	GBP	395,668	3,476,697		1.28	
	Standard Chartered	GBP	130,927	4,583,747	68,868,663	1.67	
	Industrial	ABB	CHF	189,777	5,716,703		2.08
		Aker Solutions	NOK	213,050	5,367,728		1.96
		Bouygues	EUR	60,542	4,457,597		1.63
	Cargotec	EUR	82,178	3,402,194		1.24	
	CRH	EUR	115,690	4,359,024		1.59	
	Hexagon	SEK	211,474	3,827,107		1.40	
	Invensys	GBP	828,897	4,719,767		1.72	
	MAN	EUR	31,343	4,332,837		1.58	
	Vinci	EUR	60,227	4,373,544	40,556,501	1.59	
Technology	Autonomy	GBP	240,792	3,843,281		1.40	
	Cap Gemini	EUR	86,971	5,181,223		1.89	
Utilities	Software	EUR	57,892	3,833,174	12,857,678	1.40	
	E.ON	EUR	34,611	6,924,546		2.52	
	Iberdrola	EUR	270,101	3,884,188		1.42	
	International Power	GBP	627,949	5,378,782		1.96	
	Suez	EUR	98,322	6,925,914	23,113,430	2.53	
	<b>Total financial assets at fair value through profit or loss</b>				272,397,848	99.33	
	Cash				475,120	0.17	
	Other Net Assets				1,369,943	0.50	
	<b>Total Net Assets attributable to holders of redeemable participating units</b>				<b>274,242,911</b>	<b>100.00</b>	

All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

## Portfolio Classification

Transferable securities

## % of Asset Value

100.00

100.00

## Balance Sheet

As at 30 April 2008

	Notes	Baring Europa Fund 30/04/2008 US\$	Baring Europa Fund 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	272,397,848	653,873,567
Receivable for units sold	1	1,560,224	4,694,272
Dividends and interest receivable	1	432,153	1,127,636
Other assets		105,872	134,163
Cash	1	475,120	34,491,795
<b>Total Assets</b>		<b>274,971,217</b>	<b>694,321,433</b>
<b>Liabilities</b>			
Management fee payable	2	231,738	647,518
Payable for units redeemed	1	625,175	337,328
Administration fee payable	2	99,822	251,106
Trustee fee payable	2	5,444	13,950
Accrued expenses	2	58,058	44,892
Other Liabilities		4,886	-
<b>Total liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>1,025,123</b>	<b>1,294,794</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>273,946,094</b>	<b>693,026,639</b>
Adjustments from bid market prices to last traded market prices	1	296,817	749,347
<b>Net assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>274,242,911</b>	<b>693,775,986</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	2,701,218	7,192,102
	Euro Class	2,096,291	4,457,612
	Dollar Class C	1	N/A
	Euro Class C	137	N/A
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	Dollar Class \$	57.16	59.55
	Euro Class €	36.76	43.74
	Dollar Class C \$	57.29	N/A
	Euro Class C €	37.40	N/A

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

	Notes	Baring Europa Fund 30/04/2008 US\$	Baring Europa Fund 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		693,775,986	60,191,477
Decrease/Increase in assets for the year attributable to holders of redeemable participating units from operations		(27,328,765)	89,239,241
Issue of redeemable participating units for the year	5	456,307,896	789,926,344
Redemption of redeemable participating units for the year	5	(848,512,206)	(245,581,076)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>274,242,911</b>	<b>693,775,986</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Europa Fund 30/04/2008 US\$	Baring Europa Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	68,048	350,383
Dividend income	1	13,958,095	5,447,855
Stocklending fee income	1	561,658	374,880
Net fair value (losses)/gains on financial assets at fair value through profit or loss		(27,620,465)	86,984,899
<b>Total investment expense/income</b>		<b>(13,032,664)</b>	<b>93,158,017</b>
<b>Expenses</b>			
Management fees	1		
Administration fees	2	6,138,633	3,144,727
Trustee fees	2	2,209,907	1,150,102
Audit Fees	2	122,773	63,895
General expenses	2	7,417	11,611
		43,829	107,124
<b>Total operating expenses</b>		<b>8,522,559</b>	<b>4,477,459</b>
<b>Net expense/income before finance costs</b>		<b>(21,555,223)</b>	<b>88,680,558</b>
<b>Finance Costs</b>			
Net income equalisation	1	(1,822,370)	786,488
Distributions	4	(1,839,528)	-
<b>Total Finance costs</b>		<b>(3,661,898)</b>	<b>786,488</b>
<b>Profit for the financial year</b>		<b>(25,217,121)</b>	<b>89,467,046</b>
Withholding tax on dividends and other investment income		(1,659,114)	(900,595)
<b>Operating loss/profit</b>		<b>(26,876,235)</b>	<b>88,566,451</b>
Adjustments from bid market prices to last traded market prices		(452,530)	672,790
<b>Decrease/Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<b>(27,328,765)</b>	<b>89,239,241</b>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring Hong Kong China Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	948.76	757.49	25.25

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008	01/05/2006 - 30/04/2007	01/05/2005 - 30/04/2006	01/05/2004 - 30/04/2005	01/05/2003 - 30/04/2004
	%	%	%	%	%
Baring Hong Kong China Fund	25.26*	58.11	54.82	21.42	59.33
MSCI China Index*	40.53	38.25	20.43	16.52	36.99

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only.

\*The comparative index changed from MSCI Zhong Hua Index to MSCI China on 01/02/2008. Previously the comparative index changed from Hong Kong Hang Seng Index to MSCI Zhong Hua Index on 01/09/2006. In the Manager's opinion, the MSCI China Index with its increased exposure to China stocks, is now a more appropriate index to be used for comparative purposes.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the Baring Hong Kong China Fund is to achieve long-term capital growth in the value of assets. The policy of the manager is to hold a portfolio of quoted or traded equity investment in companies incorporated in Hong Kong or China, or quoted or traded on any Hong Kong or China stock exchange, or in companies that have a significant proportion of their assets or other interests in Hong Kong or China. The manager may also invest in companies incorporated in Taiwan or quoted on the Taiwan stock exchange. Please refer to the prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring Hong Kong China Fund is invested in Hong Kong and China and, to a lesser extent, the Taiwanese equity market, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a "Growth at a Reasonable Price", or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Fund. BAML has further appointed Baring Asset Management (Asia) Limited as sub Investment Manager to the Baring Hong Kong China Fund.

## Risk Profile

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The Baring Hong Kong China Fund is invested primarily in equities listed in the Hong Kong and China equity markets and as such is exposed to the volatility that can characterise equity share prices from time-to-time. Though Hong Kong is considered a developed market, China is regarded as an emerging equity market. As a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets. In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors.

## Key Changes Since the Last Report

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During the year, Agnes Deng took over the management of the Baring Hong Kong China Fund. Agnes has nine years of investment experience and is responsible for several segregated institutional portfolios. She holds an MBA from the McGill University and was awarded the CFA designation in 2001.

## Strategy and Performance

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The performance of the Baring Hong Kong China Fund was positive but it failed to keep pace with the comparative index. The US credit crisis had a severe impact on the Hong Kong China market and on the Fund. With the benefit of hindsight, we under-estimated the extent to which events in the US would cause a crisis in investor confidence in equity markets in Hong Kong and China. To compound matters, the market sell off was initially focused on some of the stocks which had performed well previously and this dented the Fund's performance in the final quarter of 2007 and in the first quarter of 2008. At the sector level, the Fund's performance was held back by its emphasis on the Industrial sector and its reduced emphasis on Telecoms. On a more positive note, the focus on the Consumer Staple and Consumer Discretionary sectors boosted performance.

Currently, the Fund is tilted towards infrastructure related stocks where rising demand is underpinned by the urbanisation trend in China and government spending. We have also invested in selected raw material companies which have demonstrated strong pricing power and which have favourable supply/demand dynamics. In addition, the Consumer sector, which benefits as household incomes rise, looks attractive.

## Review of the Market

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The Hong Kong China market enjoyed a major re-rating from May 2007 to July 2007 driven by earnings upgrades and optimism about the market's future prospects. The equity market fell back in August due to concern about the problems in the US housing market before it briefly recovered after the US Federal Reserve cut US interest rates. The equity market then resumed its downward trend due to the credit crisis caused by the US housing market, the potential risk of a US-led global economic recession and tighter than expected monetary policy in China. Since mid March 2008, signs of stabilisation in the credit markets have led to an improvement in investors' risk appetite and a recovery in Hong Kong China equities.

## Market Outlook

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We are confident that China's economy will continue to grow strongly, with credit tightening likely to successfully contain growth, rather than kill it. The domestic consumption boom will probably continue, with rising disposable income and improving purchasing power driven by the appreciating Renminbi. Furthermore, it is likely that January's snow storm and April's earthquake will prompt the government to increase infrastructure construction spending. Looking ahead, it is our belief that the equity market is well positioned in terms of its valuation and growth prospects in the long term and that the Baring Hong Kong China Fund is well positioned to deliver attractive returns in this environment.

## Portfolio Information (Unaudited)

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<b>Top Ten</b>	<b>% of NAV</b>
China Mobile	9.80
Industrial & Commercial CNOOC	5.24
Ping An Insurance	5.10
China Shenhua Energy	3.80
China Communications Construction	3.44
Tencent Holdings	3.43
China Petroleum & Chemicals	3.09
China Constructions	3.05
China Coal Energy	2.32

**Baring Asset Management Limited**

**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	1431.80	771.91	504.69	325.78	312.74	201.74
US dollar Class C	1004.87	-	-	-	-	-
Euro Class - €	994.82	569.97	409.45	246.58	251.33	220.52
Euro Class C	682.50	-	-	-	-	-

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	194.79	221.15	219.75	143.89	143.88
US dollar Class C	-	-	-	-	-
Euro Class - €	227.97	251.41	228.96	N/A	N/A
Euro Class C	-	-	-	-	-

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	756.72	399.83	302.88	228.38	163.91	156.81
US dollar Class C	767.67	-	-	-	-	-
Euro Class - €	491.08	318.01	239.80	190.00	146.62	147.30
Euro Class C	497.39	-	-	-	-	-

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	138.58	168.27	132.81	102.99	79.35
US dollar Class C	-	-	-	-	-
Euro Class - €	150.28	186.80	126.52	N/A	N/A
Euro Class C	-	-	-	-	-

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Basic Materials	5.27	16.40	15.71	6.01
Collective Investment Schemes	1.69			
Communications	18.46	3.25	0.06	3.58
Consumer, Cyclical	6.32	-	-	-
Consumer Discretionary	-	18.87	18.62	17.68
Consumer, Non Cyclical	4.21	-	-	-
Consumer Staples	-	4.75	7.05	6.24
Diversified	1.32	1.04	3.12	4.44
Energy	16.60	2.99	9.38	8.07
Financial	25.40	29.25	31.16	29.30
Industrial	14.60	20.65	10.95	12.40
Technology	0.50	0.30	2.84	2.46
Utilities	-	-	2.83	4.98
Bonds	0.51	0.98	-	-
Warrants	-	0.90	-	-
Futures	-	-	-	0.01
Open Forwards	-	-	0.01	-
<b>Total Investments</b>	<b>94.88</b>	<b>99.38</b>	<b>101.73</b>	<b>95.17</b>
Cash	3.71	1.18	2.22	6.45
Other Net Assets/(Liabilities)	1.41	(0.56)	(3.95)	(1.62)
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
China Mobile	744,755	Hong Kong Exchange and Clearing	440,628
Industrial & Commercial bank of China	499,041	PetroChina	347,612
Ping An Insurance Group	415,972	Ping An Insurance Group Co of China	305,895
PetroChina	393,062	Industrial & Commercial Bank of China	294,987
Sinopec	369,050	China Merchants Bank	290,454
China Construction Bank	282,018	China Mobile	278,242
China Telecom	272,912	China Construction Bank	268,639
China COSCO Holdings	272,510	China Communications	241,788
Cnooc Ltd	266,530	China Overseas Land & Investment	220,128
Sino Ocean Land Holdings	226,175	Aluminium Corp of China	208,112
Tencent Holdings	206,664	Guangzhou R&F	190,827
Hong Kong Exchanges and Clearing	199,937	Angang Steel	176,499
China Coal Energy	195,077	China Shipping Container Lines	150,199
China Mengniu Dairy	189,768	Shimao Property	146,731
China Life Insurance	189,542	Henderson Land Development	144,243
Angang Steel	184,754	Bank of Communication	140,043
Henderson Land Development	170,022	China Merchants Holdings International	139,802
China Oilfield Services	150,268	Air China	138,574
Aluminium Corp of China	142,612	China National Building Museum	137,117
Sun Hung Kai Properties	138,473	China Life Insurance	127,193

## Portfolio Statement

As at 30 April 2008

Industry	Financial assets at fair value through profit or loss						
	Bonds	Currency	Nominal Holdings	Fair Value US\$		% of NAV	
	China Retail 8.4% 31.12.09	HKD	233,800,000	29,994,932	29,994,932	0.51	
	<b>Equities &amp; Convertibles</b>						
Basic Materials	Aluminum Corp of China	HKD	45,858,000	77,541,447		1.33	
	Bengang Steel Plates	HKD	20,565,665	18,442,650		0.32	
	BHP Billiton	AUD	725,575	28,642,777		0.49	
	China Molybdenum	HKD	24,711,000	26,820,327		0.46	
	Rio Tinto	AUD	340,434	43,257,753		0.74	
Communications	Shougang Concord International Enterprises	HKD	144,162,000	44,942,834		0.77	
	Zijin Mining	HKD	74,710,000	67,956,085	307,603,873	1.16	
	China Communications Services	HKD	41,578,000	31,791,662		0.54	
	China Mobile	HKD	33,293,500	571,930,701		9.8	
	China Telecom	HKD	291,270,000	195,060,638		3.34	
	Chunghwa Telecom	TWD	38,328,000	98,712,205		1.69	
	Tencent Holdings	HKD	27,262,000	180,297,525	1,077,792,731	3.09	
	Anta Sports Products	HKD	87,541,000	97,821,212		1.68	
	Apac Resources	HKD	272,260,000	25,847,524		0.44	
	Belle International	HKD	56,640,000	60,312,137		1.03	
Consumer, Cyclical	Parkson Retail	HKD	6,564,000	61,853,425		1.06	
	Ports Design	HKD	23,192,180	74,533,701		1.28	
	Weichai Power	HKD	8,598,000	48,259,062	368,627,061	0.83	
	China Mengniu Dairy	HKD	39,890,000	119,752,137		2.05	
	Hengan International	HKD	15,787,000	56,203,839		0.96	
Consumer, Non, Cyclical	New Oriental Education & Technology	USD	518,100	38,650,260		0.66	
	Zhejiang Expressway	HKD	29,956,000	31,475,389	246,081,625	0.54	
	Matsunichi Communication Holdings	HKD	62,028,000	51,884,634		0.89	
Diversified	Wharf Holdings	HKD	4,943,000	25,080,748	76,965,382	0.43	
	Anhui Tianda Oil Pipe	HKD	19,800,000	6,274,304		0.11	
Energy	China Coal Energy	HKD	64,179,000	135,691,778		2.32	
	China Oilfield Services	HKD	64,422,000	118,353,363		2.03	
	China Petroleum & Chemical	HKD	167,580,000	177,799,722		3.05	
	China Shenhua Energy	HKD	43,794,000	200,860,270		3.44	
	CNOOC	HKD	168,499,000	297,453,540		5.1	
	Cnpc Hong Kong	HKD	51,320,000	24,690,012		0.42	
	GCL Poly Energy	HKD	40,160,000	7,728,378	968,851,367	0.13	
	Cathay Financial Holding	TWD	10,285,000	28,816,896		0.49	
	China Construction	HKD	197,168,000	177,825,949		3.05	
	China Everbright	HKD	14,484,000	36,606,493		0.63	
Financial	China Life Insurance	HKD	13,559,000	58,795,995		1.01	
	China Merchants	HKD	20,422,500	85,283,159		1.46	
	China Overseas Land & Investment	HKD	42,803,000	90,057,822		1.54	
	China Overseas Land & Investment Wt	HKD	3,841,083	2,069,695		0.04	
	China Resources Land	HKD	32,582,000	67,131,548		1.15	
	China Vanke	HKD	23,721,888	56,910,741		0.97	
	First Financial Holding	TWD	10,091,000	12,249,573		0.21	
	Franshion Properties China	HKD	46,614,000	19,615,239		0.34	
	Hong Kong Exchanges and Clearing	HKD	5,462,500	111,567,550		1.91	
	Industrial & Commercial	HKD	386,639,000	306,051,282		5.24	
	Industrial and Commercial Bank of China Asia	HKD	24,116,000	65,745,736		1.13	
	Industrial and Commercial Bank of China Asia Wt	HKD	1,634,555	396,337		0.01	
	Ping An Insurance	HKD	23,401,000	221,861,648		3.8	
	Sino-Ocean Land	HKD	122,049,500	100,681,658		1.72	
	UBS AG/London	USD	1,426,000	13,093,532		0.22	
	Zhong An Real Estate	HKD	60,178,000	27,793,525	1,482,554,378	0.48	
	Industrial	Anhui Conch Cement	HKD	15,324,000	122,086,354		2.09
		Asia Cement	TWD	9,297,000	16,715,079		0.29
		China Communications Construction	HKD	84,173,000	199,994,092		3.43
		China COSC	HKD	13,296,500	39,575,709		0.68
China High Speed Transmission Equipment		HKD	17,526,000	30,803,975		0.53	
China Infrastructure Machinery		HKD	15,695,000	17,699,198		0.3	
China Railway Construction		HKD	55,462,000	86,096,258		1.47	
China Shipping Container Lines		HKD	57,130,950	25,066,918		0.43	

## Portfolio Statement (continued)

As at 30 April 2008

<b>Financial assets at fair value through profit or loss</b>							
<b>Industry</b>	<b>Equities &amp; Convertibles</b>	<b>Currency</b>	<b>Nominal Holdings</b>	<b>Fair Value US\$</b>		<b>% of NAV</b>	
Industrial	Daqin Railway	USD	15,430,904	34,102,298		0.58	
	Dongfang Electric	HKD	11,326,000	45,625,705		0.78	
	Guangshen Railway	HKD	119,688,000	68,330,406		1.18	
	Scud	HKD	44,084,000	7,804,830		0.14	
	Shanghai Zhenhua Port Machinery	USD	18,314,959	33,754,469		0.58	
	Taiwan Cement	TWD	14,862,000	24,136,122		0.41	
	Tungda Innovative Lighting	HKD	46,050,000	531,711		0.01	
	Yangzijiang Shipbuilding	SGD	127,646,000	99,382,834	851,705,958	1.70	14.60
Technology	Taiwan Semiconductor Manufacturing	TWD	13,449,000	29,430,719	29,430,719	0.50	0.50
<b>Collective Investment Scheme</b>							
	Baring China Select – Class X	USD	300,000	3,147,000		0.05	
	iShares MSCI Taiwan Index Fund	USD	5,794,084	95,834,149	98,981,149	1.64	1.69
<b>Total financial assets at fair value through profit or loss</b>				5,538,589,175		94.88	
Cash				216,403,079		3.71	
Other Net Assets				82,207,648		1.41	
<b>Total Net Assets attributable to holders of redeemable participating units</b>				<b>5,837,199,902</b>		<b>100.00</b>	

All other investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

<b>Portfolio Classification</b>	<b>% of Asset Value</b>
Transferable securities	100.00
	<u>100.00</u>

