BARINGS

AWARDED TO
BARING ASSET
MANAGEMENT LIMITED
2010

Interim Report & Unaudited Financial Statements

for the half year ended 12 January 2014

Baring Global Bond Trust

Contents

*Collectively, these comprise the Managers' report

Management and professional service details

Managers

Baring Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority

Directors

J. Burns
C. Biggins
I.A. Pascal – resigned 1 August 2013
N. Hayes – appointed 30 August 2013
D. Stevenson
A. Woolhouse

Registered office

155 Bishopsgate
London EC2M 3XY
Telephone: 020 7628 6000

Trustee

National Westminster Bank Plc
Trustee & Depositary Services
135 Bishopsgate
London EC2M 3UR
The National Westminster Bank Plc is authorised and regulated by the Financial Conduct Authority

Registrars

Northern Trust Global Services Limited
P.O. Box 55736
50 Bank Street
Canary Wharf
London E14 5NT
Telephone: 0870 870 8450*
Fax: 020 7982 3924
**Telephone calls may be recorded and monitored. Maximum call charge to 087 numbers is 8p per min from a BT Line, other networks may vary*

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Introduction

The Baring Global Bond Trust ("the Trust") invests in high quality global bond markets on a diversified basis aiming to generate long term capital growth together with some income. The Trust will use foreign currency contracts to reduce risk as part of this diversification process. As with all trusts managed by Baring Fund Managers Limited ("the Managers"), the risk assumed in this portfolio is carefully monitored.

The Report of the Managers reviews the performance of the Trust against the returns of the bond markets in which it is investing and analyses the investment environment that influenced the performance of the Trust over the period under review. The Managers then give their outlook for the markets. Finally, the Report of the Managers gives details of any revenue generated by the Trust.

Constitution

Baring Global Bond Trust is constituted by a Trust Deed between the Managers and National Westminster Bank plc ("the Trustee").

Regulatory disclosure

This document has been issued by the Managers who are authorised and regulated by the Financial Conduct Authority ("FCA").

The Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and has been established as a "UCITS" scheme (Undertakings for Collective Investments in Transferable Securities).

Past performance is no indication of current or future performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Any references in this report to other investments held within the Trust should not be read as a recommendation to the investor to buy and sell the same.

The Trust at a glance on 12 January 2014

Total Trust size:	£120.4 million
Initial charge: Class GBP Inc Class I GBP Inc	 5% Nil
Annual charge: Class GBP Inc Class I GBP Inc	 1.25% 0.65%
Annualised gross yield: Class GBP Inc Class I GBP Inc	 0.20%* 0.70%*
Minimum investment: Initial Class GBP Inc Class I GBP Inc	 £1,000 £10,000,000
Subsequent: Class GBP Inc Class I GBP Inc	 £500 £500
Revenue available per unit: Class GBP Inc Class I GBP Inc	 0.0938p 0.3167p

*Calculated based on offer price

The Trust at a glance on 12 January 2014 (continued)

Price per unit	Offer (buying) price	Bid (selling) price
Class GBP Inc	118.60p	112.90p
Class I GBP Inc	113.40p	113.30p

Revenue allocations and reports

Revenue allocations are made in March (interim) and September (final) in each year. Tax vouchers for unitholders' tax credits are sent to unitholders together, where applicable, with distributions. The Annual Report and Financial Statements are forwarded to unitholders at the time of the final allocation in September and additionally an Interim Report and Financial Statements is issued in March each year.

Prospectus and Managers' reports

Copies of the Prospectus, Key Investor Information Document ("KIID") and the most recent Annual or Interim Report and Financial Statements are available to all persons free of charge from Baring Fund Managers Limited upon request.

Soft Commission Arrangements

The Manager and its associates will not receive cash or offer rebates from brokers or dealers in respect of transactions for the Investment Manager. The Investment Manager uses dealing commission generated on equity transactions to purchase goods and services that relate to the execution of trades or the provision of research for the benefit of the Trust. Execution of transactions will be consistent with best execution standards. The Investment Manager has engaged in such activities during the period.

Market timing

Repeatedly purchasing and selling units in the Trust in response to short-term market fluctuations - known as 'market timing' - can disrupt the Managers' investment strategy and increase the Trust's expenses to the prejudice of all unitholders. The Trust is 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 Trust.

The Managers also reserve the right to redeem units which they reasonably believe have been purchased by unitholders engaged in market timing.

Publication of prices

The most recent issue and redemption prices are published daily in the Financial Times, the South China Morning Post, the Hong Kong Economic Journal, the Hong Kong Economic Times and www.fundinfo.com. The units in the Scheme are not listed or dealt in on any investment exchange.

