



IMPORTANT: This letter requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice. The Directors of the Company accept responsibility for the accuracy of the contents of this letter.

Date: 13 December, 2013

To: All Shareholders of Baring Investment Funds plc

Re: Baring Investment Funds plc (the "Company")

Dear Shareholder,

We are writing to you in your capacity as a Shareholder in the above Company to advise you of certain changes, summarised below, to the Company and which will be reflected in the Highlights. The changes will become effective from 13 January 2014. These changes are not material and do not require your prior approval or any action on your part, but they are important and we recommend that you review them.

Changes to the Highlights

The following changes will be made to the Highlights of the Company:

1. References to the Investment Management Agreement and the Administrator Agreement have been amended in the Highlights to reflect the administrative changes and regulatory updates of each of these agreements. In this regard, the Administrator Agreement dated 1 April, 2005 between the Managers, the Company and Administrator has been amended and restated on 1 July, 2011. The Investment Management Agreement dated 20 December, 2006 has been amended and restated on 27 August, 2012. A brief summary of the key provisions of each of these agreements is included in the section headed "Managers, Investment Manager, Custodian, Administrator and Hong Kong Representative" of the Highlights and a brief summary of the key updates to each of these agreements is as follows.

The key updates to the investment management agreement include the following:-

- (a) provisions relating to Baring Asset Management Limited's ("BAML") policy / procedures regarding asset management, execution policy, handling of orders and handling of client complaints have been added into the Investment Management Agreement to address the new regulatory requirements under UCITS IV.
- (b) provisions to enhance the reporting requirements (such as due diligence reports, risk reports, etc.) for BAML have been added into the Investment Management Agreement to address the new regulatory requirements under UCITS IV.
- (c) disclosures such as BAML's execution and conflicts policies have been added into the Investment Management Agreement to address requirements under the Markets in Financial Instruments Directive or requirements of the Financial Conduct Authority.

The key updates to the Administrator Agreement include the following:

- (a) additional provisions and amendments to provisions relating to the operational relationship between Baring International Fund Managers (Ireland) Limited and Northern Trust International Fund Administration Services (Ireland) Limited. For example, the Administrator Agreement now provides that the Administrator Agreement may be terminated by giving not less than 24 (instead of 6) months' notice

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in writing; and subject to the conditions as set out in the Administrator Agreement, the administrator may subcontract the whole or any part of its services.

- (b) deletion of the provision that the Administrator Agreement shall be enforce for 5 years from the date of execution.

Copies of the amended and restated Investment Management Agreement and Administrator Agreement may be obtained or inspected free of charge at the office of the Hong Kong Representative at the address set out below.

2. For better consistency with the other UCITS fund ranges managed by the Managers, wording will be added to the Section headed "Investment Policy: General" to provide that no more than 10% of the Net Assets of any sub-fund may be invested either directly or indirectly in China A and B Shares and that at least one month prior notice will be given to investors and approval from the Securities and Futures Commission will be sought if a sub-fund intends to invest more than this limit. Any investment by a sub-fund in China A or B Shares will be in accordance with the requirements of the Central Bank and the relevant regulatory authorities in the People's Republic of China.

While all existing sub-funds of the Company, subject to the investment objective and policies of the particular sub-fund, will continue to have the ability to invest in transferable securities traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange (including China A and/or B Shares), as a result of this addition, going forward, a sub-fund's exposure to China A and B Shares will be restricted to 10% of such sub-fund's Net Assets. You may wish to note that the investment objective and policy of Baring BRIC Fund and Baring China Select Fund already states that no more than 10% of the Net Asset Value of the relevant sub-fund may be invested directly or indirectly in China A-shares. This disclosure will be updated to include China B-shares for consistency with the restriction set out in the section "Investment Policy: General".