## Balance Sheet

As at 30 April 2008

		<b>Baring Hong Kong China Fund 30/04/2008 US\$</b>	<b>Baring Hong Kong China Fund 30/04/2007 US\$</b>
<b>Assets</b>	<b>Notes</b>		
Financial assets at fair value through profit or loss	1	5,538,589,175	3,661,426,512
Receivable for securities sold	1	92,673,549	3,223,356
Receivable for units sold	1	29,950,600	16,418,569
Dividends and interest receivable	1	14,434,508	10,065,305
Other assets		294,079	65,578
Cash	1	216,403,079	43,306,633
<b>Total Assets</b>		<b>5,892,344,990</b>	<b>3,734,505,953</b>
<b>Liabilities</b>			
Management fee payable	2	5,822,199	3,715,634
Payable for securities purchased	1	31,485,831	55,730,585
Payable for units redeemed	1	20,832,775	-
Administration fee payable	2	2,067,406	1,337,628
Trustee fee payable	2	118,611	74,313
Accrued expenses	2	2,699,864	213,177
Other liabilities		65,143	25,302
<b>Total liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>63,091,829</b>	<b>61,096,639</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>5,829,253,161</b>	<b>3,673,409,314</b>
Adjustments from bid market prices to last traded market prices	1	7,946,741	10,521,936
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>5,837,199,902</b>	<b>3,683,931,250</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	4,805,995	3,668,763
	Euro Class	1,344,571	1,194,532
<b>NAV Per Redeemable Participating Unit (Note 7)</b>	Dollar Class C	1,538	N/A
	Euro Class C	305	N/A
	Dollar Class \$	948.76	757.49
	Euro Class €	610.27	556.45
	Dollar Class C \$	948.06	N/A
	Euro Class C €	612.53	N/A

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

		<b>Baring Hong Kong China Fund 30/04/2008 US\$</b>	<b>Baring Hong Kong China Fund 30/04/2007 US\$</b>
Net assets attributable to holders of redeemable participating units at the beginning of the year		3,683,931,250	952,708,575
Increase in net assets for the year attributable to holders of redeemable participating units from operations		446,858,742	983,504,688
Issue of redeemable participating units for the year	5	10,139,951,515	3,683,240,054
Redemption of redeemable participating units for the year	5	(8,433,541,605)	(1,935,522,067)
<b>Net assets attributable to holders of redeemable participating units at the end of the year</b>		<b>5,837,199,902</b>	<b>3,683,931,250</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Hong Kong China Fund 30/04/2008 US\$	Baring Hong Kong China Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	6,881,206	-
Bond interest income	1	2,945,546	72,431
Dividend income	1	75,982,891	28,716,740
Stocklending fee income	1	1,359,245	987,475
Net fair value gains on financial assets at fair value through profit or loss		470,233,519	980,015,790
<b>Total investment income</b>		<b>557,402,407</b>	<b>1,009,792,436</b>
<b>Expenses</b>			
Management fees	2	79,766,706	24,195,674
Administration fees	2	28,715,876	8,598,832
Trustee fees	2	1,595,326	436,600
Audit Fees		153,109	11,611
General expenses	2	956,556	816,165
<b>Total operating expenses</b>		<b>111,187,573</b>	<b>34,058,882</b>
<b>Net income before finance costs</b>		<b>446,214,834</b>	<b>975,733,554</b>
<b>Finance Costs</b>			
Net income equalisation	1	3,368,418	5,130,473
Bank Interest Expense		-	(5,068,142)
Distributions	4	(202,324)	(269,322)
<b>Total Finance costs</b>		<b>3,166,094</b>	<b>(206,991)</b>
<b>Profit for the financial year</b>		<b>449,380,928</b>	<b>975,526,563</b>
Withholding tax on dividends and other investment income		53,009	(198,403)
<b>Operating profit</b>		<b>449,433,937</b>	<b>975,328,160</b>
Adjustments from bid market prices to last traded market prices		(2,575,195)	8,176,528
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<b>446,858,742</b>	<b>983,504,688</b>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring International Bond Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	26.06	23.63	10.28

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring International Bond Fund	14.45	3.00	-5.13	11.36	9.06
Citi World Govt Bond USD Index	15.13	6.42	-3.95	11.90	7.39

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the manager for the Baring International Bond Fund is to achieve an attractive level of income together with potential long-term growth in the value of assets. The policy of the manager is to hold an internationally diversified portfolio of fixed interest securities. The portfolio may also, from time to time, include securities with floating interest rates. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

We seek investment return by investing in bond markets where we believe yields are likely to fall and avoiding those that are thought to be expensive. The overall duration, or interest-rate sensitivity, of the Fund will fluctuate as our expectations for economic developments change, relative to the market. We will also look to add value through foreign exchange management, identifying those markets where currencies are attractive, for example due to sound economic fundamentals or rising interest rates.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Fund.

The manager of the Baring International Bond Fund is Alan Wilde. Alan is a senior investor with over 20 years of investment experience. He is Head of our Fixed Income & Currency Team and is manager of several key global bond mandates.

## Risk Profile

The majority of the Baring International Bond Fund's holdings will usually be in bonds issued by governments rather than individual companies. These bonds are not deemed as risky as corporate bonds, as they are backed by the full resources of the government issuing them. However, as this is a portfolio invested in the world-wide bond markets, currency exchange fluctuations can have an effect on the performance of the Fund's investments.

## Strategy and Performance

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The performance of the Baring International Bond Fund was positive and broadly in line with the Citigroup World Government Bond Index.

At the end of the second quarter of 2007, the Fund had built up a higher sensitivity to interest rates than the index in the UK, Australia and the US. Central banks in the EU and UK were still raising interest rates although they appeared to be close to a peak in Australia and the UK whereas interest rate rises were only just beginning in Japan. With the benefit of hindsight, we were somewhat premature in building these positions, as bond yields moved higher in response to tough central bank rhetoric on inflation and adversely impacted the Fund's relative performance. The Yen remained weak against the US dollar and the Euro and Sterling surprised many by remaining resilient. The Fund emphasised the Scandinavian currencies of Sweden and Norway over the Euro as capacity strains were in evidence and the markets were not priced for tighter monetary policy that we foresaw. The end of June was an uncomfortable time to argue that the markets had fully priced in strong growth and that some correction was imminent. Inevitably, when the markets turned, it was not fully for the reasons anticipated although the macro-economic factors that had been worrying us for some time, the correction of the US housing market, was central to subsequent events. As the linkage between declining house prices and many of the asset-backed products that had been issued to finance activity in financial markets unravelled, markets fretted about the knock-on effects on the real economy.

This culminated in the Federal Reserve (Fed) first deciding to cut interest rates in September, by which time bond yields had fallen sharply everywhere and many "risky" trades had been unwound. This included a recovery of the Yen and Swiss Franc and a flight to the quality of Government bonds as investment grade credit, previously readily absorbed by investors, was left friendless and at much wider spreads. As the Fund had been positioned to take advantage of the fall in yields and appreciation of the Yen and Swiss Franc, these positions were reduced to take profits. Exposure to the Scandinavian currencies was maintained versus the Euro but a new position in Singapore dollars was added out of Yen. The Fund's interest rate exposure to the EU and UK markets was reduced, but the Australian bond position, which has not performed as well as expected, has also been retained.

More emergency measures were introduced by the Fed in early 2008 to head off a systemic banking crisis and the bail-out of Bear Stearns by JP Morgan marked a nadir for market sentiment. Other central banks followed the Fed's lead, providing ample liquidity provision directly to securities houses and via auction facilities to the bank and non-bank financial sector. The Fed also cut interest rates aggressively from 5% to 2% with two interest rate reductions occurring outside their regular programme of Federal Open Market Committee meetings. By this stage, credit spreads had widened to levels not seen since 2002 when the US markets were reeling from Enron and the corporate accounting malfeasance issues that ensued. Bank debt in particular was very weak as banks looked to repair their balance sheets and issue new capital and even, in some cases, issue new equity. As investors we had steadfastly remained with high quality sovereign debt until this point but in March made an allocation of 10% to US "A" rated corporate bonds. The move proved to be timely, as spreads subsequently tightened.

We changed our strategy in relation to the US dollar, moving from a profound underweight position to a modest long position. It is hard to see how much more bad news can be filtered into the US economy and with interest rates expected to remain low, the risks are that the US recession is less prolonged than many commentators currently forecast. It is also possible that the Fed may raise interest rates sooner than expected. Furthermore, if the US does slow materially in future, the global economy will also suffer and interest rates will need to be brought down in the EU, UK and Australia. The Fund would benefit in this scenario.

## Review of the Market

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The 12 month reporting period has witnessed a complete reversal in market sentiment from one of supreme optimism about global growth and return prospects for real assets to one in which any investment vehicle without a Government guarantee was regarded with suspicion. From May to mid July, we saw a continuation of the status quo for the global economy and bond yields rose and interest rates were increased. As the US housing market started to slow rapidly, sentiment turned and bond yields declined again. The pain was felt most acutely by the investment banks that for many years had a business model orientated towards origination and distribution i.e. selling a structured product but retaining some of the high quality risk for themselves. In a buoyant market, when the underlying asset class was also experiencing rising prices, all was well with the world. As the house of cards began to fold, many vehicles created to be off-balance sheet and at arm's length from the ultimate beneficiary, were brought back onto balance sheets to provide the necessary finance denied to them by a more discerning and selective money market investor. Thus the conditions were in place for significant reduction of leverage, for an attendant credit crunch as banks hoarded capital and for a crisis in confidence that remains with us today.

## Market Outlook

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The returns from sovereign bond markets over the last 12 months have been decent by any standards especially when viewed in US dollar terms. It would therefore be rash to predict more of the same over the next 12 months. Indeed, in two of our three scenarios, bond yields are expected to rise. That is not the full story, however, and risks remain of a period of sub-trend or even negative growth that will keep bond yields lower for longer. Outside the US, there is still scope for bond yields to come down as central banks cut interest rates. The Euro area has seen monetary policy tighten via the exchange rate moves against the US dollar in the last 12 months and yet the European Central Bank is reluctant to ease interest rates as inflation has moved higher. The same is true in the UK, where consumer sentiment is deteriorating and the housing market is frail. The Bank of England may judge that, against such a background, lower interest rates are necessary to head off the potentially more damaging impact of a deflationary spiral.

Credit markets are another ripe source of return after the widening of spreads. So far, high yield bonds have held up well relative to investment grade bonds where the Fund has recently added exposure. Our scenarios see significant narrowing of spreads in the "A" rating category in two out of three outcomes and this would help generate strong returns.

Another critical decision in the coming few months will be when to increase the US dollar exposure as markets have largely discounted the downside risk for the US economy and short-term interest rates. This is likely to be tied into a decision to reduce US interest rate risk as a stronger US dollar will indicate an end to the current phase of risk aversion and a possible rise in short dated bond yields.

## Portfolio Information (Unaudited)

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Holdings	% of NAV
United Kingdom Gilt	16.20
Bundersrepublik Deutschland 4.5% 04/07/2017	13.44
Bundersrepublik Deutschland 4.0% 04/07/2016	12.82
Bundersrepublik Deutschland 4.5% 04/07/2009	12.61
Depfa ACS Bank 1.65% 20/12/2016	7.65
United States Treasury Note/Bond 4.63% 15/11/2016	4.67
Norway Treasury Bill 0% 19/09/2008	4.22
New South Wales Treasury 5.5% 01/03/2012	3.84
Canadian Government Bond 5.0% 01/06/2012	3.33
United States Treasury Note/ Bond 5.38% 15/02/2031	2.56

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	27.14	24.38	24.92	25.42	24.19	21.92
Euro Class - €	17.53	18.73	19.88	19.31	19.67	20.41
Sterling Class - £	13.63	12.81	13.61	13.47	13.78	N/A

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	19.32	19.77	21.12	22.73	23.72
Euro Class - €	21.40	22.07	20.97	20.22	N/A
Sterling Class - £	N/A	N/A	N/A	N/A	N/A

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	21.78	22.77	22.45	22.15	21.20	17.98
Euro Class - €	16.27	17.35	18.64	18.56	18.71	19.49
Sterling Class - £	10.99	11.53	12.82	12.45	12.51	N/A

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	17.66	18.03	19.04	21.13	20.55
Euro Class - €	20.08	19.98	19.03	19.06	N/A
Sterling Class - £	N/A	N/A	N/A	N/A	N/A

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Australian dollar	3.84	22.28	-	1.99
Canadian dollar	3.33	-	-	1.93
Euro	42.88	28.95	31.15	27.26
Japanese yen	7.65	7.86	36.74	40.23
Pound sterling	16.20	19.03	6.34	5.07
Swedish krona	-	-	6.43	-
Swiss franc	-	-	-	9.12
US dollar	18.32	15.47	15.74	9.09
Mexican peso	1.09	-	-	-
Norwegian krone	4.22	5.65	-	-
Open Forwards	(1.19)	(2.56)	0.63	(0.40)
Polish zloty	1.91	-	-	-
<b>Total Investments</b>	<b>98.25</b>	<b>96.68</b>	<b>97.03</b>	<b>94.29</b>
Cash	0.79	2.07	8.58	1.97
Other Net Assets/(Liabilities)	0.96	1.25	(5.61)	3.74
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movements in portfolio holdings have been analysed above based on a % of NAV invested in each currency. The movement in each currency position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Bundesrepublik Deutschland 3.75% 04/01/2017	40,269	Bundesrepublik Deutschland 4% 04/07/2016	39,262
Bundesrepublik Deutschland 4.5% 04/07/2009	39,346	UK Treasury 4.75% 07/03/2020	29,480
UK Treasury 4% 7/03/2009	27,846	New South Wales 5.5% 01/03/2017	27,963
Bundesrepublik Deutschland 4% 04/07/2016	26,512	US Treasury Bill 0% 06/09/2007	26,255
UK Treasury 5% 07/03/08	22,232	UK Treasury 5% 07/03/08	22,645
DEPFA ACS Bank 1.65% 20/12/2016	19,897	US Treasury Notes 5.125% 15/05/2016	11,988
US Treasury T Bill 0% 27/03/2008	17,685	INTL Bank Recon & DV 2% 18/02/2008	11,762
UK Gilt 0% 06/07/21	16,788	Kingdom of Norway T Bill 0% 19/03/2008	11,231
US Treasury Notes 4.625% 15/11/2016	15,130	Bundesrepublik Deutschland 3.75% 04/01/2017	9,315
Kingdom of Norway T-Bill 0% 19/03/2008	11,003	Kingdom of Norway T-Bill 0% 19/09/2007	9,305
Kingdom of Norway T-Bill 0% 17/09/2008	10,360	UK GILT 0% 06/07/21	8,611
UK Treasury 4.75% 07/03/2020	9,905	Norwegian T Bill 19/12/2007	8,399
Norwegian T Bill 19/12/2007	8,388	Bundesrepublik Deutschland 4.5% 04/07/2009	7,878
Government of Canada 5% 01/06/2014	8,352	Mexico (UTD Mex St) 8% 19/12/2013	4,562
Mexico (UTD Mex St) 8% 19/12/2013	7,199	US Treasury Notes 4.625% 15/11/2016	3,790
Bundesrepublik Deutschland T Bill 4% 04/01/2037	6,741	Treasury 7.25% 07/12/2007	3,663
US Treasury 5.375% 15/02/2031	6,422	US Treasury T Bill 0% 02/08/2007	3,057
Bundesrepublik Deutschland 4.75% 04/07/2034	6,095	UK Treasury 4% 7/03/2009	2,961
Republic of Poland 5.25% 25/10/2017	4,500	Bundesrepublik Deutschland T Bill 4% 04/01/2037	2,749
US Treasury Bond 5.25% 15/11/2008	4,267	ASIF III JER 0.95% 15/7/09	2,581

## Portfolio Statement

As at 30 April 2008

Financial assets at fair value through profit or loss					
Currency	Fixed Interest	Currency	Nominal Holdings	Fair Value US\$	% of NAV
Australian dollar	New South Wales Treasury 5.5% 01.03.2017	AUD	11,790,000	10,005,630	3.84
Canadian dollar	Canadian Government Bond 5.0% 01.06.2014	CAD	8,015,000	8,665,056	3.33
Euro	Bundesrepublik Deutschland 4.5% 04.07.2009	EUR	21,015,000	32,850,639	12.61
	Bundesrepublik Deutschland 4.0% 04.07.2037	EUR	3,201,000	4,466,845	1.71
	Bundesrepublik Deutschland 3.7% 04.01.2017	EUR	23,188,000	35,025,404	13.44
	Bundesrepublik Deutschland 4.7% 04.07.2034	EUR	3,825,000	5,991,132	2.3
	Bundesrepublik Deutschland 4.0% 04.07.2016	EUR	21,690,000	33,399,994	12.82
				<u>111,734,014</u>	<u>42.88</u>
Pound Sterling	United Kingdom Gilt	GBP	25,795,000	42,217,084	16.20
Japanese Yen	Depfa ACS Bank 1.65% 20.12.2016	JPY	2,160,000,000	19,923,480	7.65
Mexican Peso	Mexican Bonos 8% 19.12.2013	MXN	29,760,000	2,829,511	1.09
Norwegian Krone	Norway Treasury Bill 0.00% 17.09.2008	NOK	57,575,000	10,998,401	4.22
Polish Zloty	Poland Government Bond 5.25% 25.10.2017	PLN	11,655,000	4,969,269	1.91
US dollar	Dow Chemical 7.38% 01.11.2029	USD	855,000	910,130	0.35
	France BD 7.75% 01.03.2011	USD	1,520,000	1,655,508	0.64
	Boieng BD 5.13% 15.02.2013	USD	1,500,000	1,552,350	0.6
	Hutchison Whampoa 6.25% 24.01.2014	USD	865,000	880,717	0.34
	INTL Business 4.38% 01.06.2009	USD	1,620,000	1,644,170	0.63
	Bellsouth 6.0% 15.11.2034	USD	1,385,000	1,318,049	0.51
	HBOS BD 5.92% 01.10.2045	USD	1,700,000	1,230,222	0.47
	HSBC 5.91% 30.11.2035	USD	900,000	766,296	0.29
	Walt Disney BD 5.63% 15.09.2016	USD	1,265,000	1,312,362	0.5
	Conocophillips BD 5.63% 15.10.2016	USD	930,000	965,136	0.37
	Goldman Sachs BD 5.95% 15.01.2027	USD	1,900,000	1,722,787	0.66
	Lloyds BD 6.27% 29.11.2049	USD	830,000	671,292	0.26
	Societe Generale 5.92% 31.12.2040	USD	930,000	791,184	0.3
	Target BD 5.38% 01.05.2017	USD	1,660,000	1,650,057	0.63
	CR Suisse Guernsey 5.86% 29.05.2049	USD	1,020,000	859,617	0.33
	Duke Energy BD 6.1% 01.06.2037	USD	1,345,000	1,310,985	0.5
	JP Morgan Chase & BD 6.13% 27.06.2017	USD	1,880,000	1,928,147	0.74
		USD	1,640,000	1,761,376	0.68
	Verizon Global Funding 7.38% 01.09.2012	USD	1,635,000	1,793,301	0.69
		USD	11,400,000	12,181,584	4.67
		USD	5,980,000	6,673,800	2.56
		USD	3,815,000	4,155,374	1.59
				<u>47,734,444</u>	<u>18.32</u>
<b>Open Forward Foreign Currency Transactions</b>					
	<b>Currency Sold</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Gain</b>	
	CAD 3,670,000	(1.00)	17/06/2008	44,531	0.02
	EUR 73,446	(1.56)	05/06/2008	256	0.00
	GBP 17,125,000	(1.99)	17/06/2008	504,242	0.19
	GBP 3,530,000	(1.98)	17/06/2008	62,463	0.02
	MXN 8,430,000	(0.10)	30/05/2008	6,130	0.00
	USD 779,817	(1.09)	22/05/2008	39,031	0.01
	USD 10,367,718	(1.38)	07/10/2008	190,256	0.07
	USD 11,859,417	(5.18)	06/12/2008	64,505	0.02
	USD 13,897,802	(6.20)	06/05/2008	385,946	0.15
				1,297,360	0.48
<b>Total financial assets at fair value through profit or loss</b>				<b>260,374,249</b>	<b>99.92</b>

## Portfolio Statement (continued)

As at 30 April 2008

**Financial liabilities at fair value through profit or loss****Open Forward Foreign Currency Transactions**

<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Loss</b>			
USD 18,979	EUR	(0.64)	02/05/2008	(144)		0.00	
USD 115,223	EUR	(0.64)	01/05/2008	(402)		0.00	
USD 2,964,450	GBP	(0.51)	17/06/2008	(24,067)		(0.01)	
EUR 3,230,000	USD	(1.53)	15/05/2008	(75,348)		(0.03)	
USD 4,615,385	PLN	(2.20)	30/07/2008	(76,931)		(0.03)	
AUD 10,635,000	USD	(0.91)	17/06/2008	(149,414)		(0.06)	
USD 49,651,414	JPY	(101.84)	19/06/2008	(942,863)		(0.36)	
EUR 29,520,000	USD	(1.45)	15/05/2008	(3,074,579)	(4,343,748)	(1.18)	(1.67)
<b>Total financial liabilities at fair value through profit or loss</b>					(4,343,748)		(1.67)
<b>Total assets and liabilities at fair value through profit or loss</b>					256,030,501		98.25
Cash					2,048,114		0.79
Other Net Assets					2,508,923		0.96
<b>Total Net Assets attributable to holders of redeemable participating units</b>					<b>260,587,538</b>		<b>100.00</b>

All investments, with the exception of forward currency contracts, are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

The counter party to the open forward foreign currency contracts is Northern Trust (Guernsey) Limited.