In addition, the prices are available on the Baring website at www.barings.com.

Dealing basis

The Managers' basis for dealing in purchases and sales of the Trust's units is 'forward'. This means that the price used for any deal will be that calculated at the next valuation point following receipt of the investor's instruction.

European Union Taxation of Savings Income Directive

Under the terms of EC Directive 003/48/EC ('the Directive'), 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 certain 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 system in relation to such payments. When the UK enacted the terms of the Directive into its domestic legislation, it opted for exchange of information rather than a withholding tax system.

On the basis of UK regulations as at 12 January 2014, the Trust is deemed to be in scope of the Directive and therefore the reporting of distributions and redemptions will apply. This is because at the 12 January 2014 more than 25% of the Trust's assets were invested in interest bearing securities (which includes bank deposits). Under UK regulations it is expected that the Trust will remain in scope of the Directive at least until the next set of audited financial statements is published.

Fees and expenses

The Managers' periodic charge is calculated daily, on each business day, based on the value of the property of the Trust on the immediately preceding business day and is paid to the Managers monthly in arrears, on the first business day of the calendar month immediately following. The current periodic charge is 1.25% per annum for Class GBP Inc units and 0.65% for Class I GBP Inc units.

General Information for Overseas Investors (France)

French Paying Agent

BNP Paribas Securities Services
9 Rue du Débarcadére
93 761 PANTIN Cedex
France

The Prospectus, Key Investor Information Document(s) (KIID), a list of portfolio changes, the Trust Deed as well as the Annual and the Interim Reports and Financial Statements are available free of charge in hard copy at the office of the French Paying Agent.

Report of the Managers

Performance record

Summary of Trust performance #

	Net asset value as at 12 January 2014 (price per unit)	Net asset value as at 12 July 2013 (price per unit)	Net asset value % change	Ongoing Charge Figure (OCF) %	SRRI Risk category*
Class GBP Inc	112.78p	119.56p	(5.67)	1.34%	6
Class I GBP Inc	112.97p	119.39p	(5.38)	0.74%	6

Prepared in accordance with accounting policies

* The Synthetic Risk and Reward Indicator (SRRI) is not a measure of the risk of capital loss, but a measure of the Trust's price movement over time, the higher the number the greater the price movement both up and down. It is based on historical data and is not a reliable indication of the future risk profile of the Trust. The risk category shown is not guaranteed and may change over time. The risk categories are measured from 1 – 7 (1 measuring typically lower risk/rewards and 7 measuring typically higher risk/rewards). The lowest category does not mean a risk-free investment. The Trust is classified in the category indicated due to past movements in the Trust's price. There is no capital guarantee. The value of investments and the income from them may go down as well as up and investors may not get back the amount they invest.

Performance record to 12 January 2014

	13 Jul 2013- 12 Jan 2014 %	13 Jul 2012- 12 Jul 2013 %	13 Jul 2011- 12 Jul 2012 %	13 Jul 2010 - 12 Jul 2011 %	13 Jul 2009 - 12 Jul 2010 %
Baring Global Bond Trust Class GBP Inc (GBP Terms)	(5.49)	0.87	3.55	4.58	12.42
Composite Index 50% FTSEAS, 50% CWGBI ex UK (GBP Terms)	(3.57)	(2.45)	10.52	4.09	8.71
Baring Global Bond Trust Class I GBP Inc (GBP Terms)*	(5.23)	2.42	N/A	N/A	N/A

Performance figures are shown net of fees and charges, on a published NAV per share basis (mid-price), with gross revenue reinvested. Source: Morningstar/Barings/FTSE/Citigroup

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The Trust was launched on 4 February 1991.

*Class I GBP Inc units were launched on 11 September 2012.

Past performance is no indication of current or future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units. Please note, changes in the rates of exchange may have an adverse effect on the value, price or income of an investment.

Please note that the use of an index is for comparative purposes only.

Investment objective and policy

The investment objective of the Trust is to achieve long term capital growth together with income by investing worldwide in securities bearing fixed or variable rate income.

The Manager's policy is to invest primarily in bonds, including high quality sovereign, supranational or corporate issues rated AA or better and government bonds. There are no formal limits on rating restrictions on the use of government bonds denominated in the local currency of the issuer. Forward currency transactions will be used to manage currency risk when considered appropriate. The Manager may also invest in collective investment schemes. It may also use derivatives for efficient portfolio management.