3. The fees and expenses section will be amended to clarify that the Custodian's fee is up to 0.025% of the Net Asset Value of each sub-fund (previously it was disclosed as a flat rate of 0.025%). In addition, wording will be clarified to provide that account maintenance fees as well as transaction fees and safekeeping fees will be charged at normal commercial rates (previously it was disclosed that the transaction fees were £50 per security transaction). The reference to a minimum monthly charge of £750 per fund will be removed.
4. The Section headed "Application Procedure" will be amended to make clear that Shareholders may, with the agreement of the Managers or the Hong Kong Representative subscribe for or realise Shares via electronic messaging services such EMX or SWIFT.
5. The Initial Minimum Investment / Minimum Holding amount for Class A EUR Inc of Baring China Select Fund will be changed from €5,000 to €3,500. For Class I USD Acc and Class I EUR Acc of Baring China Select Fund the amounts will be changed from US\$50,000,000 and €35,000,000 to US\$10,000,000 and €10,000,000 respectively.
6. The Initial Minimum Investment / Minimum Holding amount for Class A EUR Inc and Class A EUR Acc of Baring Emerging Markets Debt Local Currency Fund will be changed from €5,000 to €3,500. For Class A GBP Hedged Inc of Baring Emerging Markets Debt Local Currency Fund the amount will be changed from £5,000 to £2,500.
7. A clarification will be made to the "Investment Objective and Policies" section of Baring China Select Fund. The wording in the first paragraph will be amended to include "equities of companies elsewhere in the Asia Pacific ex-Japan region with the potential in the opinion of the Investment Manager, to benefit from the development of China" as within the 70% investment bracket.

For easy reference, an extract highlighting the amendments made to the "Investment Objective and Policies" section of Baring China Select Fund is set out below:

"The objective of the Fund is to achieve long-term capital growth in the value of assets by investing in companies which the Company believes will benefit from the economic growth and development of China. The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities inof companies quoted on Recognised Exchanges in China andor Hong Kong andor incorporated in China andor Hong Kong, or which have a significant proportion of their assets or other interests in China andor Hong Kong. ~~The Investment Manager may also invest~~ or in equities inof companies elsewhere in the Asia Pacific ex-Japan region with the potential, in the opinion of the Investment Manager, to benefit from the development of China. For this purpose, total assets exclude cash and ancillary liquidities."

This update does not represent a change in the investment policy of the sub-fund and does not impact the way in which the sub-fund is managed.

8. The charging policy of Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund will be changed and the disclosure relating to the distribution policy of the Company will be enhanced to highlight the risks relating to Company's distribution policy and to address latest disclosure requirements in Hong Kong.

The proposed change to the charging policy of Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund and the expected impact of such change are set out below:

	Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund	Remaining sub-funds of the Company (except Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund)
Existing charging policy	Management fees and other fees and expenses relating to Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund will normally be paid out of the respective income of the sub-funds, however, where sufficient income is not available, the Managers may provide for the relevant sub-fund to pay some or all of its management fee and other fees and expenses out of capital.	Management fees and other fees and expenses relating to each respective sub-fund will normally be paid out of the income of the relevant sub-fund, however, where sufficient income is not available, the Managers may provide for a sub-fund to pay some or all of its management fee and other fees and expenses out of capital. This discretion is provided in the Articles of Association, however, the Highlights will be updated to include such disclosure for clarification purposes.
Proposed change to the charging policy	Going forward, the charging policy of the sub-funds will be changed to provide that some or all of the management fee and other fees and expenses may be paid out of capital of the relevant sub-fund, rather than out of income, even when there is sufficient income available to discharge management fee and other fees and expenses.	No change to the charging policy. Should this policy be changed in the future, prior approval from the Securities and Futures Commission of Hong Kong will be sought and at least 1 month's prior notice will be given to affected Shareholders.
Impact of the change in charging policy	The rationale for the payment of such fees and expenses in this manner is that it will have the effect of increasing the distributable income. In other words, following the change in charging policy, the Managers may at its discretion pay dividends out of gross income while charging all or part of Baring Asian Debt Fund's or Baring Emerging Markets Debt Local Currency Fund's management fee and other fees and expenses out of capital of the relevant sub-fund, resulting in an increase in distributable income for the payment of dividends by the sub-fund and therefore, Baring Asian Debt Fund or Baring Emerging Markets Debt Local Currency Fund (as the case may be) may effectively pay dividend out of capital.	Not applicable as there is no change to the charging policy of the remaining sub-funds of the Company.
	Payment of dividends effectively out of capital amounts to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Shareholders should also note that any distributions involving payment of distributions effectively out of capital may result in an immediate reduction of the Net Asset Value per Share of Baring Asian Debt Fund or Baring Emerging Markets Debt Local Currency Fund (as the case may be). In addition, on redemption of holdings, Shareholders may not receive back the full	

	<p>amount invested. The policy of charging fees and expenses to capital will also have the effect of lowering the capital value of your investment and constraining the potential for future capital growth.</p> <p>The composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months¹ can be obtained either through the Hong Kong Representative's website at www.barings.com or from the Hong Kong Representative on request. The website has not been reviewed by the SFC and it may contain information on funds which are not authorised by the SFC.</p>	
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The Highlights will be updated to reflect the above changes and the risks relating to each sub-fund's (including Baring Asian Debt Fund and Baring Emerging Markets Debt Local Currency Fund) distribution policy will also be enhanced.

