



250 years of innovation.
Uncommon perspectives. Trusted heritage.

Bay County Employees' Retirement System

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First Quarter 2013

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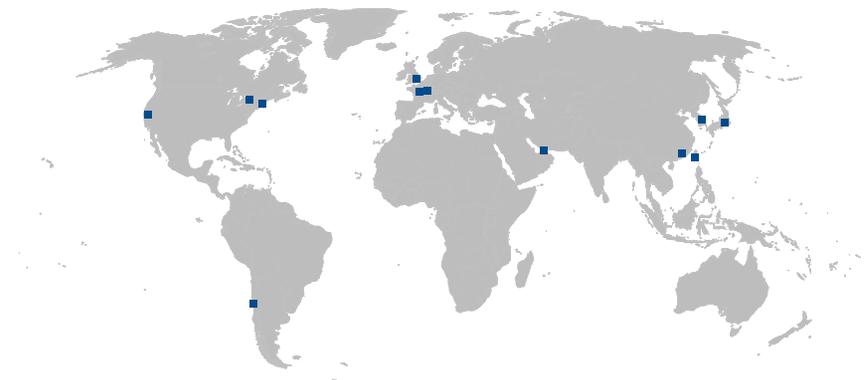
Barings Overview

Section One



Baring Asset Management

- An international investment management company with a history dating back to 1762
- Operating in eleven countries with professionals from twenty five different nations
- Owned by Massachusetts Mutual Life Insurance Company (MassMutual)
- Current assets under management US\$52.6bn
- 98 investment professionals
- Winner of the Queen's Award for Enterprise: International Trade 2010



London, Boston, Dubai, Frankfurt, Hong Kong, Paris,
San Francisco, Santiago, Seoul, Taipei, Tokyo, Toronto



What Sets Us Apart

Significant global bottom-up research capability spanning world's equity markets



Strong platform of 40+ investment professionals searching for "unrecognized growth"

Dedicated sector and country analysis



Multiple sources of idea generation

Innovative process which combines both bottom-up and top-down insight



'Three-dimensional' approach to identify active alpha

All Cap, universe and holdings



Exploit market opportunities across an unconstrained universe

Capacity constrained strategies



Promotes process integrity

A proven, research-driven process exploiting market inefficiencies



Barings Focused International Plus Equity Calendar Year Performance

Calendar Year Composite Performance										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Barings Focused International Plus Equity Composite	11.7	-7.9	9.7	39.2	-43.7	24.3	34.0	18.4	25.0	39.3
MSCI EAFE Index*	17.8	-11.7	7.8	31.8	-43.4	11.2	26.9	14.0	20.7	39.2
Relative	-6.1	3.8	1.9	7.4	-0.3	13.1	7.1	4.4	4.3	0.1

* Morgan Stanley Capital International (MSCI) EAFE Index Net Dividends. Returns shown in US dollars gross of fees. Please note Gross of fee performance is presented. See the final page for a description of the impact of fees upon returns. Please see the Appendix for net of fee and composite description. This supplemental performance information complements the Focused International Plus Equity Composite presentation as provided in the Appendix.



Performance Review

Section Two



Bay County Employees' Retirement System Performance

Performance as of September 30, 2012			
	3Q 12	1 Year	Since Inception*
Bay County Employees' Retirement System	8.7	15.6	6.4
MSCI EAFE Net +1%	7.2	14.9	3.6
Relative	1.5	0.7	2.8

*October 30, 2009.
Returns in US Dollars



Bay County Employees' Retirement System Performance

Performance as of March 31, 2013						
	1Q 13	4Q 12	6 Months	1 Year	3 Years	Since Inception*
Bay County Employees' Retirement System	2.5	0.2	2.7	3.8	5.2	6.3
MSCI EAFE Net +1%	5.4	6.8	12.6	12.4	6.1	6.8
Relative	-2.9	-6.6	-9.9	-8.6	-0.9	-0.5

*October 30, 2009.
Returns in US Dollars



Portfolio Strategy Recap

- The portfolio was positioned for a modest, sub-trend economic recovery.
- We preferred the UK and Emerging Markets to Continental Europe; we began Q4 slightly underweight Japan.
- In terms of sectors, we were overweight IT, Materials (precious metals) and Healthcare. Our biggest underweights were to Consumer Staples, Industrials and Financials (European banks).
- Our macro outlook led us towards 'growth' segments, and companies with pricing power.
- Our themes included 'Internet Spending', 'Communications Revolution', 'Asian/Emerging Financials' and 'Gold Miners.'