How we manage the Trust

We invest in government bond markets where we believe yields are likely to fall and avoid those we think are expensive.

The overall duration, or interest rate sensitivity, of the Trust 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.

Risk profile

The Baring Global Bond Trust invests in fixed income securities around the world. As this is a portfolio invested in the worldwide bond markets, currency exchange fluctuations can have an effect on the performance of the Trust's investments. In the case of bonds issued by companies or "supranational" institutions such as the World Bank or the European Bank for Reconstruction and Development, these must have a credit rating of "AA" or above by the major credit ratings agencies such as S&P and Moody's. A credit rating is an opinion of the ability of the borrower to meet its financial commitments, typically ranging from "AAA", which is the highest, through to "D", which is the lowest, representing a bond which is currently in default. An "AA" rating is one of the highest and S&P describe it as meaning that a borrower has a "very strong" capacity to meet its financial commitments. Bonds issued by national governments in foreign currencies are also required to meet this threshold credit rating before we will invest in them, but there is no such requirement for bonds issued by national governments in the currency of the issuer. This is because a national government in control of its currency can always print more currency on demand and, so, always has the option to avoid default. Generally speaking, fixed income investments can be regarded as less volatile than equities and, therefore, less risky. However, their market value can still be affected by factors such as inflation and interest rate movements. Everything else being equal, a government bond can be regarded as more secure than a corporate bond, as a government bond is backed by the full resources of that government as opposed to the more limited resources of most companies. The Trust has material exposure to emerging markets bonds, and unit holders should be aware that this means the Trust can be exposed to economic, political and other risks associated with holding bonds in developing markets. Please refer to the Prospectus for the full risk profile.

Key changes during the period

Effective from 1 August 2013, J. Burns was appointed as Chairman of Baring Fund Managers Limited (BFM).

Effective from 30 August 2013, N. Hayes was appointed Director of the Managers replacing I.A. Pascal who resigned effective from 1 August 2013.

Strategy

We made a number of changes to the Trust's bond and currency positions over the period. In Europe we increased both our bond and currency exposure. These changes were in acknowledgement of the stabilisation of both financial and economic conditions in the Eurozone. We envisage that the European Central Bank's (ECB) monetary policy will remain accommodative (interest rates will remain low) for an extended period as inflationary pressures remain benign. Our bond purchases were initially concentrated in Italy where we saw more opportunity for yields to fall closer to the level of core government bond markets (Germany). However later, given the weakness of the German government bond market, we added exposure in Germany too.

We also added to other major markets, namely the UK and Japan. We opened a new bond position in Japanese government bonds, where we bought long dated bonds to gain additional yield. Whilst the Japanese government bond market provides less volatility compared to other major markets, we maintain our view that there are better opportunities to gain relative performance elsewhere and as a result maintain a low weighting, (relative to benchmark index) to the region. However, we substantially increased our exposure to the Japanese yen having profited from the depreciation in the currency's value. In the UK we added long dated bonds as this part of the government yield curve provided relative value.

Conversely we became more cautious on US fixed income assets. We believe that the reduction of the level of US Federal Reserve's (Fed's) monthly asset purchases increases risks for US yields to rise (prices fall).

We reduced our holdings of Australian and Canadian Bonds. Our allocation in both markets was concentrated in provincial debt, which has performed well relative to conventional government bonds.

In emerging markets we became more cautious on currencies, owing to the possible negative impact of the Fed's tapering of Quantitative Easing (QE). We reduced currency risk in both the Mexican peso and Polish zloty, although we added to our bond positions in both. Mexico and Poland are our highest conviction emerging markets. We think that the Mexican economy is most likely to gain from a pick-up in the US economy whilst structural and fiscal reforms should also help support this market. Meanwhile, Polish government bond yields continue to trade at a relatively higher level than German government bonds and the market should gain from any pick-up in the Eurozone. In Asia, we closed our Singapore bond position and our Hong Kong dollar position capitalising on the longer term outperformance.

Performance

The performance of the Baring Global Bond Trust ended the period behind that of the comparative index. The currency structure was the main source of negative performance, especially Sterling which strengthened against most major currencies over the period, including our preferred currencies of the US dollar, the Norwegian krone and the Mexican peso. On the positive side, our cautious positioning on the Japanese yen contributed positively. The Japanese yen was one of the worst performing currencies as the Bank of Japan introduced a series of measures aimed at boosting economic growth.

The Trust's relatively low allocation to the UK bond market aided performance as this was one of the poorest performing markets. Select emerging bond markets performed well, and as a result, the Trust's exposures in Poland and Mexico were beneficial. A detractor from performance was a lack of allocation to Japan, although we did add to this market over the period.