9. Wording will be added to the Section headed "Calculation of Net Asset Value" to provide that any dilution adjustment to the Net Asset Value may take into account any provision for market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the adjustment or disposal of investments and to preserve the value of the underlying assets of the relevant sub-fund.
10. Clarifications will be made to the "Investment Policy: General – Investment in Derivatives" section. Reference to investment in long/short futures on ETFs will be deleted as an example of the financial derivative instruments which a sub-fund may invest in to better reflect the types of derivatives that are currently likely to be utilised by the sub-funds of the Company.

It is considered that the changes do not amount to a material change to the Company and there will be no material change in the overall risk profile of the Company following the change.

11. The Highlights will be updated to include other administrative updates, disclosures to address latest regulatory requirements and updates to existing risk factors, tax disclosures and insertion of additional risk factors. You are advised to review this revised "RISK FACTORS" section and consider the up-to-date risk disclosures that may be relevant to your investment.

We confirm that the changes described above do not result in any change in the risk profile of the sub-funds of the Company. In addition, the changes described in paragraphs 1, 3, 7, 10, 11 do not change the way in which the Company and its sub-funds are being managed.

If you have any questions relating to these matters please contact your usual contact at Barings. Hong Kong investors should contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, Marco Tang, by telephone on (852) 2841 1411, by e-mail at marco.tang@barings.com, or by letter at the following address: 19th Floor, Edinburgh Tower, 15 Queen's Road, Central Hong Kong. The revised Highlights will be available free of charge at the office of the Hong Kong Representative shortly.

Yours faithfully,



**For and on behalf of
Baring Investment Funds plc**

¹ The 12-month period is intended to be a rolling 12-month period starting from the date on which payment of dividends is being made by the Fund out of capital after 8 November 2012.



重要提示：本函件務須閣下垂注。如閣下對本函件的内容有任何疑問，閣下應尋求獨立專業意見。本公司的董事對本函件内容的準確性承擔責任。

致：霸菱投資基金公眾有限公司的全體股東

有關：霸菱投資基金公眾有限公司（「本公司」）

親愛的股東：

茲致函身為上述公司股東之閣下，以通知閣下有關於本公司作出的若干變更，該等變更將會在簡介內反映，節錄如下。該等變更將由 2014 年 1 月 13 日起開始生效。該等變更並非重大變更，毋須閣下事先批准或閣下作出任何行動，但該等變更屬重要變更，茲建議閣下審閱。

簡介的變更

本公司的簡介將會作出以下更改：

1. 有關投資管理協議及行政協議的提述已於簡介中作出修訂，以反映該等協議的行政變更及監管更新。就此而言，由經理、本公司及行政人於 2005 年 4 月 1 日訂立的行政協議已於 2011 年 7 月 1 日作出修訂及重申。日期為 2006 年 12 月 20 日的投資管理協議已於 2012 年 8 月 27 日作出修訂及重申。該等協議的主要條文之概要載於簡介中標題為「經理、投資經理、保管人、行政人及香港代表」一節，以及有關各項該等協議的主要更新簡要如下。

投資管理協議的主要更新包括如下：

- (a) 已在投資管理協議中增加有關 Baring Asset Management Limited（「BAML」）的資產管理、執行政策、處理訂單及處理客戶投訴的政策/程序之條文，以回應可轉讓證券集體投資計劃IV 下的新監管要求。
- (b) 已在投資管理協議中增加有關提高 BAML 的報告要求（例如盡職調查報告、風險報告等）之條文，以回應可轉讓證券集體投資計劃IV 下的新監管要求。
- (c) 已在投資管理協議中增加有關BAML的執行及衝突政策之披露，以回應金融市場工具指令(Markets in Financial Instruments Directive) 的要求或金融市場行為監管局的要求。

行政協議的主要更新包括如下：

- (a) 有關Baring International Fund Managers (Ireland) Limited與Northern Trust International Fund Administration Services (Ireland) Limited 之間的營運關係的條文之補充及修訂。例如，行政協議現時規定行政協議可藉給予不少於 24（而不是 6）個月的書面通知予以終止；以及在行政協議所載條件之規限下，行政人可外判其全部或任何部分的服務。
- (b) 刪除有關行政協議須由簽署之日起 5 年予以執行的條文。