Market Performance

Six Months ending March 2013

MSCI* Market Movements: Performance By Market

Country	Market US\$
Greece	46.0
Japan	18.1
Australia	16.5
MSCI Pacific ex JP	13.5
MSCI EAFE	12.0
MSCI Europe ex UK	11.7
France	11.4
MSCI Europe	9.9
Hong Kong	9.4
Germany	8.7
United Kingdom	6.8
Singapore Free	6.3
MSCI Emerging Markets	3.9
China	7.8

MSCI* Market Movements: Performance By Sector

Sector	Market US\$
Consumer Discretionary	20.6
Financials	17.2
Information Technology	15.6
Consumer Staples	14.5
Industrials	14.4
Health Care	14.3
MSCI EAFE	12.0
Materials	4.1
Telecom. Services	1.1
Utilities	0.4
Energy	-2.6

TOP-DOWN WAS A HEADWIND



Performance Attribution

Six Months ending March 2013

Attribution	Impact	What Happened?	Action Taken
Precious Metal Miners	-380 bps	Signs of an improving US outlook resulted in a reversal in the gold price. Country-specific risk increased. Example: Centamin	We have reduced precious metals exposure and lowered country specific risk.
Emerging Markets	-250 bps	The Emerging Markets underperformed EAFE. Example: Baidu	We have reduced Emerging Market exposure, and added to Consumer Staples.
Japan	-165 bps	Yen depreciation led to lower quality and value stocks outperforming.	We expect the Yen to remain weak, and have added stocks which will benefit from the dramatic change in economic policy.
Financials	-90 bps	Australian, European commercial and Japanese banks outperformed.	We have added Japanese bank exposure, and affirmed that Australian banks are unattractive.

Fundamentally, our themes did not match the market. Impact of this positioning was magnified by individual stock issues.



Process Review Results

- Conducted by CIO, Head of Equities, Head of North America
 - Investment process was followed and no evidence of process failure
 - Lessons learned/adjustments
 - Single country risk within individual stocks
 - Position size modification for mega and small cap
 - Sell discipline support by Head of Equities and Global Sector Head
 - Conclusion: a 'perfect storm' of themes and stocks

We continue to have confidence in our investment process



Investment Outlook

Section Three



Continuing & New Positioning

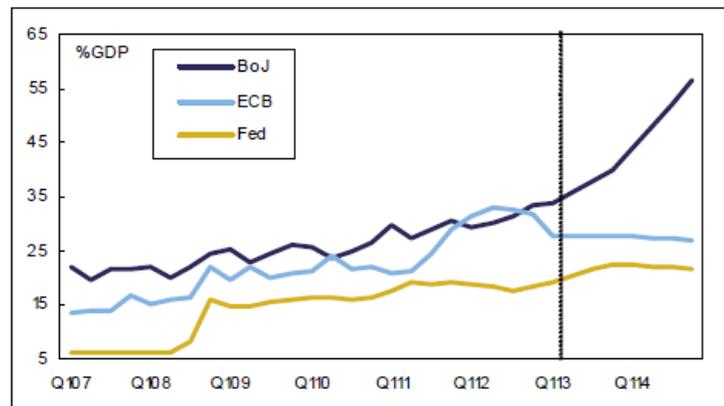
Top-Down Outlook	Portfolio Position/Action	Examples
Sectors		
Financials Attractive (SPG score 2)	Overweight, inclusive of rising Emerging/Asian wealth theme	China Pacific, Prudential
Consumer Staples Upgraded (score raised from 5 to 3)	Reduced underweight	Reckitt Benckiser, Japan Tobacco
Countries		
Japan & UK favored markets (both scores raised from 2 to 1)	Moved overweight Japan UK exposure focused on global/export names	Toyota, SMTH Experian, Rolls Royce
Outlook for EM (Score lowered from 2 to 3)	Lowered EM exposure Selective exposure via developed market names	Sale of China Unicom, KT Corp SAB Miller, Reckitt Benckiser
Themes		
Strongly playing favored themes	Healthcare resurgence Precious Metal Miners	Sanofi Fresnillo



Positive Outlook on Japan

Election Dates		Japanese PM
2016	Upper House Election	Abe - how long?
2015		
2014		
2013	Upper House Election	Noda
2012	General Election	
2011		Kan
2010	Upper House Election	
2009	General Election	Hatoyama
2008		Aso
2007	Upper House Election	Fukuda
2006		Abe
2005	General Election	Koizumi
2004	Upper House Election	
2003	General Election	
2002		Mori
2001	Upper House Election	
2000	General Election	Obuchi
1999		Hashimoto
1998	Upper House Election	
1997		Muruyama/Hata
1996	General Election	
1995	Upper House Election	Hosokawa
1994		Miyazawa
1993	General Election	
1992	Upper House Election	Kaifu
1991		
1990	General Election	