Our preference for peripheral European bond markets (we are holding positions in Italy, Spain, and Ireland) contributed positively. These peripheral bond markets were the best performing markets within the comparative index. Activity data in Spain was particularly strong with the country's composite Purchasing Managers' Index (PMI) increasing for a third consecutive month in December to 53.9, which was the highest level since July 2007. The credit rating agency Moody's raised its outlook for Spain from negative to stable reflecting the country's improving public finances. Elsewhere, our diversification into highly rated credit such as government guaranteed bonds and supranational debt, also contributed positively.

Performance (continued)

The top ten purchases and sales during the period were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
UK Treasury 3.25% 22/01/2044	5,551	IBRD 1.25% 10/12/2013	7,012
Mexican Bonos 5.00% 15/06/2017	4,022	Norway Treasury Bill 0.00% 18/09/2013	6,212
UK Treasury 1.00% 07/09/2017	3,956	UK Treasury 1.75% 07/09/2022	5,542
Mexican Bonos 10.00% 05/12/2024	3,783	Canadian Government Bond 2.00% 01/06/2016	4,863
Poland Government Bond 2.50% 25/07/18	3,457	Province of Alberta Canada 1.70% 15/12/2017	4,425
Italy Buoni Poliennali Del Tesoro 3.50% 01/06/2018	3,432	Mexican Bonos 6.50% 10/06/2021	4,182
Austria Government Bond 3.20% 20/02/2017	3,209	Inter-American Development Bank 6.00% 25/05/2016	4,050
Italy Buoni Poliennali Del Tesoro 5.00% 01/03/2022	3,103	Singapore Government Bond 2.25% 01/06/2021	3,844
UK Treasury 4.75% 07/12/2030	2,355	Austria Government Bond 3.40% 22/11/2022	3,765
UK Treasury 3.50% 22/07/2068	2,131	Poland Government Bond 0.00% 25/07/2014	3,564

Review of the market

US policy exerted a large influence on financial markets over the period under review. Uncertainty over the timing and the impact of the Federal Reserve's (Fed's) reduction in its monthly asset purchase programme created a degree of uncertainty across bond markets. December's Federal Open Market Committee (FOMC) meeting provided some clarification, although even then the future pace of the tapering of asset purchases is not clear. It was announced that beginning in January 2014, the Fed will slow down the pace of its US treasury bond purchases by $5bn per month to $40bn per month and reduce MBS (mortgage backed securities) purchases by $5bn per month to $35bn per month. The Fed added that its asset purchases were not on a pre-set course and decisions about the future pace of purchases were contingent on the economic outlook.

Over the period, core government bond markets generally outperformed. Yields rose (prices fell) in the US, Germany and the UK. The Japanese bond market was the notable exception and was one of the best performing markets in local currency terms as the Bank of Japan initiated policies in order to stem the slow pace of economic growth. Meanwhile, the performance of emerging markets was mixed. The Mexican government market was more influenced by the prospect of the Fed's tapering and underperformed Poland and South Africa. The best performing government bond markets were in the Eurozone periphery, where the Italian, Spanish and Irish bond markets reacted positively to the more constructive economic outlook in the region.

Sterling was the best performing currency represented by the Citigroup World Government Bond Index (CWGBI). Broad-based improvements across the UK economy saw market participants reappraise their expectations over the future path of the Bank of England's monetary policy. Meanwhile, news that the Eurozone had emerged from recession supported the Euro despite an interest rate cut by the European Central Bank (ECB). The ECB moved the main policy rate from 0.50% to 0.25% following a fall in the level of inflation to a four year low. The South African rand was the weakest currency in the CWGBI due to the country's reliance on external investment flows and ongoing geopolitical risks.

Market outlook

Our process relies on scenario analysis to model possible market responses to a variety of economic outcomes. Each scenario is then populated with macroeconomic forecasts, enabling us to develop forecasts for bond yield curves, currencies and credit spreads. Our current scenario themes (January 2014) are; Scenario One: "Synchronised Global Growth" where global growth recovers from its prior uncertainties. The assumed trend rate of growth in the US is 3.00% whilst growth in Europe is a little weaker and led by core members (Germany). In Scenario Two: "Growth Moderation / Emerging Market Stabilisation", global growth settles into a lower trend level than would historically have been consistent with a recovery phase. Emerging Markets experience healthier growth supported by the resilience in external demand conditions. Scenario 3 is called "Global Downturn" and describes a trend growth rate in the developed world of around 2.00% which when combined with multiple sources of demand-side weakness decelerate global growth from current rates.