**Portfolio Classification**

	<b>% of Asset Value</b>
Transferable securities	101.19
Exchange traded financial derivative instruments	(1.19)
	<u>100.00</u>

## Balance Sheet

As at 30 April 2008

		<b>Baring International Bond Fund 30/04/2008 US\$</b>	<b>Baring International Bond Fund 30/04/2007 US\$</b>
<b>Assets</b>	<b>Notes</b>		
Financial assets at fair value through profit or loss	1	260,374,249	154,165,994
Receivable for units sold	1	2,003,127	157,676
Dividends and interest receivable	1	4,717,457	2,535,039
Other assets		14,639	2,310
Cash	1	2,048,114	3,156,733
<b>Total Assets</b>		<b>269,157,586</b>	<b>160,017,752</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	1	4,343,748	6,807,984
Management fee payable	2	150,078	85,809
Payable for units redeemed	1	4,174,404	615,717
Administration fee payable	2	98,632	53,036
Trustee fee payable	2	7,529	6,604
Accrued expenses	2	29,392	84,756
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>8,803,783</b>	<b>7,653,906</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>260,353,803</b>	<b>152,363,846</b>
Adjustments from bid market prices to last traded market prices	1	233,735	61,161
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>260,587,538</b>	<b>152,425,007</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	9,373,147	6,197,640
	Euro Class	548,221	237,101
	Sterling Class	75,794	15,573
<b>NAV Per Redeemable Participating Unit (Note 7)</b>	\$	26.06	23.63
	€	16.76	17.35
	£	13.25	11.84

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

		<b>Baring International Bond Fund 30/04/2008 US\$</b>	<b>Baring International Bond Fund 30/04/2007 US\$</b>
Net assets attributable to holders of redeemable participating units at the beginning of the year		152,425,007	143,205,782
Increase in net assets for the year attributable to holders of redeemable participating units from operations		12,584,288	321,427
Issue of redeemable participating units for the year	5	353,534,393	126,445,592
Redemption of redeemable participating units for the year	5	(257,956,150)	(117,547,794)
<b>Net Assets attributable to holders of redeemable participating units at the end of the year</b>		<b>260,587,538</b>	<b>152,425,007</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring International Bond Fund 30/04/2008 US\$	Baring International Bond Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	310,230	207,206
Bond interest income	1	6,236,128	4,667,222
Stocklending fee income	1	193,207	52,041
Net fair value gain on financial assets and financial liabilities at fair value through profit or loss		11,477,846	1,021,418
<b>Total investment income</b>		<u>18,217,411</u>	<u>5,947,887</u>
<b>Expenses</b>	1		
Management fees	2	1,117,804	1,181,752
Administration fees	2	670,683	691,854
Trustee fees	2	37,260	38,436
Audit Fees		7,216	11,611
General expenses	2	146,534	56,901
<b>Total operating expenses</b>		<u>1,979,497</u>	<u>1,980,554</u>
<b>Net income before finance costs</b>		<u>16,237,914</u>	<u>3,967,333</u>
<b>Finance Costs</b>			
Net income equalisation	1	1,133,393	(73,121)
Distributions	4	(4,948,833)	(3,494,890)
<b>Total Finance costs</b>		<u>(3,815,440)</u>	<u>(3,568,011)</u>
<b>Profit for the financial year</b>		12,422,474	399,322
<b>Withholding Tax on dividends and other investment income</b>		<u>(10,760)</u>	<u>(31,468)</u>
<b>Operating profit</b>		<u>12,411,714</u>	<u>367,854</u>
Adjustments from bid market prices to last traded market prices		172,574	(46,427)
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>12,584,288</u>	<u>321,427</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring Japan Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	13.60	15.08	-9.81

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Japan Fund	-9.81	-12.69	-5.13	-0.81	70.71
Japan (TSE) First Section Index	-7.15	-4.21	-3.95	0.19	60.94

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the Baring Japan Fund is to achieve long-term capital growth in the value of assets. The policy of the Manager is to hold a diversified portfolio of quoted or traded equity investments in companies incorporated in Japan or quoted or traded on any Japanese stock exchange or over-the-counter market or in companies that have a significant proportion of their assets or other interests in Japan. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

We seek under-recognised investment opportunities based on the concept of “neglected alpha” – the identification of companies overlooked by other investors with the potential to deliver returns in excess of the broader market in the Baring Japan Fund.

Our rigorous programme of quantitative and fundamental research, including over 600 company visits per year, is designed to identify beneficiaries of the changing environment in Japan early, so we can incorporate them in the portfolio. We seek to avoid companies where there is potential for earnings disappointment and where investors seem complacent.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited (“BAML”) as the Investment Manager of the Fund. BAML has further appointed Baring Asset Management (Tokyo) Limited as sub Investment Manager to the Baring Japan Fund.

The Baring Japan Fund is managed by Joji Maki, Head of our Japanese Equity Team. Joji is one of our senior investors and is based in our Tokyo office. He has over 21 years of investment experience and is responsible for many of our institutional Japanese equity mandates.

## Risk Profile

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The Baring Japan Fund is a country-specific fund. A country-specific fund is generally more risky than funds which invest more broadly across a range of global equity markets. As the Baring Japan Fund is invested in Japanese equities it is exposed to the volatility which can characterise company share prices from time-to-time. Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US dollar-based investors. In addition, the approach we take to managing the Fund, which includes investment in medium to smaller companies from time-to-time, means that the Fund's performance is likely to prove more volatile than more broadly-based Japanese equity funds.

## Key Changes Since the Last Report

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There were no major changes since the last report.

## Strategy and Performance

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This was a difficult period for the Japanese equity market and for the Fund which underperformed the Topix comparative index. Sector allocation contributed positively to performance with the emphasis on Wholesale Trade and Banks particularly beneficial. However, stock selection was disappointing. This was largely due to a weak performance from real estate services company Sun Frontier Fudosan, acrylic fibre-maker Mitsubishi Rayon and logistics service company Yusen Air & Sea Service. We have retained the holding in Yusen Air & Sea Service in anticipation of a recovery in the share price. However, we took the decision to sell out of Mitsubishi Rayon and Sun Frontier Fudosan as the outlook for both companies has deteriorated since we purchased the stocks.

Turning to strategic changes, we increased the Fund's emphasis Banks and on the Transportation Equipment sector during the year. We were less positive on the prospects for the Real Estate and Retail Trade sectors, hence our decision to reduce exposure to these areas.

## Review of the Market

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The Japanese equity market plummeted as the US sub-prime loan debacle put substantial pressure on banks' balance sheets and called into question the outlook for the global economy. Despite consecutive interest rate cuts and liquidity injections by the US Federal Reserve, investor sentiment remained fragile and the market failed to recover its losses. Against this backdrop, the Japanese economy continued to decelerate during the period, as evidenced by weaker capital spending and slower consumer spending. The Japanese yen climbed to 95 yen against the US dollar, which put the earnings of exporters under additional pressure. The political climate has not improved either, with Prime Minister Yasuo Fukuda caught in a political stalemate. Due to these factors, disappointed foreign investors accelerated their sales of Japanese equities.

## Market Outlook

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Although the latest Bank of Japan Tankan Survey suggests that the Japanese economy is expected to weaken further, there are some encouraging signs. The Organisation for Economic Co-Operation & Development's (OECD) forward-looking economic indicators could be approaching a turning point and valuations do not look excessive on a historical basis and compared to other competitors in the region. In addition, it is possible to identify companies with strong earnings growth and great long-term investment potential. Given these factors, we believe that the downside risk for the Japanese equity market will probably be limited. Although market conditions have been disappointing, we believe we are correctly positioned for the medium to long term, however difficult it might have been in the short term. Once the Japanese equity market starts to recover, we believe the Fund's performance will recover too.

## Portfolio Information (Unaudited)

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<b>Equities &amp; Convertibles</b>	<b>% of NAV</b>
Sumitomo Mitsui Financial	6.89
Mitsui Fudosan	5.99
Mitsui	5.50
Matsushita Electrical Industrial	5.38
Nippon Steel	5.25
Komatsu	5.02
Nomura Holdings	4.94
Mitsubishi UFJ Financial	4.93
Isuzu Motors	4.66
Shin Etsu Chemical	4.61

**Baring Asset Management Limited**

**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	15.65	18.15	17.82	12.83	12.75	10.64
Euro Class - €	11.53	14.22	14.62	10.35	10.66	11.55

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	14.20	20.06	21.82	18.10	17.48
Euro Class - €	16.14	22.43	22.07	16.93	N/A

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	11.43	14.14	11.63	10.37	7.23	6.95
Euro Class - €	7.45	11.01	9.21	8.62	6.24	6.30

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	8.11	11.54	16.96	14.91	12.48
Euro Class - €	9.35	12.61	15.93	13.42	N/A

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Basic Materials	14.20	13.90	10.05	9.76
Consumer Discretionary	-	22.54	16.64	23.46
Consumer, Cyclical	28.03	-	-	-
Consumer, Non Cyclical	3.80	-	-	-
Consumer Staples	-	6.27	7.47	14.13
Communications	4.18	-	2.86	3.77
Financial	25.95	20.47	29.44	15.77
Industrial	26.95	29.31	21.98	24.80
Technology	4.62	2.68	7.98	3.83
<b>Total Investments</b>	<b>107.73</b>	<b>95.17</b>	<b>96.42</b>	<b>95.52</b>
Cash	0.99	2.74	5.11	3.24
Other Net (Liabilities)/Assets	(8.72)	2.09	(1.53)	1.24
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Mitsui Fudosan	3,047	Mitsui Fudosan	10,440
Mitsubishi Rayon	2,611	Hitachi	9,238
NTT Docomo	2,551	Mitsui	8,077
Kitz	2,538	Shin-Etsu Chemical	7,823
Mitsubishi	2,514	Nippon Steel	7,731
Isuzu Motors	1,856	Sumitomo Mitsui Group	7,548
Mitsui	1,750	Mitsubishi	7,510
Komatsu	1,674	Matushita Electric	6,253
Sumitomo Mitsui Group	1,604	Mitsubishi UFJ Finance Group	5,843
Daikin Industries	1,561	Nomura Securities	5,147
Nippon Steel	1,494	Nippon Shokubai	4,808
Elpida Memory	1,414	Shimizu Corp	4,677
Tokyu	1,414	Marui Group	4,659
Shin-Etsu Chemical	1,376	Takashimaya	4,655
Ulvac	1,324	NOK	4,654
Marui Group	1,222	Tokyu	4,640
Nomura Securities	1,168	Nachi Fujikoshi	4,598
Osaka Titanium	1,109	Nitto Denko	4,490
Mizuho Financial	1,104	Sun Frontier Fudosan	4,243
Toshiba	1,014	Isuzu Motors	3,981

## Portfolio Statement

As at 30 April 2008

Industry Sector	Financial assets at fair value through profit or loss		Nominal Holding	Fair Value US\$		%		
	Equities & Convertibles	Currency				of NAV		
Basic Materials	Nippon Steel	JPY	243,000	1,360,370		5.25		
	OJI Paper	JPY	105,000	470,857		1.82		
	OSAKA Titanium Technologies	JPY	9,600	654,504		2.52		
	Shin-Etsu Chemical	JPY	19,500	1,196,514	3,682,245	4.61	14.20	
Communications	IT Holdings	JPY	19,100	390,657		1.51		
	NTT DoCoMo	JPY	475	693,297	1,083,954	2.67	4.18	
Consumer, Cyclical	BIC CAMERA	JPY	465	338,458		1.31		
	Isuzu Motors	JPY	251,000	1,207,518		4.66		
	Marui	JPY	65,900	652,419		2.52		
	Matsushita Electric Industrial	JPY	60,000	1,394,277		5.38		
	Mitsubishi	JPY	16,600	530,805		2.05		
	Mitsui	JPY	61,000	1,426,301		5.50		
	NOK	JPY	34,500	679,134		2.62		
	Seven & I Holdings	JPY	10,000	295,756		1.14		
	Toyota Motor	JPY	14,700	739,658	7,264,326	2.85	28.03	
	Consumer, Non - Cyclical	Mani	JPY	6,300	390,801		1.51	
		Prestige International	JPY	195	247,167		0.95	
Unicharm		JPY	5,000	347,129	985,097	1.34	3.80	
Financial	Mitsubishi UFJ Financial	JPY	117,100	1,279,622		4.93		
	Mitsui Fudosan	JPY	62,000	1,553,870		5.99		
	Mizuho Financial	JPY	160	829,652		3.20		
	Nomura Holdings	JPY	73,800	1,281,260		4.94		
	Sumitomo Mitsui Financial	JPY	208	1,787,594	6,731,998	6.89	25.95	
Industrial	Daikin Industries	JPY	17,200	855,541		3.30		
	Hosokawa Micron	JPY	37,000	234,492		0.90		
	Komatsu	JPY	43,000	1,300,652		5.02		
	Nachi-Fujikoshi	JPY	203,000	836,249		3.22		
	Shimizu	JPY	171,000	804,590		3.10		
	Tokyu	JPY	152,000	804,225		3.10		
	Toshiba	JPY	104,000	858,844		3.31		
	Ulvac	JPY	17,300	701,037		2.70		
	Yusen Air & Sea Service	JPY	38,800	596,121	6,991,751	2.30	26.95	
	Technology	Elpida Memory	JPY	20,700	749,366		2.89	
Ferrotec		JPY	40,000	449,395	1,198,761	1.73	4.62	
<b>Total financial assets at fair value through profit or loss</b>					27,938,132		107.73	
Cash					255,912		0.99	
Other Net Liabilities					(2,262,480)		(8.72)	
<b>Total Net Assets attributable to holders of redeemable participating units</b>					<b>25,931,564</b>		<b>100.00</b>	

All other investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

Portfolio Classification	% of Asset Value
Transferable securities	100.00
	<u>100.00</u>

## Balance Sheet

As at 30 April 2008

	Notes	Baring Japan Fund 30/04/2008 US\$	Baring Japan Fund 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	27,938,132	161,051,209
Receivable for securities sold	1	-	3,835,216
Receivable for units sold	1	139,479	4,490,890
Dividends and interest receivable	1	205,624	1,013,469
Other assets		7,704	28,412
Cash	1	255,912	4,643,871
<b>Total Assets</b>		<b>28,546,851</b>	<b>175,063,067</b>
<b>Liabilities</b>			
Management fee payable	2	24,005	188,134
Payable for securities purchased	1	-	3,739,056
Payable for units redeemed	1	2,658,901	2,133,629
Administration fee payable	2	9,199	67,728
Trustee fee payable	2	4,166	3,763
Accrued expenses	2	7,080	(2,281)
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable units)</b>		<b>2,703,351</b>	<b>6,130,029</b>
<b>Net Assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>25,843,500</b>	<b>168,933,038</b>
Adjustments from bid market prices to last traded market prices	1	88,064	298,179
<b>Net Assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>25,931,564</b>	<b>169,231,217</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	886,990	6,368,580
	Euro Class	1,019,742	4,848,760
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	13.60	15.08
	€	8.74	11.08

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

	Note	Baring Japan Fund 30/04/2008 US\$	Baring Japan Fund 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		169,231,217	180,380,645
Decrease in net assets for the year attributable to holders of redeemable participating units from operations		(6,171,556)	(22,261,305)
Issue of redeemable participating units for the year	5	62,251,067	376,839,025
Redemption of redeemable participating units for the year	5	(199,379,164)	(365,727,148)
<b>Net assets attributable to holders of redeemable participating units at the end of the year</b>		<b>25,931,564</b>	<b>169,231,217</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring Japan Fund 30/04/2008 US\$	Baring Japan Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	29,263	287,099
Dividend income	1	588,795	2,245,661
Stocklending fee income	1	144,152	324,822
Net fair value losses on financial assets at fair value through profit or loss		(5,646,215)	(20,978,907)
<b>Total investment loss</b>		<u>(4,884,005)</u>	<u>(18,121,325)</u>
<b>Expenses</b>			
Management fees	1		
Administration fees	2	735,246	2,773,271
Trustee fees	2	265,138	998,342
Audit Fees	2	14,702	55,465
General expenses	2	744	11,611
<b>Total operating expenses</b>		<u>19,834</u>	<u>101,415</u>
<b>Net expense before finance costs</b>		<u>1,035,664</u>	<u>3,940,104</u>
Finance Costs		(4,698)	-
Net Equalisation		(4,698)	-
<b>Loss for the financial year</b>		<u>(5,924,367)</u>	<u>(22,061,429)</u>
Withholding tax on dividends and other investment income		(37,074)	(146,251)
<b>Operating loss</b>		<u>(5,961,441)</u>	<u>(22,207,680)</u>
Adjustments from bid market prices to last traded market prices		(210,115)	(53,625)
<b>Decrease in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>(6,171,556)</u>	<u>(22,261,305)</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring North America Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	80.64	77.36	4.24

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring North America Fund	4.24	7.31	21.14	1.78	17.41
S&P 500 Index	-4.68	15.24	15.40	6.31	22.84

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only.

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The investment objective of the Baring North America Fund is to achieve long-term capital growth in the value of assets. The policy of the manager is to hold a diversified portfolio of quoted or traded equity investments in companies incorporated in North America or quoted or traded on any North American stock exchange. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring North America Fund invests in the US equity markets. It invests in companies which the manager believes offer potential for delivering better than expected earnings growth. This is done by carefully researching a company's corporate strategy and revenue prospects, and then comparing the manager's view with the market consensus. An important part of the investment process involves regular meetings with the management teams of companies in which they are considering investment. A relatively focused portfolio of 40 to 45 stocks, believed to offer the most attractive prospects for growth in the current environment, is then constructed.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Fund. BAML has further appointed OppenheimerFunds Inc. as sub Investment Manager to the Baring North America Fund.

