

23 May 2016

RE: Introduction of Capacity Limit to the Baring Europe Select Trust (the Trust)

Summary

To ensure the Trust does not become too large in size to be effectively managed, it has become necessary to restrict new investments into the Trust.

If you have any questions, our contact details are at the end of the letter.

Background

The Trust's investment objective is to achieve long-term capital growth by investing in securities of European companies. The Trust has seen consistent and strong inflows over a number of years.

We review the fund range on an ongoing basis to ensure that investment strategies remain fit for purpose. Our analysis of the strategy that the Trust follows showed that the amount of money managed in this strategy has reached a level above which it may become difficult to implement the investment strategy effectively.

Therefore, in order to control this and to best ensure that the investment strategy can continue to be implemented optimally, we have taken the decision to restrict the further issue of units in the Trust. This will help us in our aim of achieving the investment objective of the Trust while at the same time protecting the best interests of unitholders of the Trust.

This decision was notified to investors in a letter dated 16 March 2016 and took effect on 23 May 2016.

What does this mean for investors?

The fund will, until further notice, no longer accept investment from new investors.

Existing unitholders in the Trust will not be affected by the implementation of limited issue powers in the Trust.

The use of the limited issue powers is only intended to allow the Trust to be managed effectively and to protect the interests of unitholders of the Trust.

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Will redemptions be affected if the Trust moves to limited issue?

No. There will be no change to redemption rights.

Can existing investors make further investments in the Trust?

Yes. At the discretion of the Manager, the following transactions will still be available (as long as the Manager is satisfied that this will not compromise the Trust's investment objective or materially prejudice existing holders. These are:

- Reinvestment of distributable income;
- Further purchases of units by existing investors;
- Further purchases of units under an existing monthly savings plan;
- Stock transfers from an existing investor.

In addition, we may re-open the Trust on notice to new investors if we believe that further investments can be made without compromising the Trust's investment objective, or materially prejudicing its existing unitholders.

If you have any questions regarding the above change, please contact the Customer Services Team on 0333 300 0372 between 9.00 a.m. and 5.00 p.m. Monday to Friday or speak to your Financial Advisor