Over the past few months, global bond yields have been rising once again with market participants' expectations of the onset of tapering validated by the Federal Reserve at their December policy meeting. The major exception has been where yields have rallied in peripheral-Europe such as Italy, Spain and Ireland. Here, the market has taken great comfort from the generally improving macro-economic environment within the Eurozone. Although growth has been weak in comparison to other developed markets, the risk premium that has been previously attached to these markets has continued to recede. We remain more cautious on major government bond markets such as the US, Japan and the UK.

In currency markets, we have become a little more cautious of emerging markets but maintain overweight positions (relative to the benchmark index) in selected emerging markets, including the Mexican peso. Emerging Market economies with current account deficits i.e. those economies that rely most heavily on the plentiful supply of US dollar liquidity; Brazil, South Africa, Turkey have been hardest hit in recent months. Elsewhere, we see valuations in the Euro and Sterling as having risen too far given the continued accommodative stance of their respective central banks and the still fragile (though improving) economic conditions. The benign level of inflation should allow for both the Bank of England and the European Central Bank to maintain their low interest rates for an extended period. We also see further downside in the Japanese yen and are positioned to gain from further weakness on a relative basis.

Revenue

The revenue account shows an amount of 0.0938p (2013: 0.4320p) per Class GBP Inc unit and 0.3167p (2013: 0.7614p) per Class I GBP Inc unit which is payable as an interest distribution. The annualised gross yield for the past twelve months is 0.20% (2013: 0.78%) per Class GBP Inc unit and 0.70% (2013: 1.24%) per Class I GBP Inc unit based on an offer unit price of 118.60p (2013: 126.10p) per Class GBP Inc unit and 113.40p (2013: 120.60p) per Class I GBP Inc unit as at 12 January 2014.

Post balance sheet events

After the period end, market fluctuations have resulted in changes to the published prices. These are shown in the "Other relevant published prices" table on page 12.

Portfolio information

Major holdings - % of total net assets

Top ten holdings	12 January 2014 %	12 July 2013 %
UK Treasury 2.25% 07/09/2023	6.25	5.27
UK Treasury 1.75% 07/09/2022	5.43	8.41
European Investment Bank 1.00% 15/03/2018	4.93	4.34
UK Treasury 3.25% 22/01/2044	4.26	0.96
Italy Buoni Poliennali Del Tesoro 4.75% 01/08/2023	4.09	3.90
UK Treasury 4.25% 07/03/2036	3.68	3.11
Queensland Treasury Corp 6.00% 14/09/2017	3.68	4.69
Sweden Government Bond 3.00% 12/07/2016	3.65	3.87
UK Treasury 3.75% 22/07/2052	3.44	2.85
KFW 2.75% 07/09/2015	3.35	4.22

Currency breakdown - % of total net assets

Currency	12 January 2014 %	12 July 2013 %
Australian dollar	8.13	13.45
Canadian dollar	0.00	7.37
Euro	18.31	10.93
Japanese yen	2.66	0.00
Mexican peso	7.43	4.20
Norwegian krone	1.36	6.91
Polish zloty	5.25	4.31
Pound sterling	39.76	34.70
Singapore dollar	0.00	2.66
Swedish krona	3.65	3.87
US dollar	12.75	11.55

Asset type breakdown - % of total net assets

Asset type	12 January 2014 %	12 July 2013 %
Bonds	98.35	98.27
Collective Investment Schemes†	0.86	1.68
Forwards currency contracts	0.09	0.23
Futures currency contracts	(0.09)	0.00
Net other assets/(liabilities)	0.79	(0.18)

† Shares in Collective Investment Schemes listed in Ireland. Uninvested cash from the Trust is swept into these funds daily.

Performance record

Trust size

Accounting year	Net asset value (£)		Net asset value pence per unit #		No. of unis in issue	
	Class GBP Inc	Class I GBP Inc*	Class GBP Inc	Class I GBP Inc*	Class GBP Inc	Class I GBP Inc*
2012	202,573,260	-	119.42	-	169,630,637	-
2013	138,399,266	10,129,536	119.56	119.39	115,758,613	8,484,183
2014	102,351,125	18,094,302	112.78	112.97	90,754,088	16,016,881

