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

12 October 2016

To: All Unitholders in the Baring Dynamic Capital Growth Fund, Baring European Growth Trust, Baring Global Growth Trust, Baring Japan Growth Trust, Baring Korea Trust, Baring Strategic Bond Fund and Baring UK Growth Trust **(together the "Trusts")**

Dear Unitholder

NOTICE OF CHANGES TO THE TRUSTS

We are writing to you as an investor in one or more of the Trusts to give you notice of some changes we are making to the Trusts. This letter serves as a formal notice of these changes which are intended to take effect from Monday 12 December 2016 (the "Effective Date"). **Although you do not need to take any action, we recommend that you read this letter.**

The changes set out in this letter follow a review we have undertaken of the Trusts in order to improve and modernise the way the Trusts are run. We feel the changes will better reflect market practice, will allow the Trusts to be managed more efficiently and will benefit investors in the Trusts as set out below.

Change to the pricing of the Trusts (dual to single pricing)

The pricing of units in the Trusts is currently carried out on a dual pricing basis. This means that two unit prices are calculated each day:

- the "offer" price , which is applied when units are purchased by investors; and
- the "bid" price , which is applied when units are sold by investors.

The difference between these prices is called the bid/offer spread. The offer price is higher than the bid price, but both prices will change almost constantly depending on the value of the underlying assets in the fund. The bid/offer spread is also a reflection of liquidity: larger funds and those investing in very liquid investments such as shares in blue chip companies will usually trade on narrower spreads than smaller funds, or those holding assets such as emerging markets securities. The spread takes into account the difference between the buying and selling prices that the fund manager pays when buying and selling assets, and aims to protect the Trusts' existing investors from the costs of other investors buying and selling units in the fund.

From the Effective Date, the pricing of units in the Trusts will be carried out on a single pricing basis. This means that a single price is applied to any transaction in units whether the investor is purchasing or selling units.

The single price is based on the mid-market valuation of the underlying investments plus other assets less liabilities, which is known as the net asset value (the "NAV") of the Trusts. The NAV is calculated in accordance with the rules of our regulator, the Financial Conduct Authority, the Trusts Deeds and the Prospectus of the Trusts.

The price of a unit is the NAV of the Trusts divided by the number of units of the relevant class in issue, adjusted by any dilution adjustment (further explained below). This has the effect that, subject to any initial charge, and any redemption charge (no redemption charge is currently charged within the Trusts), both the purchase and sale price of a unit will be the same at a particular valuation point.

Introduction of a Dilution Adjustment to the Trusts

The purpose of dilution adjustment is to protect investors from the costs of other investors buying and selling units in the Trusts. This use of a single price means that when an investor purchases units in the Trusts the price they pay may be lower than the price the Trusts would have to pay if it were to buy the equivalent value of underlying assets. When a Unitholder sells units, the unit price they receive may be higher than the price at which the Trusts can sell assets to meet the redemption. The effect of this mis-match, coupled with various dealing charges, taxes and commissions is to slightly reduce the value of the Trusts for existing or continuing Unitholders in the Trusts. This effect is called “dilution”.

We take steps to protect Unitholders against this dilution by adjusting the price of a unit away from the mid-market based price (calculated by dividing the NAV of the Trust by the number of units of the relevant class in issue), either up to a value representing the buying value of these investments in the case of a large net purchase or down to a value representing the selling value in the case of a large net sale. We are able to adjust the extent to which the price is swung by reference to the overall trend of deals and take into consideration the likely dealing costs being incurred because of actual transactions in the Trusts. This is known as a “dilution adjustment”.

Currently, the Manager may make a dilution adjustment in the following circumstances:

1. where the net asset value of a Trust is in continuing decline; and/or 2. where a Trust is experiencing large levels of net purchases or net sales relative to its size. In such cases dilution adjustments may be made by moving, or ‘swinging’, the price of a Trust away from a middle-market based price, i.e. representing the average of the buying and selling value of the investments the Trust holds, either up to a value representing the buying value of these investments in the case of a large subscription or down to a value representing the selling value in the case of a large redemption. The Manager would normally seek to adjust, or swing, the price in this way when the effect of a net inflow or outflow on any one day exceeds 0.06% per Unit of the net asset value of the Trusts, as measured on a middle- market basis (i.e. on an net asset value per Unit valuation of the Trusts) using the average of the buying and selling values of the investments held by the Trusts.

If a dilution adjustment is required then, based on historical data and future projections, the estimated amount of the adjustment is likely to be up to 1% of the price of a Unit.

Please note that as dilution is directly related to inflows and outflows of monies from a Trust it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Manager will need to apply a dilution adjustment. Unitholders should be aware that dilution adjustment may not always, or fully, prevent the dilution of a Trusts’ assets.

We believe that moving to a single price and using dilution adjustment for the Trusts will provide a greater level of simplicity to investors purchasing and/or selling units at a particular valuation point as the price of a unit will be the same for both sets of investors.

Updates to the prospectus and trust deeds

From the Effective Date, the trust deeds and the prospectus will be amended to reflect the above changes where appropriate. A copy of these documents will be available from Monday 12 December 2016.

The costs incurred in connection with the above changes will be borne by the Manager.

Action to be taken

There is no action required on your part and these changes will be implemented on Monday 12 December 2016. If you do not agree with the above changes, you may redeem your Units or switch to any other Barings fund free of charge until the Effective Date.

If you have any questions concerning the above changes, please contact the Customer Services Team on 0333 300 0372 between 9.00 a.m. and 5.00 p.m. Monday to Friday. Please note we cannot provide financial advice. If you require financial advice you should contact your financial adviser.

Yours sincerely

David Stevenson
Director
For and on behalf of
Baring Fund Managers Limited