## Risk Profile

The Baring North America Fund is predominately invested in US equities. As a result, the Fund is exposed to the volatility which can characterise company share prices from time to time. In addition, as a single-country Fund, the Baring North America Fund is generally riskier than funds which invest more broadly across a range of global equity markets.

## Risk Profile (continued)

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Returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for investors. In addition, the approach we take to managing the Fund and keeping the number of holdings at a reasonably focused size means that the Fund may prove more volatile in performance than more broadly-based US equity funds. Please refer to the Prospectus for the full risk profile.

## Key Changes Since the Last Report

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On 1 April 2008, Baring Asset Management Limited appointed OppenheimerFunds Inc. as sub-investment manager of the Fund. OppenheimerFunds Inc., along with Baring Asset Management, is part of Massachusetts Mutual Life Insurance Company, and is one of the leading investment management companies in the US. As at 31 March 2008, OppenheimerFunds Inc. managed more than \$240bn in assets.

## Strategy and Performance

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Although US equity markets were extremely challenging during the period under review, the Baring North America Fund delivered a positive return, both in absolute terms and relative to the S&P 500 Index, which ended the period in negative territory.

The good performance of the Fund relative to the comparative index was generated by a combination of both sector selection and stock selection. Our relative lack of exposure to Financials was most beneficial to performance as the sector has had a torrid time. The fallout from the crisis in the sub-prime mortgage market, and the subsequent multi-billion dollar losses declared by the major investment banks, culminated in the collapse of Bear Stearns. Our focus on Materials, especially soft commodities, was beneficial to performance. This remains a key theme for us, as demand from Asia, rising demand from biofuel producers, and higher wealth in developing economies all bode well for higher prices. Companies such as Potash and Mosaic, the fertiliser companies, have seen huge rises in the underlying prices for their product, and their share prices more than tripled over the review period.

Industrials contributed positively to performance. Our continued emphasis on major international companies and power and commodity producers aided performance. Among individual stocks, Bucyrus, a world leader in the manufacture of mining equipment, posted better than expected earnings numbers, and this was duly reflected in the share price.

## Review of the Market

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Although the US equity market started the period under review positively, with share prices driven up by generally robust economic news and merger activity, the collapse of the US housing market led to sustained volatility. As house prices fell, holders of sub-prime mortgages began to default in increasing numbers, leading to massive losses at financial institutions who had issued financial instruments backed by mortgage payments. The losses caused banks to become unwilling to lend to each other or to businesses, threatening the health of the entire financial system. Equity markets suffered a severe sell-off in summer 2007, which prompted the US Federal Reserve to aggressively cut interest rates, leading to a strong recovery in the autumn. Markets suffered further weakness towards the end of the year and particularly in early 2008 as it became apparent that the financial system was still in trouble and that the US economy was approaching recession. Banks' losses from their exposure to sub-prime mortgage debt culminated in the rescue of Bear Stearns by JP Morgan in March 2008, although this proved to be the low point for share prices during the review period. US equity prices staged a reasonable recovery to the end of April, supported by further interest rate cuts and other supportive measures introduced by the monetary authorities. Share prices finished the period at a three month high, with more investors becoming convinced that the worst of the financial crisis was over.

## Market Outlook

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For much of the period under review the US economy demonstrated reasonable resilience in the face of the significant downturn in the residential housing market, with many investors hopeful that the broader economy could be insulated from the sub-prime crisis. However, the collapse of global credit markets and the subsequent stresses on the financial system have pushed economic concerns to the fore and it is now generally accepted that the economy is in recession.

The Federal Reserve has moved aggressively to support the economy, reducing interest rates by a total of 3.25%, from 5.25% to 2%, in a series of seven cuts, and injecting liquidity into the financial markets. The US Congress approved a stimulus package including tax rebates. Although these measures should help the situation, it is still unclear whether they can prevent a sustained downturn.

The remarkable strength in commodity prices and solid wage growth is causing a resurgence in inflation. Although the health of the economy has been the primary focus of policy makers, they now have to turn their attention to the build up inflation.

Analysts have started to reduce their forecasts of earnings growth but not yet to any significant degree. We are concerned that, as the economy continues to slow, the pressure for forecasts to be reduced further will grow. While the equity market appears reasonably valued, any reduction in earnings forecasts could lead to a deterioration of investor sentiment. This further underpins our determination to invest in companies that we expect to exhibit structural growth and those we believe have robust earnings potential.

2008 will probably continue to be a volatile year for equity markets. With our robust investment process we continue to seek investment opportunities that we believe will provide sustainable returns over the long term.

## Portfolio Information (Unaudited)

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<b>Equities &amp; Convertibles</b>	<b>% of NAV</b>
Google	4.18
Cisco Systems	3.38
Monsanto	3.14
Apple	3.09
Research in Motion	2.87
Occidental Petroleum	2.37
Schlumberger	2.24
Praxair	2.19
XTO Energy	2.13
Las Vegas Sands	2.05

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	85.75	77.76	72.92	64.11	61.13	59.33
GBP Class	42.11	-	-	-	-	-
Euro Class - €	60.23	58.09	59.60	49.33	50.55	65.37
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	75.11	106.51	103.97	87.28	73.59	
GBP Class	-	-	-	-	-	
Euro Class - €	86.68	119.61	107.41	81.33	N/A	

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	70.95	65.09	59.73	54.17	49.25	42.24
GBP Class	34.87	-	-	-	-	-
Euro Class - €	45.14	51.60	46.48	43.94	41.85	39.16
	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>	
US dollar Class – US\$	50.51	60.65	77.10	70.28	54.20	
GBP Class	-	-	-	-	-	
Euro Class - €	55.14	67.17	71.48	65.34	N/A	

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Basic Materials	5.96	7.75	3.96	4.87
Communications	18.82	-	11.43	6.63
Consumer Discretionary	-	10.73	7.00	6.78
Consumer, Cyclical	7.23	-	-	-
Consumer, Non- Cyclical	15.37	-	-	-
Consumer Staples	-	9.06	23.06	10.85
Energy	10.31	9.07	10.31	9.33
Financial	9.19	19.86	20.73	16.62
Healthcare	-	14.57	-	14.46
Industrial	8.53	13.24	11.17	15.67
Technology	20.25	16.65	10.25	12.54
Telecommunication Services	-	1.60	-	-
<b>Total Investments</b>	<b>95.66</b>	<b>102.53</b>	<b>97.91</b>	<b>97.75</b>
Cash	3.72	1.02	0.59	2.07
Other Net (Liabilities)Assets	0.62	(3.55)	1.50	0.18
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each industry sector. The movement in each industry sector position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Fed Home LN BK 30/04/2	6,170	Fed Home LN BK 30/04/2	6,170
Cisco Systems	5,405	Fed Home LN BK 29/04/2	5,210
Fed Home LN BK 29/04/2	5,210	Fed Home LN BK 25/04/2	4,170
Schlumberger	4,826	Citigroup	4,149
Monsanto	4,531	Exxon Mobil	3,978
Google	4,284	Fed Home LN BK CPN 14/	3,600
Fed Home LN BK 25/04/2	4,170	Freeport-McMoRan Copper & Gold	3,587
Microsoft Corporation	4,076	Foster Wheeler	3,184
Research in Motion	3,913	Fed Home LN BK 24/04/2	2,880
Ebay Inc	3,613	Allegheny Technologies	2,795
Fed Home LN BK CPN 14/	3,599	Pepsico	2,661
XTO Energy	3,492	Fed Home LN BK CPN23/	2,640
Apple	3,475	Fed Home LN BK 10/04/2	2,500
Occidental Petroleum	3,297	Fed Home LN BK 11/04/2	2,500
Mastercard	3,231	Cisco Systems	2,474
Praxair	3,134	Jones Lang Lasalle	2,442
Costco Wholesale	3,110	United Technologies	2,374
Lockheed Martin	3,095	Johnson & Johnson	2,352
Corning	3,044	Goldman Sachs	2,348
Las Vegas Sands	2,940	Peabody Energy	2,337

## Portfolio Statement

As at 30 April 2008

Financial assets at fair value through profit or loss						
Industry	Equities & Convertibles	Currency	Nominal Holdings	Fair Value US\$		% of NAV
Basic Materials	Monsanto	USD	41,605	4,609,834		3.14
	Potash Corp of Saskatchewan	USD	5,101	923,740		0.63
	Praxair	USD	35,555	3,218,439	8,752,013	2.19
Communications	Amazon	USD	9,289	749,529		0.51
	Cisco Systems	USD	194,790	4,969,093		3.38
	Corning	USD	103,919	2,751,775		1.87
	Crown Castle International	USD	65,560	2,537,172		1.72
	eBay	USD	80,728	2,509,026		1.71
	F5 Networks	USD	35,708	813,785		0.55
	Google	USD	10,989	6,137,027		4.18
	Liberty Global	USD	43,412	1,505,962		1.03
	NII Holdings	USD	44,131	1,991,191		1.36
	QUALCOMM	USD	58,012	2,538,605		1.73
Consumer, Cyclical	XM Satellite Radio Holdings	USD	97,699	1,139,170	27,642,335	0.78
	Abercrombie & Fitch	USD	21,053	1,594,765		1.09
	Costco Wholesale	USD	30,890	2,193,190		1.48
	Fastenal	USD	16,704	823,006		0.56
	Las Vegas Sands	USD	40,835	3,014,848		2.05
Consumer, Non-Cyclical	Polo Ralph Lauren	USD	48,141	3,003,517	10,629,326	2.05
	Aetna	USD	19,301	849,244		0.58
	Allergan /United States	USD	20,093	1,141,483		0.78
	Baxter International	USD	23,241	1,464,183		1.00
	Celgene	USD	26,825	1,689,975		1.15
	Corporate Executive Board	USD	5,064	221,398		0.15
	Covance	USD	13,664	1,160,347		0.79
	CR Bard	USD	9,800	913,948		0.62
	Express Scripts	USD	27,377	1,956,634		1.33
	Gilead Sciences	USD	44,487	2,300,423		1.57
	Henry Schein	USD	23,546	1,301,387		0.88
	Mastercard	USD	7,941	2,166,940		1.48
	Merck & Co	USD	19,500	723,450		0.49
	Philip Morris International	USD	40,086	2,083,269		1.42
	St Jude Medical	USD	13,864	612,096		0.42
	Stryker	USD	10,010	655,255		0.45
	SYSCO	USD	54,973	1,686,022		1.15
	Visa	USD	20,109	1,625,410	22,551,464	1.11
	Energy	Occidental Petroleum	USD	41,823	3,481,765	
Range Resources		USD	34,241	2,240,731		1.53
Schlumberger		USD	33,200	3,295,432		2.24
Smith International		USD	26,618	2,023,500		1.38
Transocean		USD	6,553	962,177		0.66
XTO Energy		USD	51,154	3,129,602	15,133,207	2.13
Financial	American Express	USD	21,425	1,028,614		0.70
	Charles Schwab	USD	50,980	1,117,991		0.76
	CME	USD	4,122	1,957,455		1.33
	Fortress Investment	USD	38,847	559,785		0.38
	Goldman Sachs	USD	12,182	2,335,168		1.59
	IntercontinentalExchange	USD	2,300	349,002		0.24
	Jones Lang LaSalle	USD	17,565	1,540,451		1.05
	Northern Trust	USD	14,758	1,100,799		0.75
	Och-Ziff Capital Management	USD	45,705	882,564		0.60
	Prudential Financial	USD	22,492	1,700,620		1.16
	T Rowe Price	USD	15,611	929,167	13,501,616	0.63
	Industrial	Expeditors International of Washington	USD	7,958	376,811	
General Dynamics		USD	25,953	2,344,854		1.60
Lockheed Martin		USD	15,126	1,601,541		1.09
McDermott International		USD	25,456	1,392,189		0.95
Precision Castparts		USD	14,349	1,702,796		1.16
Thermo Fisher Scientific		USD	42,041	2,414,835		1.64
United Technologies		USD	36,850	2,693,367	12,526,393	1.83

## Portfolio Statement (Continued)

As at 30 April 2008

Financial assets at fair value through profit or loss					
Industry	Equities & Convertibles	Currency	Nominal Holdings	Fair Value US\$	% of NAV
Technology	Adobe Systems	USD	58,040	2,189,849	1.49
	Affiliated Computer Services	USD	56,893	3,002,244	2.04
	Apple	USD	25,923	4,536,007	3.09
	Autodesk	USD	51,542	2,004,468	1.36
	Broadcom	USD	51,237	1,356,756	0.92
	Cognizant Technology Solutions	USD	59,249	1,903,078	1.30
	EMC/Massachusetts	USD	117,978	1,854,614	1.26
	Microchip Technology	USD	33,924	1,249,760	0.85
	Microsoft	USD	76,733	2,197,633	1.50
	MSCI	USD	21,460	647,448	0.44
	NetApp	USD	51,411	1,234,892	0.84
	Nuance Communications	USD	29,469	610,598	0.42
	Research In Motion	USD	33,433	4,219,579	2.87
	Salesforce.com	USD	19,572	1,310,345	0.89
	ASML Holding	USD	50,900	1,432,835	0.98
	<b>Total financial assets at fair value through profit or loss</b>			140,486,460	95.66
	Cash			5,454,785	3.72
	Other Net Assets			915,322	0.62
	<b>Total Net Assets attributable to holders of redeemable participating units</b>			<b>146,856,567</b>	<b>100.00</b>

All other investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

## Portfolio Classification

	% of Asset Value
Transferable securities	100.00
	<u>100.00</u>

## Balance Sheet

As at 30 April 2008

		<b>Baring North America Fund 30/04/2008 US\$</b>	<b>Baring North America Fund 30/04/2007 US\$</b>
<b>Assets</b>	<b>Notes</b>		
Financial assets at fair value through profit or loss	1	140,486,460	68,952,973
Receivable for securities sold	1	1,485,101	1,482,122
Receivable for units sold	1	270,203	77
Dividends and interest receivable	1	18,652	21,097
Other assets		3,049	622
Cash	1	5,518,629	684,694
<b>Total Assets</b>		<b>147,782,094</b>	<b>71,141,585</b>
<b>Liabilities</b>			
Bank overdraft	14	63,844	-
Management fee payable	2	81,784	55,024
Payable for securities purchased	1	802,022	1,972,026
Payable for units redeemed	1	5,381	1,854,240
Administration fee payable	2	30,126	19,742
Trustee fee payable	2	1,544	1,097
Accrued expenses	2	11,089	3,385
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable units)</b>		<b>995,790</b>	<b>3,905,514</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>146,786,304</b>	<b>67,236,071</b>
Adjustments from bid market prices to last traded market prices	1	70,263	11,504
<b>Net assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>146,856,567</b>	<b>67,247,575</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	845,652	808,676
	Sterling Class	935,831	N/A
	Euro Class	46,931	60,530
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	80.64	77.36
	£	40.67	N/A
	€	51.87	56.83

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

		<b>Baring North America Fund 30/04/2008 US\$</b>	<b>Baring North America Fund 30/04/2007 US\$</b>
Net assets attributable to holders of redeemable participating units at the beginning of the year		67,247,575	79,541,377
Increase in net assets for the year attributable to holders of redeemable participating units from operations		6,693,003	4,294,847
Issue of redeemable participating units for the year	5	170,589,397	97,266,506
Redemption of redeemable participating units for the year	5	(97,673,408)	(113,855,155)
<b>Net assets attributable to holders of redeemable participating units at the end of the year</b>		<b>146,856,567</b>	<b>67,247,575</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

For the year ended 30 April 2008

	Notes	Baring North America Fund 30/04/2008 US\$	Baring North America Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	70,727	109,576
Dividend income	1	723,335	942,091
Stocklending fee income	1	27,318	31,728
Net fair value gains on financial assets at fair value through profit or loss		7,178,325	4,982,749
<b>Total investment income</b>		<u>7,999,705</u>	<u>6,066,144</u>
<b>Expenses</b>			
Management fees	1		
Administration fees	2	800,675	869,011
Trustee fees	2	288,245	312,484
Audit Fees	2	16,014	17,360
General expenses	2	3,840	11,611
		53,214	26,921
<b>Total operating expenses</b>		<u>1,161,988</u>	<u>1,237,387</u>
<b>Net income before finance costs</b>		<u>6,837,717</u>	<u>4,828,757</u>
<b>Finance Costs</b>			
Net income equalisation		(1,318)	-
<b>Total Finance costs</b>		<u>(1,318)</u>	<u>-</u>
<b>Profit for the financial year</b>		6,836,399	4,828,757
Withholding tax on dividends and other investment income		(202,155)	(261,505)
<b>Operating profit</b>		<u>6,634,244</u>	<u>4,567,252</u>
Adjustments from bid market prices to last traded market prices		58,759	(272,405)
<b>Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>6,693,003</u>	<u>4,294,847</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Baring Pacific Fund - Investment Manager's Report - Unaudited

### Summary of Fund Performance

Accounting Year	Net asset value as at 30/04/2008 (US\$ per unit)	Net asset value as at 30/04/2007 (US\$ per unit)	Net asset value % change
Income units – (USD Class)	141.10	122.90	14.81

### Performance Record to 30 April 2008

	01/05/2007 - 30/04/2008 %	01/05/2006 - 30/04/2007 %	01/05/2005 - 30/04/2006 %	01/05/2004 - 30/04/2005 %	01/05/2003 - 30/04/2004 %
Baring Pacific Fund	14.83	13.55	44.72	5.70	61.36
MSCI All Country Asia Pacific Free Index	4.97	8.90	43.14	8.88	56.47

\*The figures are different where there has been a distribution paid on a Fund. The second table shows the return which includes the distribution and the first table shows the difference in actual prices on the dates stated.

Source: Baring Asset Management Limited. Percentage performance to 30 April 2008, bid-to-bid basis with net income reinvested, in US dollar terms.

Note: All references to a specific index are for comparative purposes only

**Past performance is not a guide to future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested.**

## Investment Objective and Policy

The objective of the manager for the Baring Pacific Fund is to achieve long-term growth in the value of assets. The policy of the manager is to hold a diversified portfolio of equity investments in the Pacific and Pacific Rim region including Australia, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore and Thailand. Please refer to the Prospectus for the full Investment Objective and Policy.

## How we Manage the Fund

The Baring Pacific Fund is invested in the Asia Pacific equity markets, using a "bottom up" investment approach. This means we focus more on the individual merits of a specific company, rather than taking a stance on the outcome of a sector of the market or macroeconomic trends such as interest rate rises. Within this, we manage the Fund using a "Growth at a Reasonable Price", or GARP, approach. This means that when researching candidates for the portfolio, we place just as much emphasis on the likely growth in corporate earnings at a company as we do on the share price valuation before deciding whether to invest or not. We believe this approach combines the best features of both "growth" and "value" investment styles, to the benefit of investors.

The Managers, Baring International Fund Managers (Ireland) Limited, have appointed Baring Asset Management Limited ("BAML") as the Investment Manager of the Fund. BAML has further appointed Baring Asset Management (Asia) Limited as sub Investment Manager to the Baring Pacific Fund.

The manager of the Baring Pacific Fund is Henry Chan, Head of our Asian Investment Team. Henry has thirteen years of investment experience and is responsible for directing our Asia Pacific investment strategy and portfolio construction process.

## Risk Profile

The Baring Pacific Fund is invested primarily in equities listed in the Asia Pacific region including Japan and as such is exposed to the volatility that can characterise equity share prices from time-to-time. Many of these countries are emerging equity markets, and as a result, the Fund can be exposed to economic, political and other risks associated with holding equities in developing markets.