Prepared in accordance with accounting policies

* The Class I GBP Inc share class was launched on 11 September 2012

Unit price range

Accounting year	Class GBP Inc		Class I GBP Inc*	
	Highest Offer (pence)	Lowest Bid (pence)	Highest Offer (pence)	Lowest Bid (pence)
2009	112.90	96.99	-	-
2010	119.50	105.80	-	-
2011	124.20	111.50	-	-
2012	125.90	115.70	118.75	117.33
2013	130.00	112.30	124.20	112.70
2014**	114.80	112.20	115.00	112.60

* The Class I GBP Inc share class was launched on 11 September 2012

** 1 January 2014 to 12 January 2014

Other relevant published prices

Accounting year		GBP Inc		Class I GBP Inc*	
		Offer price (pence)	Bid price (pence)	Offer price (pence)	Bid price (pence)
4 February 1991	Launch date	50.00	47.62	118.30	118.20
12 January 2014	Financial statements date	118.60	112.90	113.40	113.30
5 February 2014	Latest date	120.60	114.80	115.10	115.00

* The Class I GBP Inc share class was launched on 11 September 2012

Performance record (continued)

Net revenue distribution

Calendar year	Class GBP Inc		Class I GBP Inc**	
	Pence per unit	Per £1,000 invested at 02 January 2009 (£)	Pence per unit	Per £1,000 invested at 11 September 2012 (£)
2009	1.0612	9.94	-	-
2010	0.9398	8.80	-	-
2011	0.6120	5.73	-	-
2012	0.8559	8.02	-	-
2013	0.7876	7.38	1.1963	10.14
2014*	0.0938	0.87	0.3167	2.68

* 1 January 2014 to 12 January 2014

** The Class I GBP Inc share class was launched on 11 September 2012

Directors' statement

The financial statements on pages 18 to 19 was approved by the Managers and signed on its behalf by:

J. BURNS Director

D. STEVENSON Director

London 5 March 2014

Portfolio statement

(unaudited) as at 12 January 2014

Holding		Bid-Market Value (£)	Percentage of total net assets (%)
	Australian dollar: 8.13% (13.45%)		
AUD 7,500,000	Queensland Treasury Corp 6.00% 14/09/2017	4,427,824	3.68
AUD 6,000,000	Treasury Corp of Victoria 5.50% 15/11/2018	3,497,886	2.90
AUD 3,000,000	Western Australian Treasury Corp 8.00% 15/07/2017	1,866,598	1.55
		9,792,308	**8.13**
	Canadian dollar: 0.00% (7.37%)		
	Euro: 18.31% (10.93%)		
€ 3,500,000	Austria Government Bond 3.20% 20/02/2017	3,134,895	2.60
€ 2,000,000	Bundesrepublik Deutschland 1.50% 15/05/2023	1,605,577	1.33
€ 1,300,000	Bundesrepublik Deutschland 3.25% 04/07/2042	1,179,985	0.98
€ 2,500,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank BA/Netherlands 4.375% 05/05/2016	2,229,765	1.85
€ 4,500,000	Ireland Government Bond 4.60% 18/04/2016	4,033,299	3.35
€ 2,000,000	Italy Buoni Poliennali Del Tesoro 3.50% 01/06/2018	1,740,644	1.45
€ 3,500,000	Italy Buoni Poliennali Del Tesoro 5.00% 01/03/2022	3,206,061	2.66
€ 5,500,000	Italy Buoni Poliennali Del Tesoro 4.75% 01/08/2023	4,928,427	4.09
		22,058,653	**18.31**
	Japanese yen: 2.66% (0.00%)		
JPY 350,000,000	Japan Government Ten Year Bond 0.60% 20/09/2023	2,014,778	1.67
PLN 18,000,000	Japan Government Thirty Year Bond 1.80% 20/09/2043	1,187,181	0.99
		3,201,959	**2.66**
	Mexican pesos: 7.43% (4.20%)		
MXN 80,000,000	Mexican Bonos 5.00% 15/06/2017	3,742,517	3.11
MXN 20,000,000	Mexican Bonos 6.50% 09/06/2021	950,826	0.79
MXN 15,000,000	Mexican Bonos 6.50% 10/06/2022	705,158	0.59
MXN 60,000,000	Mexican Bonos 10.00% 05/12/2024	3,535,386	2.94
		8,933,887	**7.43**
	Norwegian krone: 1.36% (6.91%)		
NOK 18,000,000	Norway Government Bond 2.00% 24/05/2023	**1,636,025**	**1.36**
	Polish zloty: 5.25% (4.31%)		
PLN 15,000,000	Poland Government Bond 0.00% 25/07/2014	2,934,444	2.44
PLN 18,000,000	Poland Government Bond 2.50% 25/07/2018	3,387,476	2.81
		6,321,920	**5.25**