經修訂及重列的投資管理協議及行政協議的副本可在香港代表的辦事處(地址載於下文)免費索取及查閱。

2. 為了與由經理管理的其他可轉讓證券集體投資計劃基金系列達成更佳的一致性，將在標題為「投資政策：整體政策」一節中加插字詞，以載明不得將多於任何子基金的淨資產的 10%直接或間接投資於中國 A 股及 B 股；如子基金有意投資多於此限額，將需向投資者發出最少一個月事先通知及尋求證券及期貨事務監察委員會批准。子基金於中國 A 股或 B 股的任何投資將會根據中央銀行及中國的相關監管機關的規定進行。

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儘管本公司的所有現有子基金將繼續有投資於在上海證券交易所或深圳證券交易所買賣的可轉讓證券（包括中國 A 股及/或 B 股）的能力（受特定子基金的投資目標及政策所限），但由於加插上述字詞，子基金日後對中國 A 股及 B 股的投資將被限制於該子基金淨資產的 10% 以內。閣下請注意，霸菱金磚四喜基金及霸菱中國精選基金的投資目標及政策已說明不得將多於相關子基金的資產淨值的 10% 直接或間接投資於中國 A 股。此項披露將予更新以包含中國 B 股，以與「投資政策：整體政策」一節所載的限制相一致。

- 費用及開支一節將會作出修訂，以澄清保管人費用最多為每一子基金資產淨值的 0.025%（較早前有關費率已被披露為劃一比率 0.025%）。此外，簡介內的披露將會作出澄清，以說明賬戶維持費用以及交易費用及託管費用將按一般商業收費收取（較早前已披露每宗抵押交易的交易費為 50 英鎊）。有關每基金 750 英鎊的最低月費的提述將會被移除。
- 標題為「申請程序」一節將會作出修訂，以澄清股東可在經理或香港代表同意的情況下，透過電子通訊服務（例如 EMX 或 SWIFT）認購或變現股份。
- 霸菱中國精選基金的 A 類歐羅收益的初次最低投資額/最低持股量將由 5,000 歐羅更改為 3,500 歐羅。就霸菱中國精選基金的 I 類美元累積及 I 類歐羅累積而言，有關金額將分別由 50,000,000 美元及 35,000,000 歐羅更改為 10,000,000 美元及 10,000,000 歐羅。
- 霸菱新興市場債券(當地貨幣)基金的 A 類歐羅收益及 A 類歐羅累積的初次最低投資額/最低持股量將由 5,000 歐羅更改為 3,500 歐羅。就霸菱新興市場債券(當地貨幣)基金的 A 類英鎊對沖收益而言，有關金額將由 5,000 英鎊更改為 2,500 英鎊。
- 將對霸菱中國精選基金的「投資目標及政策」一節作出澄清。首段字詞將會作出修改，以將「設於亞太區其他地方（日本除外），並獲投資經理認為有從中國發展中受惠的潛力的公司的股票」歸入 70% 的投資籃子之中。

為方便閣下參考，霸菱中國精選基金的「投資目標及政策」一節的修訂處摘錄載列如下：

「基金的投資目標是透過投資於（本公司認為）將從經濟增長及中國發展中受惠的公司，在資產價值中達致長期資本增長。基金將尋求透過在任何一次投資中，把其總資產至少 70% 投資於已在中國及/或香港的認可交易所上市，並或在中國及/或香港註冊成立的公司的股票，或在中國及/或香港擁有大部份資產或其他權益的公司的股票，以達致其投資目標。投資經理亦可能投資於或設於亞太區其他地方（日本除外），並有從中國發展中受惠的潛力（據投資經理的意見）的公司的股票，以達致其投資目標。就此而言，總資產並不包括現金及輔助流動資金。」

此更新不會使子基金的投資政策有所改變，亦不會影響子基金的管理方式。

- 霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金的收費政策將會作出更改，並將加強有關本公司分派政策之披露，以強調有關本公司的分派政策的風險，並回應香港的最新披露要求。

霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金之收費政策的建議更改及該等更改的預期影響載列如下：

	霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金	本公司的剩餘子基金（霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金除外）
現有收費政策	與霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金有關的管理費以及其他費用及開支普遍將自子基金的各自收入中支付，但當收入不足時，經理可容許相關子基金從資本中支付部分或全部其管理費及其他費用及開支。	與各子基金有關的管理費以及其他費用及開支普遍將自相關子基金的收入中支付，但當收入不足時，經理可容許子基金從資本中支付部分或全部其管理費及其他費用及開支。 組織章程細則載有此酌情權，然而，簡介將予更新以包含有關披露，以作為澄清目的。
對收費政策的建議更改	今後，子基金的收費政策將作出變更，致使即使在有充足收入支付管理費以及其他費用及開支的情況下，亦可以從相關子基金的資本（而非收入）撥付其部分或全部管理費以及其他費用及開支。	收費政策維持不變。 如此政策將於日後更改，將尋求香港證券及期貨事務監察委員會的事先批准，並將向受影響的股東發出最少一個月的事先通知。
更改收費政策的影響	以此方式支付該等費用及開支的理由為其將可有增加可分派收入的作用。 換言之，收費政策的變更後，經理可酌情決定從總收入中支付股息，並從相關子基金的資本中收取霸菱亞洲債券基金或霸菱新興市場債券(當地貨幣)基金的全部或部分管理費以及其他費用及開支，以致子基金可支付股息的可分派收入增加。因此，霸菱亞洲債券基金或霸菱新	由於本公司的剩餘子基金之收費政策維持不變，故不適用。

	<p>興市場債券(當地貨幣)基金(視情況而定)可實際地從資本中支付分派。</p> <p>實際地從資本中支付分派相當於從股東的原有投資或自該原有投資應佔的任何資本收益中退還或提取部分款項。</p> <p>股東亦應注意，任何涉及實際地從資本中支付分派的分派或會導致霸菱亞洲債券基金或霸菱新興市場債券(當地貨幣)基金(視情況而定)的每股資產淨值即時下跌。</p> <p>此外，在贖回持股時，股東未必能全數取回投資金額。從資本中收取費用及開支的政策亦將會令閣下投資的資本價值下跌，並限制未來資本增長的潛力。</p> <p>過去 12 個月¹的股息組成(即自可分派收入及資本淨額中支付的相關金額)可透過香港代表的網站www.barings.com取得，或可向香港代表索取。該網站並未經證監會審閱，並可能載有未經證監會認可的基金的資料。</p>	
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簡介將予更新，以反映上述變更，而與各子基金(包括霸菱亞洲債券基金及霸菱新興市場債券(當地貨幣)基金)的分派政策有關的風險亦將予以加強。

9. 將於「計算資產淨值」一節中加入字詞，以載明對資產淨值作出任何攤薄調整可計入任何市場差額(相關證券的買/賣差價)、徵費(例如交易稅項)及開支(例如結算成本或買賣佣金)及其他與調整或出售投資及維持相關子基金的基礎資產的價值有關的交易成本之任何撥備。
10. 將對「投資政策：整體政策 - 投資於衍生工具」一節作出澄清。有關投資於交易所買賣基金的長/短倉期貨的提述以作為子基金可能投資的金融衍生工具的例子將被刪除，以更清晰地反映本公司的子基金現時可能運用的衍生工具種類而作出。

有關更改被認為不會對本公司構成重大變動，而更改後亦不會使本公司的整體風險狀況有重大變動。

11. 簡介將予更新，以包含其他行政管理方面的更新、回應最新監管要求的披露，以及現有風險因素的更新、稅務披露及額外風險因素的加插。建議閣下審閱經修訂「風險因素」一節，並考慮可能與閣下的投資有關的最新風險披露。

我們確認，上文所述的更改不會導致本公司子基金的風險狀況有任何改變。此外，於上文第 1、3、7、10、11 段描述的更改並不會改變本公司及其子基金目前被管理的方式。

如閣下對此等事宜有任何疑問，請聯絡閣下慣常聯絡的霸菱，香港投資者應聯絡香港代表霸菱資產管理(亞洲)有限公司的鄧嘉南，電話：(852) 2841 1411，電郵：marco.tang@barings.com，或致函至以下地址：香港皇后大道中15 號公爵大廈 19 樓。經修訂簡介快將可於香港代表辦事處免費取得。



代表
霸菱投資基金公眾有限公司

謹啟

日期：2013 年 12 月 13 日

¹ 上述 12 個月期間擬為由本基金於 2012 年 11 月 8 日後從資本中支付股息當日起計的 12 個月滾動期。