## Risk Profile (continued)

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In addition to this, returns from overseas equity markets can also be subject to fluctuations in exchange rates, which can have the effect of eroding or enhancing the value of the investment returns for US-dollar-based investors.

## Key Changes Since the Last Report

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After the end of the reporting period for the Fund, it was agreed at an Extraordinary General Meeting held on 17 June that the investment objective and policy for the Fund should change, and that the name of the Fund should reflect this. Going forward, the Baring Pacific Fund will be known as the Baring ASEAN Frontiers Fund, and the objective of the Fund will be to achieve long-term capital growth in the value of assets by investing in companies in Asia which the Managers believe will benefit from the economic growth and development of the region. The policy will be to invest primarily in equities of companies quoted or traded on the stock exchanges and incorporated in countries which are members of the Association of South-East Asian Nations (ASEAN) or which have a significant proportion of their assets or other interests in those countries. The members of ASEAN include Singapore, Thailand, the Philippines, Malaysia, Indonesia and Vietnam. For full details of the investment objective and policy, please refer to the Fund Prospectus.

## Strategy and Performance

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The Fund produced a positive return over the review period and strongly outperformed its comparative index. The Fund's reduced exposure to Japan and its emphasis on Hong Kong China and Singapore contributed strongly to performance, as did stock selection in Taiwan and Singapore.

Our investment strategy is driven by finding the best individual stock opportunities. During the review period, our strategy has focused on a number of investment themes. These include targeting the beneficiaries of consumption growth in China via holdings in financials, such as China Merchant Bank, and quality retail stocks like Ports Design and Hengan International. Domestic deflation across various markets was another important theme and we have positions in property stocks in several markets including China and Singapore as well as some holdings in Thai banks. We also targeted the beneficiaries of petro-dollar recycling including selected Korean construction companies, Singapore oil services companies and shipbuilders. The beneficiaries of Chinese growth and global inventory rebuilding were targeted, including materials company Asia Cement as well as Australian beneficiaries of rising demand for resources including WorleyParsons, BHP Billiton, and Rio Tinto. For most of the year, the Fund maintained its reduced exposure to Japan, the largest market in the region, and its emphasis on the equity markets of Hong Kong China which have better growth prospects and more attractive valuations.

## Review of the Market

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The one year period ended April 2008 was split into two halves by continuing troubles in the US housing market and the resultant fallout into global financial markets and developed economies. The imbalances caused frozen credit markets which in turn caused a dramatic reduction in risk appetite and triggered fears of a potential slowdown in the US and other developed economies. Unfortunately Asian equity markets, which had posted strong performances up to that time led by China and India, were not exempted from the risk reduction and sold off sharply. In spite of this, Asian equity markets posted solid gains for the period as a whole, led by Hong Kong China and Taiwan which, unlike other markets, performed well towards the end of this period. Japan, New Zealand and the Philippines were the laggards over the review period.

## Market Outlook

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The economic fundamentals and corporate balance sheets of Asian companies remain very solid. The strong build up of domestic savings and the recycling of petro-dollars should continue to attract increasing investment into this region. Valuations have also become more attractive following the recent correction. However, the outlook for the US credit markets remains unclear. The current situation is in some ways similar to the Asian financial crisis a decade ago although the epicentre has now moved to the US. Although there are some signs that the worst of the financial crisis in the US and other developed nations has passed, the situation remains fragile. Given inflationary headwinds, including higher commodity prices and a weaker US dollar, some slowdown in US consumption is expected. In this scenario, Asian economies' export outlook could be impacted in the short to mid-term.

## Market Outlook (continued)

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However, in the long-term, we are confident in the secular trend of economic and corporate earnings growth in Asia underpinned by growing domestic demand growth. While we adopted a relatively neutral and conservative stance towards the end of the review period, to stabilise performance during these volatile times, we expect the market to refocus on the strong earnings growth in Asia once the credit market issues in the US are behind us. We are rebuilding positions on a stock specific basis in the current weakness. In the shorter term, the Fund retains a meaningful emphasis on larger cap and more stable holdings.

## Portfolio Information (Unaudited)

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<b>Equities &amp; Convertibles</b>	<b>% of NAV</b>
China Merchant Bank	2.91
Commonwealth Bank of Australia	2.55
China Railway Construction	2.18
Sumitomo Mitsui Financial	2.03
Worley Parsons	2.02
China Mobile	1.96
Hong Kong Exchanges and Clearing	1.95
Taiwan Semiconductor Manufacturing	1.94
Sembcorp Marine	1.93

**Baring Asset Management Limited**  
**May 2008**

## Highest Issue and Lowest Redemption Prices

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### Highest Issue Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	168.82	124.43	109.57	80.96	75.58	60.67
Euro Class - €	117.16	92.36	88.88	60.84	63.10	66.21

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	69.23	96.25	108.84	84.90	85.66
Euro Class - €	80.08	106.75	109.19	79.81	N/A

### Lowest Redemption Prices during the year

	<b>April 2008</b>	<b>April 2007</b>	<b>April 2006</b>	<b>April 2005</b>	<b>April 2004</b>	<b>April 2003</b>
US dollar Class – US\$	121.14	89.58	72.81	61.46	43.95	42.05
Euro Class - €	80.40	71.19	57.62	51.13	38.72	38.24

	<b>April 2002</b>	<b>April 2001</b>	<b>April 2000</b>	<b>April 1999</b>	<b>April 1998</b>
US dollar Class – US\$	49.03	61.10	80.48	68.33	58.55
Euro Class - €	53.17	67.83	75.63	60.37	N/A

## Statement of Movements in Portfolio Holdings

	30/04/2008 % of NAV*	30/04/2007 % of NAV*	30/04/2006 % of NAV*	30/04/2005 % of NAV*
Australia	10.71	11.85	6.69	13.17
Canada	0.48	-	-	-
China	10.99	-	-	-
Collective Investment Scheme	1.42	-	-	-
Hong Kong	11.31	28.21	29.17	6.30
India	1.92	1.01	1.81	2.02
Indonesia	0.49	3.88	2.40	-
Japan	30.84	22.03	33.58	50.49
Malaysia	2.53	7.18	-	-
Philippines	2.46	-	0.64	2.46
Singapore	6.22	7.58	5.26	-
South Korea	6.01	10.06	8.10	11.35
Switzerland	2.65	-	-	-
Taiwan	9.65	4.69	6.43	8.64
Thailand	1.58	-	1.14	4.64
Warrants	-	-	-	-
Futures	-	-	-	-
Collective Investment Schemes	1.42	-	-	-
<b>Total Investments</b>	<b>99.26</b>	<b>96.49</b>	<b>95.22</b>	<b>99.07</b>
Bank Overdraft	(0.03)	(0.48)	0.58	1.23
Other Net Assets/(Liabilities)	0.77	3.99	4.20	(0.30)
<b>Total Net Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*Movement in portfolio holdings have been analysed above based on a % of NAV invested in each geographic location. The movement in each countries position between years has to be inferred.

## Significant Portfolio Movements - Unaudited

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
UBS AG/London Warrant	25,527	UBS AG/London	12,952
New World China Land	13,768	New World Development	12,199
New World Development	12,584	Hong Kong Exchanges and Clearing	11,148
Singapore Telecomm New	11,602	New World China Land	11,097
Swire Pacific	10,386	Swire pacific	10,210
China Mobile	9,555	Singapore Telecomm	9,769
Henderson Land Development	9,425	Henderson Land Development	8,346
KWG Property	9,023	Sime Darby	8,302
Sime Darby	8,746	Larsen & Toubro	8,036
Bumiputra-Commerce	8,645	Bumiputra-Commerce	7,985
HSBC Holdings	8,193	KWG Property	7,581
Hong Kong Exchanges and Clearing	7,873	HSBC Holdings	7,452
Reliance Industries	7,286	Reliance Industries	7,261
Larsen & Toubro	7,152	China Mobile	6,747
Commonwealth Bank of Australia	6,935	Anta Sports Products	5,827
Paladin Energy	6,698	High Tech Computer	5,028
China Communications	6,684	Merrill Lynch Warrant	4,891
Nine dragons Paper Holdings	6,187	Hang Seng Bank	4,865
UBS AG/London	6,168	Tata Power	4,847
Petrochina	5,934	EIn Synnex	4,709

## Portfolio Statement

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss Equities & Convertibles	Currency	Nominal Holding	Fair Value US\$	% of NAV	
Australia	BHP Billiton	AUD	31,738	1,252,888	0.57	
	Commonwealth Bank of Australia	AUD	135,260	5,646,476	2.55	
	Fortescue Metals	AUD	119,280	824,328	0.37	
	Mount Gibson Iron	AUD	418,880	1,142,281	0.52	
	Paladin Energy	AUD	772,338	3,058,256	1.38	
	Rio Tinto	AUD	14,848	1,886,683	0.85	
	Wesfarmers	AUD	115,768	4,021,907	1.82	
	Westpac Banking	AUD	60,532	1,384,441	0.63	
	WorleyParsons	AUD	123,788	4,480,875	2.02	
Canada	Equinox Minerals	AUD	223,995	1,052,221	0.48	
China	China Communications Construction	HKD	1,550,000	3,682,782	1.66	
	China Construction Bank	HKD	2,691,000	2,427,015	1.10	
	China Merchants Bank	HKD	1,544,000	6,447,653	2.91	
	China Petroleum & Chemical	HKD	3,040,000	3,225,392	1.46	
	Jiangxi Copper	HKD	1,056,000	2,560,525	1.16	
	PetroChina	HKD	2,166,000	3,223,442	1.46	
	Ping An Insurance of China	HKD	288,500	2,735,229	1.24	
	China Mobile	HKD	252,000	4,328,969	1.96	
	China Overseas Land & Investment	HKD	81,937	44,150	0.02	
Hong Kong	China Railway Construction	HKD	3,102,500	4,816,156	2.18	
	CLP Holdings	HKD	272,500	2,157,024	0.97	
	Hengan International	HKD	376,000	1,338,610	0.60	
	Hong Kong Exchanges and Clearing	HKD	211,000	4,309,520	1.95	
	HongKong Electric Holdings	HKD	358,000	2,245,925	1.01	
	Lifestyle International Holdings	HKD	326,000	679,215	0.31	
	Ports Design	HKD	846,500	2,720,433	1.23	
	Sun Hung Kai Properties	HKD	136,000	2,381,634	1.08	
	Bharti Airtel	INR	192,208	4,240,934	1.92	
India	Bakrie Sumatera Plantations	IDR	4,777,000	827,097	0.37	
	Bank Rakyat Indonesia	IDR	422,500	267,463	0.12	
	Summarecon Agung	IDR	115,416	2,311	0.00	
Indonesia				1,096,871	0.49	
	Japan	BIC CAMERA	JPY	976	710,398	0.32
		Daikin Industries	JPY	41,000	2,039,370	0.92
Elpida Memory		JPY	59,200	2,143,115	0.97	
Ferrotec		JPY	88,400	993,163	0.45	
Hosokawa Micron		JPY	82,000	519,684	0.23	
Isuzu Motors		JPY	657,000	3,160,716	1.43	
IT Holdings		JPY	46,500	951,075	0.43	
Komatsu		JPY	112,300	3,396,822	1.53	
Mani		JPY	1,900	117,861	0.05	
Marui		JPY	157,100	1,555,311	0.70	
Matsushita Electric Industrial		JPY	155,000	3,601,882	1.60	
Mitsubishi		JPY	48,000	1,534,857	0.69	
Mitsubishi UFJ Financial		JPY	279,400	3,053,171	1.38	
Mitsui &		JPY	164,000	3,834,646	1.73	
Mitsui Fudosan		JPY	148,000	3,709,238	1.68	
Mizuho Financial		JPY	367	1,903,015	0.86	
Nachi-Fujikoshi		JPY	484,000	1,993,816	0.90	
Nippon Steel		JPY	627,000	3,510,092	1.59	
NOK		JPY	82,400	1,622,047	0.73	
Nomura Holdings		JPY	174,800	3,034,746	1.37	
NTT DoCoMo		JPY	1,133	1,653,697	0.75	
OJI Paper		JPY	255,000	1,143,509	0.52	
OSAKA Titanium Technologies		JPY	25,100	1,711,254	0.77	
Prestige International		JPY	431	546,302	0.25	
Seven & I Holdings		JPY	20,600	609,257	0.28	
Shimizu		JPY	406,000	1,910,313	0.86	
Shin-Etsu Chemical		JPY	52,800	3,239,793	1.46	
Sumitomo Mitsui Financial		JPY	523	4,494,767	2.03	
Tokyu		JPY	362,000	1,915,326	0.87	
Toshiba		JPY	284,000	2,345,304	1.06	
Toyota Motor		JPY	34,900	1,756,059	0.79	
Ulvac	JPY	38,321	1,552,858	0.70		

## Portfolio Statement (continued)

As at 30 April 2008

Country of Incorporation	Financial assets at fair value through profit or loss Equities & Convertibles	Currency	Nominal Holding	Fair Value US\$		% of NAV
Japan	Unicharm	JPY	11,100	770,626		0.35
	Yusen Air & SeaService	JPY	85,700	1,316,689	68,350,779	0.59 30.84
Malaysia	Public Bank BHD	MYR	862,600	3,113,143		1.41
	IOI Bhd	MYR	1,068,200	2,468,654	5,581,797	1.12 2.53
Philippines	Aboitiz Power	PHP	15,959,000	1,869,310		0.84
	Philippine Long Distance Telephone	PHP	59,050	3,570,108	5,439,418	1.62 2.46
Singapore	SembCorp Marine	SGD	1,570,600	4,268,405		1.93
	Singapore Press Holdings	SGD	725,000	2,359,066		1.07
	Singapore Telecommunications	SGD	779,000	2,208,631		1.00
	SMRT	SGD	898,000	1,180,668		0.53
South Korea	United Overseas Bank	SGD	250,000	3,746,006	13,762,776	1.69 6.22
	CJ CheilJedang	KRW	3,791	960,487		0.43
	GS Engineering & Construction	KRW	4,892	718,337		0.33
	Hynix Semiconductor	KRW	15,130	402,914		0.19
	Hyundai Department Store	KRW	10,143	1,065,293		0.48
	JVM	KRW	10,000	398,706		0.18
	Modetour Network	KRW	18,026	637,055		0.29
	Samsung Card	KRW	21,471	1,192,715		0.54
	Samsung Electronics	KRW	4,891	3,457,053		1.57
	Shinhan Financial	KRW	19,760	1,137,011		0.51
	SK Energy	KRW	6,783	827,195		0.37
	SODIFF Advanced Materials	KRW	12,996	1,007,853		0.46
	S-Oil	KRW	11,727	789,194		0.36
	STX Engine	KRW	15,000	670,483	13,264,296	0.30 6.01
	Switzerland	UBS AG/London	USD	143,000	1,313,026	
UBS AG/London		USD	1,295,730	2,332,314		1.05
UBS AG/London		USD	1,320,000	2,220,240	5,865,580	1.00 2.65
Taiwan	Cheng Shin Rubber Industry	TWD	719	1,366		0.00
	Chunghwa Telecom	TWD	946,000	2,436,385		1.10
	First Financial Holding	TWD	3,394,000	4,120,013		1.87
	Goldsun Development & Construction	TWD	3,214,000	2,388,356		1.08
	InnoLux Display	USD	230,750	1,338,350		0.60
	Taiwan Cement	TWD	821,000	1,333,317		0.60
	Taiwan Fertilizer	TWD	582,000	2,816,437		1.27
	Taiwan Semiconductor Manufacturing	TWD	1,965,000	4,300,049		1.94
Thailand	Yuanta Financial Holding	TWD	2,760,000	2,625,984	21,360,257	1.19 9.65
	Kasikornbank	THB	1,260,900	3,495,879	3,495,879	1.58 1.58
Ireland	<b>Collective Investment Scheme</b>					
	Baring Global Investment Umbrella Fund	USD	300,000	3,147,000	3,147,000	1.42
	<b>Total financial assets at fair value through profit or loss</b>			219,679,617		99.26
	Bank Overdraft			(55,429)		(0.03)
	Other Net Assets			1,714,301		0.77
	<b>Total Net Assets attributable to holders of redeemable participating units</b>			<b>221,338,489</b>		<b>100.00</b>

All other investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.

## Portfolio Classification

Transferable securities

## % of Asset

Value

100.00

100.00

## Balance Sheet

As at 30 April 2008

	Notes	Baring Pacific Fund 30/04/2008 US\$	Baring Pacific Fund 30/04/2007 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	1	219,679,617	59,235,045
Receivable for securities sold	1	448,119	3,595,751
Receivable for units sold	1	750,487	30,492
Dividends and interest receivable	1	674,432	229,193
Cash	1	115,720	-
Other assets		27,056	5,738
<b>Total Assets</b>		<b>221,695,431</b>	<b>63,096,219</b>
<b>Current Liabilities</b>			
Bank overdraft	14	171,149	296,671
Management fee payable	2	267,766	62,464
Payable for securities purchased	2	-	955,410
Payable for units redeemed	2	156,666	483,063
Administration fee payable	2	96,303	22,424
Trustee fee payable	2	5,354	1,248
Accrued expenses	2	122,717	8,001
Other Liabilities		36	13,906
<b>Total Liabilities (Excluding net assets attributable to holders of redeemable participating units)</b>		<b>819,991</b>	<b>1,843,187</b>
<b>Net assets attributable to holders of redeemable participating units (at bid market prices)</b>		<b>220,875,440</b>	<b>61,253,032</b>
Adjustments from bid market prices to last traded market prices	1	463,049	135,510
<b>Net assets attributable to holders of redeemable participating units (at last traded market prices)</b>		<b>221,338,489</b>	<b>61,388,542</b>
<b>Units In Issue (Note 5)</b>			
	Dollar Class	1,527,761	478,319
	Euro Class	40,831	21,146
<b>NAV Per Redeemable Participating Unit (Note 7)</b>			
	\$	141.10	122.90
	€	90.76	90.28

## Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year ended 30 April 2008

	Notes	Baring Pacific Fund 30/04/2008 US\$	Baring Pacific Fund 30/04/2007 US\$
Net assets attributable to holders of redeemable participating units at the beginning of the year		61,388,542	35,876,950
Decrease/Increase in net assets for the year attributable to holders of redeemable participating units from operations		(18,047,810)	7,491,026
Issue of redeemable participating units for the year	5	409,889,975	85,177,632
Redemption of redeemable participating units for the year	5	(231,892,218)	(67,157,066)
<b>Net assets attributable to holders of redeemable participating units at the end of the year</b>		<b>221,338,489</b>	<b>61,388,542</b>

The accompanying notes form an integral part of these financial statements

## Profit and Loss Account

As at 30 April 2008

	Notes	Baring Pacific Fund 30/04/2008 US\$	Baring Pacific Fund 30/04/2007 US\$
<b>Investment Income</b>			
Bank deposit interest	1	277,106	61,636
Dividend income	1	3,555,433	863,135
Stocklending fee income	1	358,129	40,714
Net fair value gains/(losses) on financial assets at fair value through profit or loss		<u>(19,554,503)</u>	<u>7,464,665</u>
<b>Total investment expense/income</b>		<u>(15,363,835)</u>	<u>8,430,150</u>
<b>Expenses</b>	1		
Management fees	2	2,129,157	615,419
Administration fees	2	766,497	221,551
Trustee fees	2	42,583	12,308
Audit Fees	2	5,869	11,611
General expenses	2	<u>55,658</u>	<u>13,133</u>
<b>Total operating expenses</b>		<u>2,999,764</u>	<u>874,022</u>
<b>Net expense/income before finance costs</b>		<u>(18,363,599)</u>	<u>7,556,128</u>
<b>Finance Costs</b>			
Net income equalisation	1	262,943	5,620
Distributions	4	<u>(11,133)</u>	<u>-</u>
<b>Total Finance costs</b>		<u>251,810</u>	<u>5,620</u>
<b>Loss/Profit for the financial year</b>		<u>(18,111,789)</u>	<u>7,561,748</u>
Withholding tax on dividends and other investment income		<u>(263,560)</u>	<u>(87,089)</u>
<b>Operating loss/profit</b>		<u>(18,375,349)</u>	<u>7,474,659</u>
Adjustments from bid market prices to last traded market prices		<u>327,539</u>	<u>16,367</u>
<b>Decrease/Increase in net assets for the year attributable to holders of redeemable participating units from operations</b>		<u>(18,047,810)</u>	<u>7,491,026</u>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the profit and loss account.