Portfolio statement (continued)

(unaudited) as at 12 January 2014

Holding		Bid-Market Value (£)	Percentage of total net assets (%)
	Pound sterling: 38.87% (33.02%)		
£ 2,000,000	European Investment Bank 4.125% 07/12/2017	2,177,544	1.81
£ 3,912,000	KFW 2.75% 07/09/2015	4,037,849	3.35
£ 4,000,000	UK Treasury 1.00% 07/09/2017	3,938,044	3.27
£ 7,100,000	UK Treasury 1.75% 07/09/2022	6,542,572	5.43
£ 8,000,000	UK Treasury 2.25% 07/09/2023	7,544,800	6.25
£ 2,500,000	UK Treasury 4.25% 07/12/2027	2,763,370	2.29
£ 2,000,000	UK Treasury 4.75% 07/12/2030	2,338,238	1.94
£ 4,000,000	UK Treasury 4.25% 07/03/2036	4,427,300	3.68
£ 5,500,000	UK Treasury 3.25% 22/01/2044	5,122,348	4.26
£ 4,000,000	UK Treasury 3.75% 22/07/2052	4,146,200	3.44
£ 1,500,000	UK Treasury 4.00% 22/01/2060	1,658,025	1.38
£ 2,160,000	UK Treasury 3.50% 22/07/2068	2,129,609	1.77
		46,825,899	**38.87**
	Singapore dollar: 0.00% (2.66%)		
	Swedish krona: 3.65% (3.87%)		
SEK 45,000,000	Sweden Government Bond 3.00% 12/07/2016	**4,397,946**	**3.65**
	US dollar: 12.69% (11.55%)		
$ 10,000,000	European Investment Bank 1.00% 15/03/2018	5,945,684	4.93
$ 5,000,000	Landwirtschaftliche Rentenbank 1.375% 23/10/2019	2,896,940	2.41
$ 2,500,000	United States Treasury Inflation Indexed Bonds 0.75% 15/02/2042	1,319,852	1.10
$ 2,000,000	United States Treasury Note/Bond 1.375% 31/07/2018	1,206,043	1.00
$ 7,100,000	United States Treasury Note/Bond 1.625% 15/11/2022	3,914,985	3.25
		15,283,504	**12.69**
	Collective Investment Schemes: 0.86% (1.68%)		
	Pound sterling: 0.86% (1.68%)		
£ 1,038,000	Northern Trust Global Funds – The Sterling Fund Class A †	**1,038,000**	**0.86**
	Futures Contracts – Unrealised Gains: 0.09% (0.00%)		
	Pound sterling: 0.03% (0.00%)		
48	UK Gilt Futures - March 14	**41,760**	**0.03**

Portfolio statement (continued)

(unaudited) as at 12 January 2014

Holding		Bid-Market Value (£)	Percentage of total net assets (%)
	US dollar: 0.06% (0.00%)		
100	US 10 Year Treasury Note Futures - March 14	**78,018**	**0.06**
	Forward FX Currency Contracts: (0.09%) (0.23%)		
GBP 15,794,656	Bought GBP sold AUD 29,000,000 for settlement 12/03/2014	145,959	0.12
GBP 6,184,084	Bought GBP sold EUR 7,400, for settlement 12/03/2014	55,371	0.05
GBP 3,811,227	Bought GBP sold MXN 81,000,000 for settlement 12/03/2014	53,888	0.04
GBP 3,413,982	Bought GBP sold PLN 17,000,000 for settlement 12/03/2014	53,218	0.04
GBP 3,225,296	Bought GBP sold JPY 550,000,000 for settlement 12/03/2014	34,091	0.03
JPY 420,000,000	Bought JPY sold GBP 2,436,271 for settlement 12/03/2014	649	0.00
EUR 1,100,000	Bought EUR sold GBP 914,517 for settlement 12/03/2014	(3,492)	(0.00)
GBP 1,673,861	Bought GBP sold SEK 18,000,000 for settlement 12/03/2014	(5,180)	(0.00)
USD 4,000,000	Bought USD sold GBP 2,442,481 for settlement 12/03/2014	(5,751)	(0.00)
GBP 2,579,623	Bought GBP sold PLN 13,100,000 for settlement 12/03/2014	(10,142)	(0.01)
MXN 21,000,000	Bought MXN sold GBP 985,356 for settlement 12/03/2014	(11,231)	(0.01)
EUR 1,000,000	Bought EUR sold GBP 842,615 for settlement 12/03/2014	(14,411)	(0.01)
AUD 11,650,000	Bought AUD sold GBP 6,311,520 for settlement 12/03/2014	(25,061)	(0.02)
CAD 1,800,000	Bought CAD sold GBP 1,035,775 for settlement 12/03/2014	(27,784)	(0.02)
USD 6,650,000	Bought USD sold GBP 4,085,688 for settlement 12/03/2014	(34,624)	(0.03)
NOK 109,000,000	Bought NOK sold GBP 10,769,863 for settlement 12/03/2014	(48,196)	(0.04)
JPY 2,100,000,000	Bought JPY sold GBP 12,458,287 for settlement 12/03/2014	(273,687)	(0.23)
		(116,383)	**(0.09)**
Portfolio of Investments 99.21% (100.18%)		**119,493,496**	**99.21**
Net other assets		951,931	0.79
Net assets		**120,445,427**	**100.00**