Central bank balance sheets*



- Different this time?
 - Political environment very different
 - Monetary policy and attitude seen a huge shift
 - Yen likely to stay weak
 - Strategic Policy Group raised weighting to a 1 in response
- Positioned to exploit resulting opportunities
 - Strong end markets with yen tailwind = Toyota, Denso, JT, MELCO
 - Domestic liquidity beneficiaries = Sumitomo Mitsui Trust, JR East

* Source: Barings, Daiwa, April 2013



Toyota Motor Corporation



US Auto Sales



- Improving US Car Market
 - Total US market SAAR back over 15m
 - Financing conditions continue to ease
- Window of opportunity to regain lost market share in US

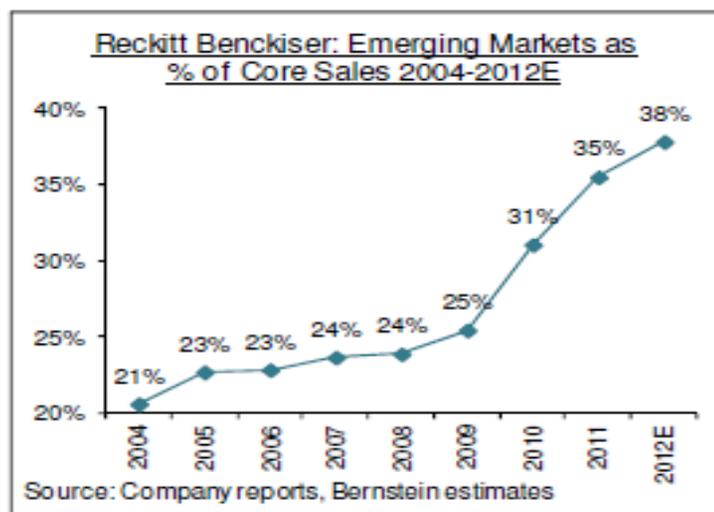
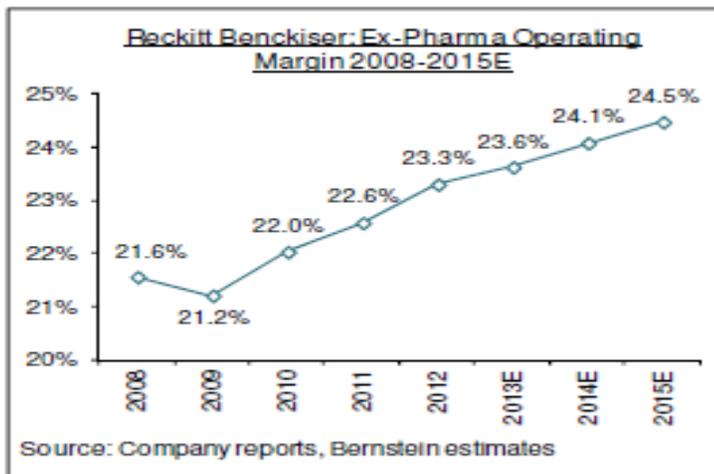
Toyota US Market Share



- Very strong position to capture growth in emerging Asia
- Beneficiary of a Weaker Yen
 - Transactional & Translational
 - Improved competitive situation
- Attractive GARP investment



Reckitt Benckiser



- High quality Consumer Staple
 - Generating an ROE consistently above 30%
 - Dominant market positions
 - Reinvesting in core growth
 - Suboxone risks reduced
- Margin expansion
 - Shift towards higher margin categories/regions
- Strong & growing emerging market franchise
- Opportunity in Consumer Health
 - Few specialist players, M&A opportunities
- Attractive GARP Investment



Current Portfolio Positioning

Country/Region Weights

%	Fund	MSCI EAFE	Relative
Emerging	8.0	0.0	8.0
Japan	24.7	21.3	3.5
Middle East	3.8	0.5	3.2
United Kingdom	21.6	21.9	-0.3
Pacific x-Japan	6.9	14.3	-7.4
Europe x-UK	32.7	42.0	-9.3