The accompanying notes form an integral part of these financial statements

## Managers' Statement

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The financial statements were approved by the Board of Directors of the Managers of Baring International Fund Managers (Ireland) Limited on 31 July 2008 and signed on its behalf by:

Directors

Anthony Cooney

Mark Thorne

## Notes to the Financial Statements

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### 1. Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements under Irish GAAP are set out below.

#### Basis of preparation

The financial statements of The Baring International Umbrella Fund (the "Trust") have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and the Trust Deed. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the financial statements have been adapted from those contained in FRS 3 "Reporting Financial Performance" so that, in the opinion of the Managers, they more appropriately reflect the nature of the Trust's business as an investment fund.

The Trust has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account.

#### Historical cost convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities, including derivative financial instruments held at fair value through profit or loss.

#### Adoption of new accounting standard

The Trust adopted Financial Reporting Standard No. 29: "Financial Instruments: Disclosures" ("FRS 29") during the year. FRS 29 replaces the disclosure requirements of FRS 25: "Financial Instruments: Disclosure and Presentation", and is effective for accounting periods commencing on or after 1 January, 2008.

#### Foreign exchange translation

##### (a) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Funds is the US dollar, which reflects the fact that the majority of the redeemable participating Units have been subscribed in US dollars.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Proceeds from subscriptions and amounts paid on redemptions of redeemable preference Units are translated at average exchange rates, which approximate the rates prevailing at the dates of the transactions.

#### Financial assets and liabilities at fair value through profit or loss

##### (a) Classification

The Funds classify their investments in securities, as financial assets or financial liabilities at fair value through profit or loss.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documents investment strategy.

## Notes to the Financial Statements

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### 1. Principal Accounting Policies (continued)

#### Financial assets and liabilities at fair value through profit or loss (continued)

##### (a) Classification (continued)

The Funds' policy is for the Investment Manager and the Board of Directors of the Managers to evaluate the information about these financial assets on a fair value basis together with other related financial information. These financial assets are expected to be realised within 12 months of the Balance Sheet date.

##### (b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### (c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Profit and Loss Account. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Profit and Loss Account in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the Profit and Loss Account within dividend income when the Funds' right to receive payments is established.

Financial instruments were valued at 12 noon Dublin time on 30 April 2008 in accordance with the Trust Prospectus. Unquoted investments are valued in accordance with the most recent valuation made by the Managers. In absence of no price being available for a security the Directors of the Managers can determine such a valuation where appropriate.

##### (d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. No valuation techniques were used during the year.

#### Income from investments

Interest income and expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any withholding taxes, which is disclosed separately in the Profit and Loss Account, and net of any tax credits.

## Notes to the Financial Statements

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### 1. Principal Accounting Policies (continued)

#### Cash and other liquid assets

Cash and other liquid assets will be valued at their face value together with interest accrued, where applicable.

#### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### Forward Foreign Currency Transactions

Forward Foreign Currency Transactions ("FFCTs") are measured at fair value based on the closing prices of the FFCTs contract rates on the relevant foreign exchange market on a daily basis. Realised and unrealised gains and/or losses are reported in the Profit and Loss Account.

#### Redeemable Participating Units

Redeemable participating units are redeemable at the unitholder's option and are classified as financial liabilities.

The participating unit can be put back to the Trust at any time for cash equal to a proportionate unit of the Trust's net asset value. The participating unit is carried at the redemption amount that is payable at the Balance Sheet date if the Unitholder exercised their right to put the unit back to the Trust.

In accordance with the provisions of the Trust Deed, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations. However, as stated above the accounting policy of the Trust for the purpose of compliance with FRS 26 and for reporting purposes, is to value its investments at the relevant bid market prices on the Balance Sheet date. As at 30 April 2008, the difference between the valuation stated in the financial statements for investments and the valuation methodology indicated in the Trust Deed, results in a decrease in value of investments, this difference is disclosed on the face of each Fund's Balance Sheet.

Net assets attributable to holders of redeemable participating units represent a liability in the Balance Sheet, carried at the redemption amount that would be payable at the Balance Sheet date if the Unitholder exercised the right to redeem the unit to the Fund. Consequently, the differences described above adjust the carrying amount of the net assets attributable to redeemable unitholders and are recognised in the Profit & Loss Account.

The cumulative differences are included as "Adjustments from bid market prices to last traded market prices" on the Balance Sheet.

#### Operating Expenses

The Trust is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. The Managers meet all other expenses incurred by it in connection with its services.

#### Distributions

Note 4 discloses all distributions declared and paid during the year. Income distributions for the Baring International Bond Fund are normally paid twice annually not later than 31 July and 31 January each year. Distributions in respect of the Baring Asia Growth Fund, Baring Australia Fund, Baring Europa Fund, Baring Hong Kong China Fund, Baring Japan Fund, Baring North America Fund and the Baring Pacific Fund, are normally paid annually not later than 31 July each year.

## Notes to the Financial Statements

### 1. Principal Accounting Policies (continued)

#### Distributions (continued)

Distributions may be declared from net income and net fair value gains on financial assets. Unitholders should note that distributions below US\$100/£50/€100 are automatically reinvested. The distribution on these units is recognised in the Profit and Loss Account as finance costs ex date basis.

#### Stocklending

The Trust has entered into a stocklending arrangement with Northern Trust Company from 26 October 2005. All income received from stocklending is reported in the Profit and Loss Account on an accruals basis and is disclosed in Note 15.

#### Net Income Equalisation

Net income equalisation is accrued net income included in the price of units purchased and redeemed during the accounting year. The subscription price of Units is deemed to include an equalisation payment calculated by reference to the net accrued income of the relevant Fund and the first distribution in respect of any Unit will include a payment of income usually equal to the amount of such equalisation payment. The redemption price of each Unit will also include an equalisation payment in respect of the net accrued income of the relevant Fund up to the date of redemption. Net income equalisation is accounted for as a finance cost in the Profit and Loss Account.

### 2. Fees And Other Expenses

#### Management Fees

The Managers currently make a charge in respect of each Fund at the following percentage rate per annum of the value of the net assets of the Fund:-

Baring Asia Growth Fund	1.25%	Baring Australia Fund	1.25%
Baring Europa Fund	1.25%	Baring Hong Kong China Fund	1.25%
Baring International Bond Fund	0.75%	Baring Japan Fund	1.25%
Baring North America Fund	1.25%	Baring Pacific Fund	1.25%

The management charge is payable monthly in arrears and is calculated by reference to the value of the net assets of each Fund as at each day as at which the value of the net assets of the relevant Fund is calculated. The foregoing charges may be increased up to the relevant amount specified in the Prospectus on giving not less than three months notice to unitholders. The management fees have not changed from the previous year.

Where the Net Asset Value of any Fund includes interests in any investment fund managed by a subsidiary of the parent company (a "Barings Fund") the fee payable to the Managers relating to the holding will be reduced by the percentage rate (if any) charged to the Barings Fund for comparable management services.

#### Administration Fees

The Administrator currently makes a charge in respect of each Fund at the rate of 0.45% per annum of the net asset value of each Fund calculated by reference to the daily calculation of asset values. Such fees are paid monthly in arrears and are also payable out of the assets of the Trust. The rates have not changed during the year.

#### Trustee's Fee

The Trustee is entitled under the Trust Deed to receive out of the assets of the Trust a fee at the rate of 0.025% per annum of the value of the net assets of each Fund, payable monthly in arrears. The Trustee is entitled to be reimbursed all fees and charges of custodians and sub-custodians appointed by it and all other expenses incurred by it. The rates have not changed during the year.

## Notes to the Financial Statements

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### 2. Fees And Other Expenses (continued)

#### Other Expenses

The Trustee pays out of the assets of the Trust the above fees and expenses, stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, listing fees and legal expenses of the Managers. The costs of printing and distributing reports, accounts and any prospectus, publishing prices and any costs incurred as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any code relating to unit trusts, whether or not having the force of law) are also paid out of the assets of the Trust.

Expenses are charged to the Fund in respect of which they are incurred or, where an expense is not considered by the Trustee to be attributable to any one Fund, the expense will normally be allocated by the Trustee to all Funds pro rata to the value of the net assets of the relevant Funds.

#### Trailer fees and Reimbursements

See Section for Investors in Switzerland, on page 93.

### 3. Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### (a) Management fee

The Fund is managed by Baring Asset Management Limited (the 'Investment Manager'), an investment management company incorporated in London on 6 April 1994. The Investment Manager is part of the Baring Asset Management group and is a wholly owned subsidiary of MassMutual. Under the terms of the management agreement dated 29 October 2004, the Fund appointed Baring Asset Management (Asia) Limited as an Investment Manager to provide management and advisory services to the Fund due to reorganisation within Barings the management agreement was transferred to Baring Asset Management Limited on 20 December 2006. The management fees rate on the Fund classes is disclosed in Note 2. The outstanding amounts payable as at the year end for Management fee are disclosed on each Fund's Balance Sheet. Richard Bellis, Ian Pascal and Paul Savage are connected to the Managers, through employment with the Managers and its subsidiaries.

#### (b) Trustee fee

The Fund has engaged the services of Northern Trust Fiduciary Services (Ireland) Limited to provide trustee services for a fee. The Trustee shall be entitled to receive out of the assets of each Fund a total fee of 0.025% of the net assets of that Fund (plus VAT, if any). Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Trustee is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The outstanding amounts payable as at the year end for Trustee fee are disclosed on each Fund's Balance Sheet.

#### (c) Administration fee

The Fund has engaged the services of Northern Trust International Fund Administration Services (Ireland) Limited to provide administration services for a fee. The administration fee on the Fund classes is disclosed in Note 2. Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Administrator is also entitled to be repaid out of the assets of the Trust all of its reasonable out-of-pocket expenses incurred on behalf of the Trust which includes legal fees, couriers' fees and telecommunication costs and expenses. The fee will be subject to a minimum of £30,000 per annum for all Funds except the Baring Australia Fund and Baring Europa Fund for which the minimum will be £20,000 per annum for each Fund. The outstanding amounts payable as at the year end for Administration fee are disclosed on each Fund's Balance Sheet. Anthony Cooney is a director of the Administrator.

#### (d) Legal fee

Mark Thorne is a partner of the Legal Advisor and a director of the Managers.

## Notes to the Financial Statements

### 3. Related Party Disclosures (continued)

(e) Stocklending income

Northern Trust Company entered into an agreement with the Trust on 26 October 2005 to provide a stocklending service in order for the Trust to generate additional income. All stocklending income earned during the year is disclosed in Note 15.

### 4. Distributions

The following distributions have been declared in respect of the Trust during the year:

	Distribution Per Unit	Date Declared	Date Paid	Amount Available For Distribution US\$	Distributed Amounts US\$	Undistributed Amount US\$
Baring Asia Growth Fund <b>Relevant Period</b>	0.032 01/05/2006 – 30/04/2007	01/05/2007	23/05/2007	138,522	138,554	(32)
Baring Australia Fund <b>Relevant Period</b>	1.735 01/05/2006 – 30/04/2007	01/05/2007	23/05/2007	2,175,822	2,175,824	(2)
Baring Europa Fund <b>Relevant Period</b>	0.158 01/05/2006 – 30/04/2007	01/05/2007	23/05/2007	1,839,454	1,839,528	(74)
Baring Hong Kong China Fund <b>Relevant Period</b>	0.042 01/05/2006 – 30/04/2007	01/05/2007	23/05/2007	202,314	202,324	(10)
Baring International Bond Fund <b>Relevant Period</b>	0.5468 01/11/2007 – 30/04/2007	01/11/2007	15/11/2007	4,948,833	2,470,804	-
Baring Pacific Fund <b>Relevant Period</b>	0.022 01/05/2006 – 30/04/2007	01/05/2007	23/05/2007	11,133	11,133	-

In the year ended 30 April 2007 the following Funds declared and paid distributions as follows:

	Distribution Per Unit	Date Declared	Date Paid	Amount US\$	Relevant Period
Baring Asia Growth Fund	0.2373	02/05/2006	23/05/2006	391,321	0/05/2005 - 30/04/2006
Baring Australia Fund	1.523	02/05/2006	23/05/2006	1,749,676	01/05/2005 - 30/04/2006
Baring Hong Kong China Fund	2.548	02/05/2006	23/05/2006	5,068,142	01/05/2005 - 30/04/2006
Baring International Bond Fund	0.245	02/05/2006	23/05/2006	1,493,153	01/11/2005 - 30/04/2006
Baring International Bond Fund	0.308	01/11/2006	22/11/2006	2,001,737	01/05/2006 - 31/10/2006
<b>Total</b>				<u>10,704,029</u>	

The following distributions were declared in respect of the Trust on 1 May 2008 and are therefore not accrued in the financial statements for the year ended 30 April 2008:

	Distribution Per Unit	Date Declared	Date Paid	Amount US\$	Relevant Period
Baring Asia Growth Fund	0.119	01/05/2008	23/05/2008	1,097,424	01/05/2007 - 30/04/2008
Baring Australia Fund	2.094	01/05/2008	23/05/2008	3,257,695	01/05/2007 - 30/04/2008
Baring Europa Fund	0.800	01/05/2008	23/05/2008	3,829,494	01/05/2007 - 30/04/2008
Baring Hong Kong China Fund	0.360	01/05/2008	23/05/2008	553	01/05/2007 - 30/04/2008
Baring International Bond Fund	0.383	01/05/2008	16/05/2008	2,470,804	01/05/2007 - 30/04/2008
Baring Japan Fund	0.010	01/05/2008	23/05/2008	18,182	01/05/2007 - 30/04/2008
Baring Pacific Fund	0.774	01/05/2008	23/05/2008	1,212,780	01/05/2006 - 30/04/2007

## Notes to the Financial Statements

### 5. Units Issued and Redeemed

By Number:	Baring Asia Growth Fund			Baring Australia Fund	
	US\$ Units	€Units	£ Units	US\$ Units	€Units
Units in issue as at 1 May 2007	3,945,377	370,887	27,793	1,064,041	174,216
Units issued during the year	10,762,732	1,138,278	96,117	3,293,198	231,067
Units redeemed during the year	(6,371,714)	(705,567)	(46,168)	(2,936,965)	(265,645)
Units in issue as at 30 April 2008	8,336,395	803,598	77,742	1,420,274	139,638

By Value:	US\$	€	£	US\$	€
	Net Asset Value of Units issued during the year	791,398,393	62,170,282	3,709,328	422,153,936
Net Asset Value of Units redeemed during the year	(463,909,221)	(36,001,123)	(1,687,747)	(368,843,656)	(23,314,116)
Net Value of Units issued/(redeemed) during the year	327,489,172	26,169,159	2,021,581	53,310,280	(890,860)

By Number:	US\$ Units		Baring Europa Fund Class C € Units	
	US\$ Units	€Units	Class C US\$ Units	Class C € Units
Units in issue as at 1 May 2007	7,192,102	4,457,612	-	-
Units issued during the year	5,119,519	2,772,159	1	137
Units redeemed during the year	(9,610,403)	(5,133,480)	-	-
Units in issue as at 30 April 2008	2,701,218	2,096,291	1	137

By Value:	US\$	€	US\$	€
	Net Asset Value of Units issued during the year	295,492,424	115,375,895	52
Net Asset Value of Units redeemed during the year	(550,535,907)	(210,583,911)	-	-
Net Value of Units (redeemed)/issued during the year	(255,043,483)	(95,208,016)	52	5,023

By Number:	US\$ Units		Baring Hong Kong China Fund Class C € Units	
	US\$ Units	€Units	Class C US\$ Units	Class C € Units
Units in issue as at 1 May 2007	3,668,763	1,194,532	-	-
Units issued during the year	6,602,328	2,674,635	1,823	334
Units redeemed during the year	(5,465,096)	(2,524,596)	(285)	(29)
Units in issue as at 30 April 2008	4,805,995	1,344,571	1,538	305

By Value:	US\$	€	US\$	€
	Net Asset Value of Units issued during the year	7,225,742,767	2,052,219,394	1,614,589
Net Asset Value of Units redeemed during the year	(5,809,233,297)	(1,837,751,486)	(258,321)	(15,710)
Net Value of Units issued during the year	1,416,509,470	214,467,908	1,356,268	186,496

By Number:	Baring International Bond Fund			Baring Japan Fund	
	US\$ Units	€Units	£ Units	US\$ Units	€Units
Units in issue as at 1 May 2007	6,197,640	237,101	15,573	6,368,580	4,848,760
Units issued during the year	13,404,905	651,516	78,585	3,249,351	1,203,500
Units redeemed during the year	(10,229,398)	(340,396)	(18,364)	(8,730,941)	(5,032,518)
Units in issue as at 30 April 2008	9,373,147	548,221	75,794	886,990	1,019,742

By Value:	US\$	€	£	US\$	€
	Net Asset Value of Units issued during the year	335,353,736	11,027,630	1,010,091	45,534,771
Net Asset Value of Units redeemed during the year	(249,223,785)	(5,719,841)	(216,980)	(126,765,968)	(52,625,290)
Net Value of Units (redeemed)/issued during the year	86,129,951	5,307,789	793,111	(81,231,197)	(40,702,780)

## Notes to the Financial Statements

## 5. Units Issued and Redeemed (continued)

By Number:			Baring North America Fund			Baring Pacific Fund
	US\$ Units	€Units	£ Units	US\$ Units	€Units	€Units
Units in issue as at 1 May 2007	808,676	60,530	-	478,319	21,146	
Units issued during the year	1,246,006	9,458	937,970	2,600,031	86,793	
Units redeemed during the year	(1,209,030)	(23,057)	(2,139)	(1,550,589)	(67,108)	
Units in issue as at 30 April 2008	845,652	46,931	935,831	1,527,761	40,831	

  

By Value:	US\$	US\$	€	US\$	€
	Net Asset Value of Units issued during the year	97,953,749	485,933	36,002,481	397,090,994
Net Asset Value of Units redeemed during the year	(95,666,392)	(1,304,266)	(85,841)	(222,232,479)	(6,576,886)
Net Value of Units (redeemed)/issued during year	2,287,357	(818,333)	35,916,640	174,858,515	2,276,833

## Comparatives 30 April 2007

By Number:			Baring Asia Growth Fund			Baring Australia Fund
	US\$ Units	€Units	£ Units	US\$ Units	€Units	€Units
Units in issue as at 1 May 2006	1,403,180	231,974	15,912	1,064,176	86,283	
Units issued during the year	3,438,795	362,186	25,804	1,473,070	151,365	
Units redeemed during the year	(896,598)	(223,273)	(13,923)	(1,473,205)	(63,432)	
Units in issue as at 30 April 2007	3,945,377	370,887	27,793	1,064,041	174,216	