Note: Securities shown on the portfolio statement are debt securities unless otherwise stated.

† Shares in Collective Investment Scheme. Uninvested cash from the Trust is swept into these funds daily.

Comparative figures shown in brackets relate to 12 July 2013.

Counterparties on forward foreign currency contracts are shown in brackets.

Debt security allocation is as follows:

Percentage of debt securities above investment grade	**100.00%**
Percentage of debt securities below investment grade (sub BBB or unrated)	**0.00%**
	100.00%

Statement of total return

(unaudited) for the half year ended 12 January 2014

	2014		2013	
	£'000	**£'000**	£'000	£'000
Income				
Net capital losses		**(7,870)**		(3,237)
Revenue	**1,082**		2,216	
Expenses	**(858)**		(1,322)	
Net revenue before taxation	**224**		894	
Taxation	**-**		-	
Net revenue after taxation		**224**		894
Total return before distributions		**(7,646)**		(2,343)
Finance costs: Distributions		**(191)**		(761)
Change in the net assets attributable to unitholders from investment activities		**(7,837)**		(3,104)

Statement of change in net assets attributable to unitholders

(unaudited) for the half year ended 12 January 2014

	2014		2013	
	£'000	**£'000**	£'000	£'000
Opening net assets attributable to unitholders		**148,529**		202,573
Amounts receivable on issue of units	**1,361**		8,877	
RDR Conversions	**(11)**		-	
Amounts payable on cancellation of units	**(21,597)**		(34,021)	
		(20,247)		(25,144)
Change in net assets attributable to unitholders from investment activities (see above)		**(7,837)**		(3,104)
Closing net assets attributable to unitholders		**120,445**		174,325

The opening net assets attributable to unitholders for 2014 differs to the closing position in 2013 by the change in net assets attributable to unitholders for the second half of the comparative financial year.

Balance sheet

(unaudited) as at 12 January 2014

	12/01/14	12/07/13
	£'000	£'000
ASSETS		
Investment assets	**119,610**	149,043
Debtors	**1,364**	1,220
Cash and bank balances	**16,004**	15,957
Amonuts held at clearing houses and brokers	**573**	-
Total other assets	**17,941**	17,177
Total assets	**137,551**	166,220
LIABILITIES		
Investment liabilities	**(116)**	(248)
Creditors	**(860)**	(1,096)
Bank overdrafts	**(15,994)**	(15,782)
Distribution payable on income units	**(136)**	(565)
Total other liabilities	**(16,990)**	(17,443)
Total liabilities	**(17,106)**	(17,691)
Net assets attributable to unitholders	**120,445**	148,529

Notes to the financial statements

(unaudited) for the half year ended 12 January 2014

The Interim Financial Statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in October 2010 ("the IMA SORP 2010").

Distribution tables

Group 1: units purchased prior to 13 July 2013

Group 2: units purchased on or after 13 July 2013

Interim distribution – Class GBP Inc (in pence per unit)

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2014 Net Interest Distribution Payable	2013 Net Interest Distribution Paid
1	0.1173	0.0235	0.0938	0.0000	0.0938	0.3556
2	0.0949	0.0190	0.0759	0.0179	0.0938	0.3556

Group 1: units purchased prior to 13 July 2013

Group 2: units purchased on or after 13 July 2013

Interim distribution – Class I GBP Inc (in pence per unit)

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2014 Net Interest Distribution Payable	2013 Net Interest Distribution Paid
1	0.3959	0.0792	0.3167	0.0000	0.3167	0.4349
2	0.1749	0.0350	0.1399	0.1768	0.3167	0.4349

BARINGS

AWARDED TO
BARING ASSET
MANAGEMENT LIMITED
2010

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Financial Conduct Authority

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