Sector Weights

%	Barings	MSCI EAFE	Relative
Information Technology	9.1	4.3	4.7
Health Care	14.1	10.3	3.8
Materials	10.2	8.9	1.4
Energy	7.3	7.2	0.2
Consumer Discretionary	11.0	10.9	0.1
Financials	24.4	24.9	-0.4
Utilities	1.2	3.7	-2.5
Telecom. Services	2.3	5.0	-2.6
Industrials	9.5	12.6	-3.1
Consumer Staples	8.5	12.3	-3.8



Summary

- There have been bright spots in the economic data but many headwinds remain
- BUT policy response continues and monetary policy to remain quite loose
- We expect higher nominal economic growth – probably through more inflation
- Growth segments and companies with pricing power should do well and remain our focus
 - Communication revolution, Asian/Emerging financials, pharmaceuticals, agricultural stocks, internet spending, gold miners, US auto



Appendix



Region and Sector Research Current Outlook

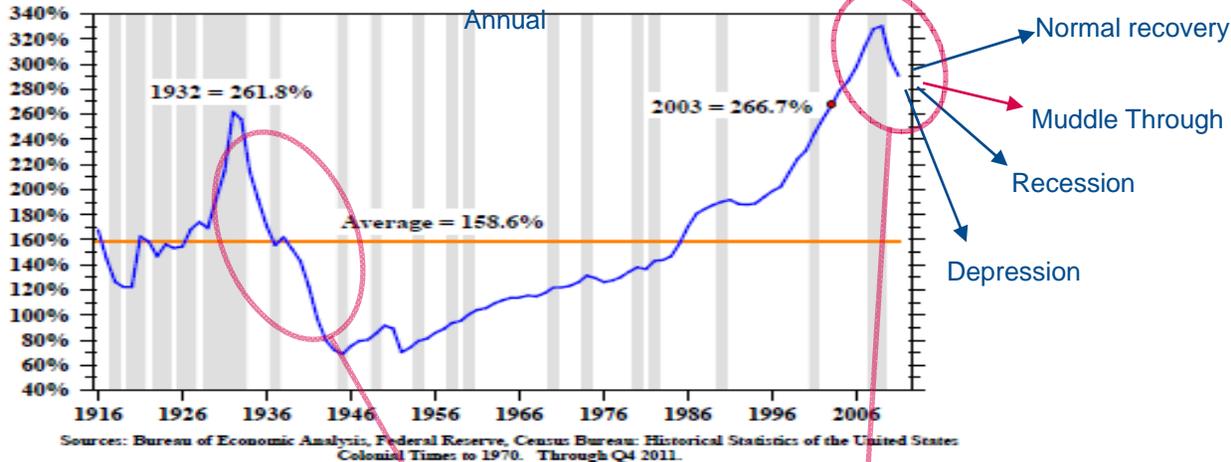
Current output from the Strategic Policy Group

	Aggressively Underweight (5)	Underweight (4)	Neutral (3)	Overweight (2)	Aggressively Overweight (1)
Overall		Gov't IL Cash (3)	Property Credit	Equity (3)	
Equity		Australia Canada Singapore (3) MSCI HK (3)	US (4) Europe (4) EM Equity (2)		UK (2) Japan (2)
Sector		Utilities Teleco (3) Energy (3) Materials (3)	Healthcare Cons. Staples (5)	Financials Info Tech Consumer Disc. Industrials (3)	
Bonds		Japan UK Canada	NZ EM Local US (2)	Australia Germany (4)	
Currency vs. USD	JP¥ (4)	EUR AUS/CHF SEK £ (5)	NZ\$ NOK/CAD LATAM EM EUR Gold	Singapore \$ EM Asia	



Sub-trend Economic Growth to Continue

U.S. Debt as a % of GDP



- In many western economies a deleveraging process is underway and will likely run for years
- A “muddle through” recovery is the goal and best case scenario
- Economic growth is likely to be weaker than we came to expect in the post World War II era.