By Value:	US\$	€	£	US\$	€
	Net Asset Value of Units issued during the year	170,351,083	14,463,631	681,716	141,911,100
Net Asset Value of Units redeemed during the year	(45,399,106)	(8,824,206)	(364,597)	(140,582,170)	(4,536,189)
Net Value of Units issued/(redeemed) during year	124,951,977	5,639,425	317,119	1,328,930	6,775,715

By Number:			Baring Europa Fund			Baring Hong Kong China Fund
	US\$ Units	€Units	€Units	US\$ Units	€Units	€Units
Units in issue as at 1 May 2006	1,120,841	197,556		1,613,401	365,210	
Units issued during the year	9,786,267	5,145,744		4,393,370	1,697,110	
Units redeemed during the year	(3,715,006)	(885,688)		(2,338,008)	(867,788)	
Units in issue as at 30 April 2007	7,192,102	4,457,612		3,668,763	1,194,532	

By Value:	US\$	€	€	US\$	€
	Net Asset Value of Units issued during the year	512,824,869	211,812,076		2,655,627,664
Net Asset Value of Units redeemed during the year	(198,078,693)	(36,118,188)		(1,402,677,234)	(408,276,401)
Net Value of Units issued during year	314,746,176	175,693,888		1,252,950,430	381,555,533

By Number:			Baring International Bond Fund			Baring Japan Fund
	US\$ Units	€Units	£ Units	US\$ Units	€Units	€Units
Units in issue as at 1 May 2006	5,760,004	337,543	4,862	3,611,939	6,828,455	
Units issued during the year	5,275,848	112,102	11,431	21,173,339	3,170,117	
Units redeemed during the year	(4,838,212)	(212,544)	(720)	(18,416,698)	(5,149,812)	
Units in issue as at 30 April 2007	6,197,640	237,101	15,573	6,368,580	4,848,760	

By Value:	US\$	€	£	US\$	€
	Net Asset Value of Units issued during the year	123,559,944	2,036,114	138,019	327,178,684
Net Asset Value of Units redeemed during the year	(112,581,953)	(3,803,469)	(8,771)	(285,380,055)	(62,835,970)
Net Value of Units issued/(redeemed) during year	10,977,991	(1,767,355)	129,248	41,798,629	(24,246,981)

## Notes to the Financial Statements

### 5. Units Issued and Redeemed (continued)

	Baring North America Fund		Baring Pacific Fund	
<b>By Number:</b>	<b>US\$ Units</b>	<b>€Units</b>	<b>US\$ Units</b>	<b>€Units</b>
Units in issue as at 1 May 2006	1,006,729	96,554	305,328	26,138
Units issued during the year	1,363,061	3,700	755,128	9,588
Units redeemed during the year	(1,561,114)	(39,724)	(582,137)	(14,580)
Units in issue as at 30 April 2007	808,676	60,530	478,319	21,146
<b>By Value:</b>	<b>US\$</b>	<b>€</b>	<b>US\$</b>	<b>€</b>
Net Asset Value of Units issued during the year	97,002,429	205,259	84,140,452	798,685
Net Asset Value of Units redeemed during the year	(111,044,277)	(2,186,556)	(65,572,060)	(1,220,712)
Net Value of Units (redeemed)/issued during year	(14,041,848)	(1,981,297)	18,568,392	(422,027)

### 6. Soft commission arrangements

There were no soft commission arrangements affecting the Trust during the year ended 30 April 2008.

### 7. Comparative Statistics

<b>Net Asset Value per Unit</b>	<b>Audited 2008</b>	<b>Audited 2008</b>	<b>Audited 2008</b>	<b>Audited 2007</b>	<b>Audited 2007</b>	<b>Audited 2007</b>
	<b>US\$</b>	<b>€</b>	<b>£</b>	<b>US\$</b>	<b>€</b>	<b>£</b>
Baring Asia Growth Fund	70.49	45.34	35.84	58.76	43.16	29.46
Baring Australia Fund	133.19	85.67	N/A	115.86	85.11	N/A
Baring Europa Fund	57.16	36.76	N/A	59.55	43.74	N/A
Baring Europa Fund Class C	57.29	37.40	N/A	N/A	N/A	N/A
Baring Hong Kong China Fund	948.76	610.27	N/A	757.49	556.45	N/A
Baring Hong Kong China Fund Class C	948.06	612.53	N/A	N/A	N/A	N/A
Baring International Bond Fund	26.06	16.76	13.25	23.63	17.35	11.84
Baring Japan Fund	13.60	8.74	N/A	15.08	11.08	N/A
Baring North America Fund	80.64	51.87	40.67	77.36	56.83	N/A
Baring Pacific Fund	141.10	90.76	N/A	122.90	90.28	N/A
<b>Net Asset Value per Unit</b>	<b>Audited 2006</b>	<b>Audited 2006</b>	<b>Audited 2006</b>	<b>Audited 2005</b>	<b>Audited 2005</b>	<b>Audited 2005</b>
	<b>US\$</b>	<b>€</b>	<b>£</b>	<b>US\$</b>	<b>€</b>	<b>£</b>
Baring Asia Growth Fund	46.57	37.10	25.75	33.23	25.64	17.37
Baring Australia Fund	93.53	74.52	N/A	70.81	54.65	N/A
Baring Europa Fund	45.65	36.37	N/A	32.10	24.77	N/A
Baring Europa Fund Class C	N/A	N/A	N/A	N/A	N/A	N/A
Baring Hong Kong China Fund	481.50	383.66	N/A	315.39	243.43	N/A
Baring Hong Kong China Fund Class C	N/A	N/A	N/A	N/A	N/A	N/A
Baring International Bond Fund	23.46	18.69	12.97	25.02	19.31	13.08
Baring Japan Fund	17.27	13.76	N/A	12.19	9.40	N/A
Baring North America Fund	72.09	57.44	N/A	59.51	45.93	N/A
Baring Pacific Fund	108.23	86.25	N/A	74.91	57.81	N/A
<b>Net Asset Value</b>	<b>Audited 2008</b>	<b>Audited 2007</b>	<b>Audited 2006</b>	<b>Audited 2006</b>	<b>Audited 2005</b>	<b>Audited 2005</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Baring Asia Growth Fund	649,819,647	255,266,066	76,893,962	96,103,907	111,798,479	38,177,297
Baring Australia Fund	207,765,572	143,466,638	107,607,001	60,191,477	477,927,546	214,853,580
Baring Europa Fund	274,242,911	693,775,986	952,708,575	143,205,782	180,380,645	62,470,989
Baring Hong Kong China Fund	5,837,199,902	3,683,931,250	143,205,782	79,541,377	88,975,341	16,596,251
Baring International Bond Fund	260,587,538	152,425,007	180,380,645	35,876,950		
Baring Japan Fund	25,931,564	169,231,217				
Baring North America Fund	146,856,567	67,247,575				
Baring Pacific Fund	221,338,489	61,388,542				

## Notes to the Financial Statements

### 8. Exchange Rates

	Exchange Rate		Exchange Rate
	to US\$		to US\$
Australian dollar	1.0708	New Taiwan dollar	30.4800
Canadian dollar	0.9529	Norwegian krone	5.1301
Danish krone	4.8001	Philippines peso	42.2600
Euro	0.6432	Polish zloty	2.2228
Hong Kong dollar	7.7947	Pound sterling	0.5084
Indian rupee	40.5950	Singapore dollar	1.3615
Indonesian rupiah	9,241.0000	South Korean won	1004.5000
Japanese yen	104.1400	Swedish krona	6.0230
Malaysian ringgit	3.1588	Swiss franc	1.0384
Mexican peso	10.5397	Thai baht	30.4800

### 9. Financial Risk Management

#### Strategy in Using Financial Instruments

The sub-Funds of the Trust, hereafter the "Funds" are exposed to a variety of financial risks in pursuing its stated investment objective and policy. These risks include but are not limited to credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Fund takes exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the Funds' net assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in a way that is consistent with the Funds' investment objective and policy.

The investment objective of the Funds' is disclosed in the Investment Manager reports. The risks, and the measures adopted by the Fund for managing these risks, are detailed below.

The main risks arising from the Trust's financial instruments are market, foreign currency, interest rate, credit and liquidity risk. The Manager review and agree policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the year to which these Financial Statements relate.

#### (a) Market price risk

Market price risk is defined in FRS 29 as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The Funds' assets consist principally of equity instruments except for International Bond which consists of bonds and forward foreign currency exchange contracts. The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to the Funds' performance. The Funds have adopted a number of investment restrictions which are set out in the Trust's Prospectus which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with the Funds' policy, the Investment Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors of the Manager, which reviews the information on the Funds' overall market exposures provided by the Investment Manager at its periodic meetings.

The Investment Manager uses three techniques to help in the risk management process, monitoring of compliance and quantitative limits, prevention of limit breaches and trade monitoring. These techniques allow the Investment Manager to ensure that the Funds remain in compliance with the restriction in the Prospectus and the UCITS rules which the Funds are governed by.

In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

The maximum risk arising from an investment, in an equity only financial instrument is determined by the fair value of the financial instruments.

The overall market exposures and concentration of risk can be seen on the Portfolio Statement and Balance Sheet of each Fund. The Fund's market price risk is affected by two main components: changes in market prices and currency exchange rates. FRS 29 requires a sensitivity analysis showing how the net asset value of the Funds would be affected by changes in each of these factors.

Currency exchange rate movements are dealt with under the relevant headings below. Changes in market prices primarily affect the fair value of the Funds' exposures to equity securities, related derivatives and other instruments.

For the purposes of compliance with FRS 29 assuming that the securities held on the below portfolios as at 30 April 2008 remain unchanged, a simultaneous increase or decrease in the underlying investments of the relative funds by 10% might be expected to increase or decrease net assets attributable to participating unitholders by: (see table below).

Fund	Date	% Movement	Change in value	Beta Factor	Benchmark
Baring Asia Growth Fund	30/04/2008	10.00	66,842,299	1.07	MSCI P/AC Japan
Baring Australia Fund	30/04/2008	10.00	21,505,210	1.08	ASX 300
Baring Europa Fund	30/04/2008	10.00	28,843,749	1.06	MSCI P/ Europe
Baring Hong Kong China Fund	30/04/2008	10.00	594,462,366	1.07	MSCI China
Baring International Bond Fund	30/04/2008	10.00	27,876,241	1.09	Citi WGBI
Baring Japan Fund	30/04/2008	10.00	3,124,905	1.12	Japan (TSE)
Baring North America Fund	30/04/2008	10.00	15,123,641	1.08	S&P 500
Baring Pacific Fund	30/04/2008	10.00	25,160,492	1.15	MSCI Asia Pacific

Comparative 30 April 2007

Fund	Date	% Movement	Change in value
Baring Asia Growth Fund	30/04/2007	10.00	24,857,281
Baring Australia Fund	30/04/2007	10.00	14,037,777
Baring Europa Fund	30/04/2007	10.00	63,336,021
Baring Hong Kong China Fund	30/04/2007	10.00	333,701,443
Baring International Bond Fund	30/04/2007	10.00	15,826,017
Baring Japan Fund	30/04/2007	10.00	17,505,425
Baring North America Fund	30/04/2007	10.00	6,927,981
Baring Pacific Fund	30/04/2007	10.00	6,448,535

Some limitations of sensitivity analysis are:

- the methodology is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and
- future market conditions could vary significantly from those experienced in the past.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (b) Foreign currency risk

Currency risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Funds are exposed to currency risk as assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Funds, which is the US dollar.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of those assets and liabilities. The Investment Manager may attempt to mitigate this risk by using financial derivative instruments.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency exposures on a daily basis and reports regularly to the Manager, which reviews the information provided by the Investment Manager on any significant exposures at its periodic meetings.

The Investment Manager used Forward Foreign Currency Contracts on all Funds as a tool and technique to hedge these Funds currency exposure.

As the net monetary assets are not significant it is deemed appropriate not to prepare any sensitivity analysis.

	Net Non Monetary Assets		Net Monetary Assets		30/04/2008	Hedging		Total
	30/04/2008	30/04/2007	30/04/2008	30/04/2007		30/04/2007	30/04/2008	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Asia Growth</b>								
Euro	-	-	-	-	(3)	777	(3)	777
British Sterling Pound	-	-	30	-	(48)	-	(18)	-
Hong Kong Dollar	249,879	87,697	255	-	1,396	-	251,530	87,697
Indian Rupee	2,447	-	-	-	-	-	2,447	-
Indo Rupiah	8,184	7,767	2,261	-	(2,157)	-	8,288	7,767
Korean Won	154,650	47,326	227	50	-	1,980	154,877	49,356
Malaysian Ringgit	12,545	15,082	-	-	-	101	12,545	15,183
Philippines Pes	1,987	2,888	-	-	-	-	1,987	2,888
Singapore Dollar	33,106	30,436	-	-	(1,625)	381	31,481	30,817
Taiwan Dollar	137,147	33,150	8,629	208	-	-	145,776	33,359
Thai Baht	24,874	-	131	-	(351)	-	24,654	-
<b>Total</b>	<b>624,818</b>	<b>224,346</b>	<b>11,533</b>	<b>258</b>	<b>(2,788)</b>	<b>3,239</b>	<b>633,564</b>	<b>227,844</b>
<b>Australia Fund</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Australian Dollar	200,578	117,620	317	(323)	(1,097)	5,932	199,797	123,229
Euro	-	-	-	-	(10)	16	(10)	16
New Zealand dollar	-	578	-	-	-	-	-	578
<b>Total</b>	<b>200,578</b>	<b>118,198</b>	<b>317</b>	<b>(323)</b>	<b>(1,107)</b>	<b>5,948</b>	<b>199,787</b>	<b>123,823</b>
<b>Europa Fund</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
British Sterling Pound	76,116	142,822	172	-	-	3,705	76,288	146,527
Danish Kroner	8,400	16,657	-	-	-	568	8,400	17,225
Euro	144,225	302,688	305	30,297	1,169	(2,934)	145,699	330,051
Norwegian Krone	11,693	20,005	-	-	-	693	11,693	20,698
Swedish Krona	3,827	39,251	-	-	-	1,318	3,827	40,569
Swiss Franc	28,874	58,007	-	(192)	-	1,715	28,874	59,530
<b>Total</b>	<b>273,135</b>	<b>579,430</b>	<b>477</b>	<b>30,105</b>	<b>1,169</b>	<b>5,065</b>	<b>274,781</b>	<b>614,600</b>

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (b) Foreign currency risk (continued)

	Net Non Monetary Assets		Net Monetary Assets		30/04/2008	Hedging		Total 30/04/2007
	30/04/2008	30/04/2007	30/04/2008	30/04/2007		30/04/2007	30/04/2008	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Hong Kong China</b>								
Australian Dollar	71,907	-	-	-	-	-	71,907	-
Euro	4	1	1,650	197	(20,218)	(561)	(18,564)	(364)
Hong Kong Dollar	5,019,423	3,117,210	2,207	29,934	(35,670)	26,406	4,985,960	3,173,550
Singapore Dollar	100,320	43,018	-	-	-	-	100,320	43,018
Taiwan Dollar	210,094	-	25,884	1,609	-	-	235,978	1,609
Yuan renminbi	-	140	-	-	-	-	-	140
<b>Total</b>	<b>5,401,748</b>	<b>3,160,369</b>	<b>29,741</b>	<b>31,740</b>	<b>(55,888)</b>	<b>25,845</b>	<b>5,375,601</b>	<b>3,217,953</b>
<b>International</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Australian Dollar	10,110	29,851	1	-	(9,869)	(29,788)	241	63
British Sterling Pound	42,466	28,945	-	-	(37,549)	(28,999)	4,917	(54)
Canadian Dollar	8,832	-	-	-	(3,637)	-	5,195	-
Euro	114,796	46,385	-	3,657	(50,863)	(24,312)	63,932	25,730
Japanese Yen	20,190	12,193	-	10,506	48,709	65,650	68,899	88,349
Mex Nuevo Peso	2,916	-	-	-	(797)	-	2,119	-
Norwegian Krone	10,999	8,405	-	39	11,924	7,158	22,923	15,602
Polish Zloty	5,097	-	-	-	4,538	-	9,636	-
Singapore Dollar	-	-	-	2	10,558	-	10,558	2
Swedish Krona	-	-	-	-	14,284	27,995	14,284	27,995
Swiss Franc	-	-	-	-	819	15,659	819	15,659
<b>Total</b>	<b>215,406</b>	<b>125,779</b>	<b>1</b>	<b>14,204</b>	<b>(11,883)</b>	<b>33,363</b>	<b>203,523</b>	<b>173,346</b>
<b>Japan Fund</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Euro	-	3	20	90	(19)	(13)	1	81
Japanese Yen	28,232	201,022	189	2,961	-	(14,360)	28,421	189,623
<b>Total</b>	<b>28,232</b>	<b>201,025</b>	<b>209</b>	<b>3,051</b>	<b>(19)</b>	<b>(14,373)</b>	<b>28,422</b>	<b>189,704</b>
<b>North America Fund</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
British Sterling Pound	-	-	(64)	-	-	-	(64)	-
Euro	-	-	-	1	-	-	-	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(64)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>(64)</b>	<b>1</b>
<b>Pacific Fund</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Australian Dollar	24,810	5,888	-	-	-	-	24,810	5,888
Euro	-	-	(2)	(1)	12	4	10	2
Hong Kong Dollar	49,878	15,409	32	163	(134)	-	49,775	15,572
Indian Rupee	4,253	1,787	-	-	-	-	4,253	1,787
Indo Rupiah	1,107	1,486	-	-	-	-	1,107	1,486
Japanese Yen	69,052	21,555	-	1	-	(3)	69,052	21,553
Korean Won	13,283	5,147	31	46	-	-	13,314	5,194
Malaysian Ringgit	5,582	2,542	-	-	-	-	5,582	2,542
Philippines Pes	5,510	-	-	-	-	-	5,510	-
Singapore Dollar	13,882	4,462	-	-	-	-	13,882	4,462
Taiwan Dollar	20,027	3,240	1	16	-	-	20,028	3,256
Thai Baht	3,500	-	54	-	-	-	3,553	-
<b>Total</b>	<b>210,884</b>	<b>61,516</b>	<b>116</b>	<b>225</b>	<b>(122)</b>	<b>1</b>	<b>210,876</b>	<b>61,742</b>

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (c) Interest Rate Risk

Interest rate risk is defined in FRS 29 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Except for the Baring International Bond Fund, the majority of the other Funds' financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short-term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The Baring International Bond Fund has interest-bearing financial assets and liabilities. As a result, the Fund is subject to the risk of potentially adverse movements in the prevailing levels of market interest rates. The Investment Manager may from time to time enter into contracts on behalf of the Fund that seek to mitigate the effects of these movements.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's interest rate exposures on a daily basis and reports regularly to the Managers, which review the information provided by the Investment Manager on significant exposures at its periodic meetings. The Investment Manager has systems in place to review the interest rate risk through modified duration calculations and in 2008 has hedged a portion of its interest rate risk by shorting fixed income futures.

At 30 April 2008 and 30 April 2007, the Fund's interest rate exposures were as follows:

<b>30 April 2008</b>	<b>Up to 1 year US\$</b>	<b>1-5 years US\$</b>	<b>Over 5 years US\$</b>	<b>Non interest bearing US\$</b>	<b>Total 30/04/2008 US\$</b>
<b>Assets</b>					
Financial assets	37,115,111	39,613,175	182,348,604	1,297,359	260,374,249
Subscriptions Receivable	-	-	-	2,003,127	2,003,127
Interest and dividends receivable	-	-	-	4,717,457	4,717,457
Other Assets	-	-	-	14,639	14,639
Cash and cash equivalents	2,048,114	-	-	-	2,048,114
<b>Total Assets</b>	<b>39,163,225</b>	<b>39,613,175</b>	<b>182,348,604</b>	<b>8,032,582</b>	<b>269,157,586</b>
<b>Liabilities</b>					
Financial liabilities	-	-	-	4,343,748	4,343,748
Redemptions Payable	-	-	-	4,174,404	4,174,404
Management Fees Payable	-	-	-	150,078	150,078
Other Accrued expenses	-	-	-	135,553	135,553
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,803,783</b>	<b>8,803,783</b>
Interest sensitivity gap for Balance Sheet	39,163,225	39,613,175	182,348,604	(771,201)	(260,353,803)

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (c) Interest Rate Risk (continued)

30 April 2007	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non interest bearing US\$	Total 30/04/2007 US\$
<b>Assets</b>					
Financial assets	32,122,691	-	119,146,535	2,896,768	154,165,994
Subscriptions Receivable	-	-	-	157,676	157,676
Interest and dividends receivable	-	-	-	2,535,039	2,535,039
Other Assets	-	-	-	2,310	2,310
Cash and cash equivalents	-	-	-	3,156,733	3,156,733
<b>Total Assets</b>	<u>32,122,691</u>	<u>-</u>	<u>119,146,535</u>	<u>8,748,526</u>	<u>160,017,752</u>
<b>Liabilities</b>					
Financial liabilities	-	-	-	6,807,984	6,807,984
Redemptions Payable	-	-	-	615,717	615,717
Management Fees Payable	-	-	-	85,809	85,809
Other Accrued expenses	-	-	-	144,396	144,396
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,653,906</u>	<u>7,653,906</u>
Interest sensitivity gap for Balance Sheet	<u>32,122,691</u>	<u>-</u>	<u>119,146,535</u>	<u>1,094,620</u>	<u>152,363,846</u>

At 30 April 2008, should market interest rates across all currencies and all maturities have fallen or increased by 50 basis points with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the Fund by approximately US\$8,549,537 and on a per unit basis US\$0.85 (2007: US\$4,659,092 and on a per unit basis US\$0.72).

#### (d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of units. However, the Managers are entitled, with the approval of the Trustee, to limit the number of Units of any class realised on any Dealing Day to 10% of the total number of Units of that class in issue. There are also a number of circumstances when the Managers may, with the approval of the Trustee, suspend temporarily the right of Unitholders to require the realisation of Units of any class and/or may delay the payment of any monies in respect of any such realisation.

The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity on a daily basis and reports regularly to the Managers, who review the information provided by the Investment Manager on significant exposures at its periodic meetings. The Fund has an agreed temporary overdraft facility with its Custodian to allow for temporary timing/ matching differences on trades and subscriptions and redemptions (as in the case of Baring North America Fund and Baring Pacific Fund. At 30 April, 2008 and 30 April, 2007, the Fund's financial liabilities, as disclosed on the Balance Sheet were all due within one month.

## Notes to the Financial Statements

### 9. Financial Risk Management (continued)

#### (e) Credit Risk

As the Funds invest primarily in publicly traded equity securities the Funds are not exposed to credit risk from these positions.

However, the Funds will be exposed to a credit risk on parties with whom it trades and will bear the risk of settlement default. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Funds are exposed to credit risk on cash and investment balances held with the Trustee. The Investment Manager reviews concentrations of credit risk on a fortnightly basis. All exposures to counterparty credit risk are monitored by the BAM Counterparty Credit Committee and are subject to BAM's Counterparty Credit Policy (CCP). BAM requires a minimum credit rating of Dunn and Bradstreet 3, but also actively avoids exposure to entities having an S&P rating of less than AA-, even where the D&B rating is 3 or better. Adherence to the Policy is very rigidly enforced. Any changes to ratings which cause divergence from Policy are acted on immediately without exception. Application for IPOs for example is subject to the credit rating of the entity to whose balance sheet the application will expose the investing fund. Where no satisfactory rating is applied, BAM insists that monies are paid into a ring-fenced 'Client Money' account hence avoiding exposure not permitted by the CCP.

The Funds minimise concentrations of credit risk by undertaking transactions with a large number of regulated counterparties on recognised and reputable exchanges.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement period involved. The maximum exposure related to unsettled trades equals the amounts shown on the Balance Sheet. There was no past due or impaired assets as of 30 April 2008. (2007: \$Nil)

The Trustee on the Funds, Northern Trust Fiduciary Services (Ireland) Limited which is part of the Northern Trust Company has a high rating, as rated by various rating agencies.

The net assets (market value of investments, cash and receivables/payables relating to securities) exposed to credit risk at year end amounted to:

<b>Fund</b>	<b>30/04/2008</b> <b>€'000</b>	<b>30/04/2007</b> <b>€'000</b>
Baring Asia Growth Fund	652,587,544	254,614,283
Baring Australia Fund	208,468,004	137,369,241
Baring Europa Fund	273,305,121	689,492,998
Baring Hong Kong China Fund	5,830,614,480	3,662,291,221
Baring International Bond Fund	267,139,820	159,857,766
Baring Japan Fund	28,399,668	166,804,709
Baring North America Fund	146,642,976	69,168,860
Baring Pacific Fund	220,746,739	61,807,908

At 30 April 2008 and 30 April 2007, the Baring International Bond Fund exposure to credit risk was as follows:

<b>Portfolio by rating category</b>	<b>30/04/2008</b>	<b>30/04/2007</b>
<b>Rating</b>		
AAA	87.10%	100.09
AA	0.10%	(0.90)
A	12.80%	-
BBB	0.00%	-
BB	0.00%	-
B	0.00%	-
Not Rated	0.00%	-
	<u>100.00%</u>	<u>100.00%</u>

## Notes to the Financial Statements

### 10. Financial Derivative Instruments

There were no techniques or instruments used during the year, except for the Baring International Bond Fund. The Baring International Bond Fund was active in using forward foreign exchange contracts to reduce risk and transaction costs through the creation of "synthetic bonds". This occurred where the Fund was positive on a country's bond market but negative on their currency and concurrently elsewhere, negative on another country's bond market yet positive on their currency. In addition, forward foreign currency contracts were used for hedging purposes.

### 11. Statement of Portfolio Movements

A statement of changes in the composition of the investment portfolio will be issued to unitholders, free of charge, on request. Unitholders resident in Germany may, if they so wish, obtain a copy of the breakdown from the German Paying and Information Agent.

### 12. Changes In Directors of the Managers

William Collins resigned from the Board of Directors of the Managers on 3 August 2007. Richard Bellis was appointed on 14 August 2007.

### 13. Financial Assets at Fair Value through Profit or Loss

As part of the EU Fair Value Regulations, a note has to be disclosed in the Financial Statements where a Fund has a mixture of security types, breaking out the security types and their gain or loss. The table below applies only to the Baring International Bond Fund as this holds bond and forward contracts, the other Funds in the Umbrella only hold equity type securities.

Baring International Bond Fund	Fair Value	Realised and unrealised gains/losses charged to profit or loss	Fair Value	Realised and unrealised gains/losses charged to profit or loss
	30/04/2008	30/04/2008	30/04/2007	30/04/2007
	US\$	US\$	US\$	US\$
Bonds	259,076,889	10,376,299	151,269,226	5,040,862
Forward contracts	(3,046,388)	1,101,547	(3,911,216)	(5,427,112)
	<u>256,030,501</u>	<u>11,477,846</u>	<u>147,358,010</u>	<u>(386,250)</u>

### 14. Bank Overdraft

On 30 April 2008 there was a bank overdraft on the Baring Pacific Fund of US\$ 171,149 and Baring North America of US\$68,844. This was held with Northern Trust (Guernsey) Limited. The assets of the Fund were held as collateral for the overdraft.

### 15. Stocklending

A summary of the activity is detailed below:

Fund	Aggregate value of securities on loan at 30/04/2008	Value of collateral held at 30/04/2008	Net Income from stocklending received during the year	Net Stocklending income receivable 30/04/2008
	US\$	US\$	US\$	US\$
Baring Asia Growth Fund	120,429,707	126,802,6628	651,375	9,928
Baring Australia Fund	90,507,414	98,037,785	330,197	21,912
Baring Europa Fund	117,861,231	123,741,586	561,658	97,145
Baring Hong Kong China Fund	779,780,636	819,810,427	1,359,245	217,269
Baring International Bond Fund	163,813,423	169,818,850	193,207	14,639
Baring Japan Fund	12,417,831	13,155,408	144,152	7,583
Baring North America Fund	20,589,498	21,104,340	27,318	3,049
Baring Pacific Fund	46,612,020	49,312,667	358,129	26,880

## Notes to the Financial Statements

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### 15. Stocklending (continued)

Comparatives 30 April 2007

Fund	Aggregate value of securities on loan at 30/04/2007 US\$	Value of collateral held at 30/04/2007 US\$	Net Income from stocklending received during the year US\$	Net Stocklending income receivable 30/04/2007 US\$
Baring Asia Growth Fund	32,230,527	33,860,328	82,377	9,928
Baring Australia Fund	55,193,645	57,944,077	75,748	13,021
Baring Europa Fund	218,684,797	229,202,358	374,880	115,308
Baring Hong Kong China Fund	126,991,358	132,601,330	987,475	65,578
Baring International Bond Fund	66,992,579	69,645,459	52,041	2,310
Baring Japan Fund	57,478,620	60,383,222	324,822	24,197
Baring North America Fund	8,703,192	8,939,439	31,728	622
Baring Pacific Fund	14,581,628	14,887,870	40,714	5,738

### 16. Approval of Financial Statements

The financial statements were approved by the Board of Directors of the Managers on 31 July 2008.

## Information For Investors in Switzerland (Unaudited)

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The Managers have appointed ING Bank (Switzerland) Limited, 30, avenue de Frontenex, CH-1211 Geneva 6, Switzerland, as representative and paying agent for Switzerland. For Units distributed in Switzerland, the performance place is at ING Bank (Switzerland) Limited's address. Investors can obtain, free of charge, the Prospectus, the Simplified Prospectus (both also available for potential investors), the last annual and interim reports as well as copies of the Trust Deed and amendments to the Trust Deed if any, in German, and a list of the purchases and sales made on behalf of the Fund from the representative at the above address. Official publications for the Fund are made in the AGEFI and the Swiss Official Trade Gazette. Unit prices (Net Asset Value with the words "commissions not included") are published daily in the AGEFI.

Following a Guideline from the Swiss Funds Association (the "SFA") dated 16 May 2008, the Managers are supplying performance data in conformity with the said Guidelines. This data can be found below and under each of the fund reports on pages 5, 14, 22, 30, 39, 48, 56, and 65. Further, the Managers are required to provide the below additional information on performance.

There is no appropriate benchmark for the Funds. Any reference to an index is for comparison purposes only. The following comparative indices are used as in the Managers' opinion and in the light of the investment policy of the relevant Fund, they are the most appropriate selection for comparison.

### **Baring Asia Growth Fund**

The MSCI All Countries Far East ex Japan Index is a free float-adjusted market capitalisation index that is designed to measure equity market performance in the Far East, excluding Japan. It currently consists of 9 developed emerging market country indices: China, Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore Free, Taiwan and Thailand.

### **Baring Australia Fund**

The ASX 300 Index is a capitalisation-weighted index of the top 300 companies ranked by market size on the Australian Stock Exchange.

### **Baring Europa Fund**

The MSCI Europe Index is a market capitalisation-weighted index made up of equities from 15 European countries. France, Germany and the UK represent about two-thirds of the index.

### **Baring Hong Kong China Fund**

The MSCI China Index is a free float-adjusted market capitalisation-weighted index of Chinese equities that includes China-affiliated corporations and H shares listed on the Hong Kong exchange, and B shares listed on the Shanghai and Shenzhen exchanges. The index changed from MSCI Zhong Hua Index on 1 February 2008.

### **Baring International Bond Fund**

The Citigroup World Government Index (WGBI) is a market-capitalisation-weighted index that tracks the performance of the 21 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the UK and the US.

### **Baring Japan Fund**

The Japan (TSE) First Section Index is a composite index of all common stocks listed on the First Section of the Tokyo Stock Exchange (TSE). The index is basically a measure of the changes in aggregate market value of the TSE common stocks.

## Information for Investors in Switzerland (continued)

### Baring North America Fund

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group presentation. It is a market-value weighted index (stock price multiplied by the number of units outstanding), with each stock's weight in the Index proportionate to its market value.

### Baring Pacific Fund

The MSCI All Countries Asia Pacific is a free float-adjusted market capitalisation index that is designed to measure international equity market performance.

***Past performance is no indication of current or future performance. 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. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.***

Investors should contact the Swiss representative at the above address should they require additional information e.g. on performance including the composition of the relevant indices where applicable.

## Total Expense Ratio

Pursuant to a Guideline from the Swiss Funds Association (SFA) dated 16 May 2008, the Funds are required to publish a Total Expense Ratio (TER) for the last twelve-month period ended 30.04.2008.

The Total Expense Ratio for each Fund for the last twelve-month period ended 30 April 2008 are as follows:

Name of Fund	1/05/2007 – 30/04/2008 TER in %	Name of Fund	1/05/2007 – 30/04/2008 TER in %
Baring Asia Growth Fund	1.75	Baring International Bond Fund	1.25
Baring Australia Fund	1.75	Baring Japan Fund	1.75
Baring Europa Fund	1.72	Baring North America Fund	1.80
Baring Hong Kong China Fund	1.75	Baring Pacific Fund	1.76

This information was established by the Managers, Baring International fund Managers (Ireland) Limited and is based on the data contained in the Profit & Loss Account for the financial year ended 30 April 2008 (Fund management fees, administration fees, trustee fees, taxes and duties, all other commissions and expenses appearing as per the breakdown of the Profit & Loss Account and not already included in any of the foregoing categories).

## Portfolio Turnover Rate

The Portfolio Turnover Rate (PTR) has been established in conformity with a Guideline from the Swiss funds Association (SFA) of 16 May 2008, using as reference period the last twelve-month period ended 30.04.2008.

The Portfolio Turnover numbers for each Fund for the twelve-month period ended 30 April 2008 are as follows:

Name of Fund	1/05/2007 – 30/04/2008 PTR in %	Name of Fund	1/05/2007 – 30/04/2008 PTR in %
Baring Asia Growth Fund	202.99	Baring International Bond Fund	137.33
Baring Australia Fund	(68.53)	Baring Japan Fund	(16.66)
Baring Europa Fund	33.98	Baring North America Fund	257.06
Baring Hong Kong China Fund	210.19	Baring Pacific Fund	317.43

## Trailer Fees and Reimbursements

Trailer fees (Bestandespflegekommissionen) may only be paid to the sales agents/partners indicated below:

- authorized sales agents • (distributors) within the meaning of Article 19, Para 1, KAG;
- sales agents (distributors) • exempted from the authorization requirement within the meaning of Article 19, Para 4, KAG;

## Information for Investors in Switzerland (continued)

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- 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);
- foreign fund management companies • and providers (in respect of fund units held for the account of managed funds and investing unitholders); and/or
- investment companies (in respect • of the investment of the company assets).

## Information For Investors In Germany (Unaudited)

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The full and the simplified prospectus, a list of portfolio changes, the trust deed, the annual and the semi-annual reports are available free of charge in hard copy at the German Paying and Information Agent's office. The Net Asset Value per Unit, the issue and redemption prices as well as any notices to Unitholders may be obtained at the German Paying and Information Agent on each bank business day in Frankfurt am Main, Germany. All information available to Unitholders at the main office is also available through the German Paying and Information Agent's office.

### **Special Risks Resulting From New Tax Publication Requirements In Germany**

Foreign investment companies must provide documentation to the German fiscal authorities upon request, e.g. in order to verify the accuracy of the published tax information. 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 investment companies' calculation methodology in every material respect. In addition, 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 year.

## Market Timing (Unaudited)

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Repeatedly purchasing and selling Units in the Funds in response to short-term market fluctuations – known as 'market timing' – can disrupt the Manager's investment strategy and increase the Funds' expenses to the prejudice of all Unitholders. The Funds are not intended for market timing or excessive trading. To deter these activities, the Managers may refuse to accept an application for Units from persons that they reasonably believe are engaged in market timing or are otherwise excessive or potentially disruptive to the Funds.

The Managers reserve the right to redeem Units from a Unitholder, on the basis of the circumstances of the Unitholder concerned, or if it has reasonable grounds to believe that the Unitholders are engaging in any activity which might result in the Fund or its Unitholders as a whole suffering any legal, regulatory, reputational or other material disadvantage which the Fund or its Unitholders as a whole might not otherwise have suffered.

## UK Distributor Status (Unaudited)

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The Managers intend to apply to the Board of Inland Revenue to have The Baring International Umbrella Fund certified as distributing funds for the purposes of Chapter V of Part XVII of the UK Income and Companies Taxes Act 1998 in respect of the current and all subsequent accounting periods.

The Baring International Umbrella Fund has been certified as a distributing fund for the year ended 30 April 2007.

An application for the year ended 30 April 2008 has been submitted to the Inland revenue and is still being processed.

## European Union Taxation of Savings Income Directive (Unaudited)

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On 3 June 2003 the European Commission published a new directive regarding the taxation of savings income ('the Directive'). From 1 July 2005 Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions and realisation payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding tax system in relation to such payments.

Accordingly, the Custodian, Administrator, paying agent or such other entity considered a "paying agent" (for the purposes of the Directive a "paying agent" is the economic operator who pays interest to or secures the payment of interest for the immediate benefit of the beneficial owner) for the purposes of the Directive may be required to disclose details of or withhold tax on distributions and/or realisation payments by the Unit Trusts to Unitholders who are individuals or residual entities (located in another EU Member State) to the taxation authority in the home jurisdiction of the paying agent who will pass such details or tax to the Member State where the investor resides. Investors should note that Switzerland and the EU have entered into a bilateral agreement, effective from 1 July 2005, which introduces measures equivalent to the EU Tax Savings Directive in Switzerland. Generally these measures require tax to be withheld on interest payment made by paying agents to EU residents.

As Ireland has opted for exchange of information rather than a withholding tax system, since the Directive became effective, the principle consequence for Unitholders will be that details of relevant savings income will be disclosed to the EU member states in which Unitholders are resident. The Directive has now been enacted into Irish legislation and the reporting of any relevant payments of interest made by the Unit Trust, together with various specified information relating to recipients who are individuals or residual entities resident in EU states other than Ireland, applied with effect from 1 July 2005.

The above is in accordance with the Irish regulations as at 30 April 2008. As the Baring International Bond Fund has more than 40% of its assets invested in certain types of interest bearing securities (which includes bank deposits), both distributions and redemption proceeds will be reportable under the Directive.

All other Funds within the umbrella are deemed to be out of scope of the Directive and the above rules will therefore not apply to these funds. This is because at 30 April 2008 less than 15% of their assets were invested in interest bearing securities.

The information regarding which funds fall within or outside the scope of the Directive under Irish regulations will be applicable at least until the next set of audited accounts are published.

## Paying Agents

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**Bank Austria Creditanstalt AG**

Am Hof 2  
A-1010 Vienna  
Austria

**BNP Paribas Securities Services**

3 rue d'Antin  
75007 Paris  
France

**Deutsche Bank AG**

Junghofstrasse 5-9  
60311 Frankfurt am Main  
Germany

**Banque de Luxembourg SA**

14, Boulevard Royal  
L-2449 Luxembourg

**S.E. Banken**

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10640 Stockholm  
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