Real GDP 1790-2009
decade average growth

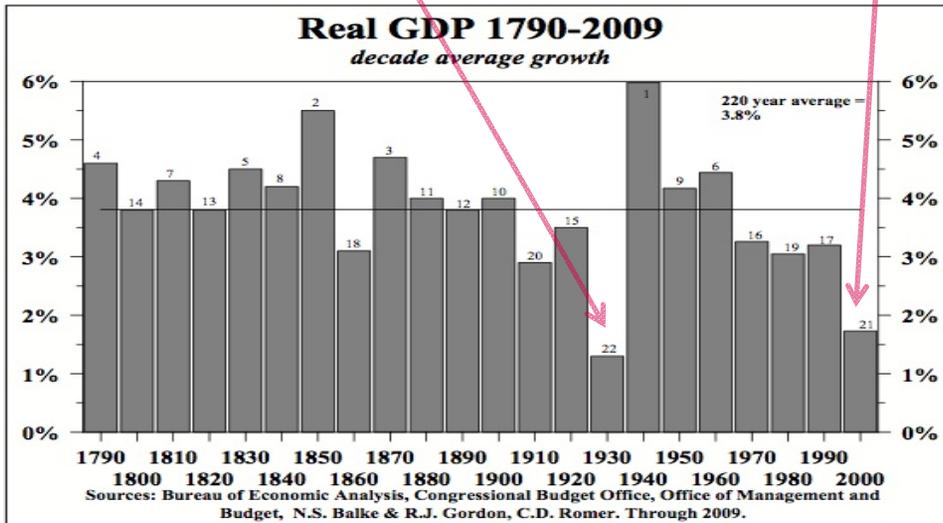


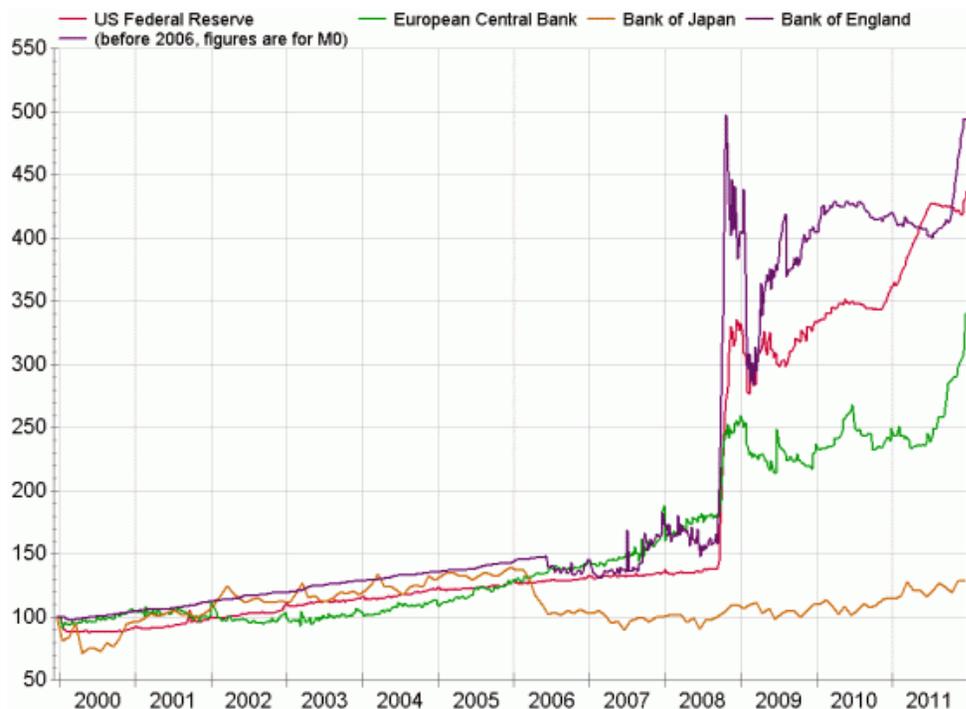
Chart 3



Monetary Policy Trumps Economics

Liquidity Injections by the Major Central Banks

(Size of Balance Sheet 1999 = 100)



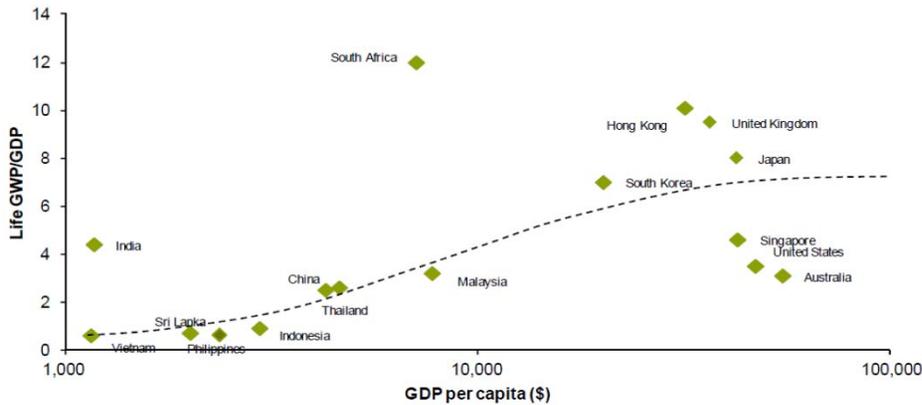
- Unprecedented global monetary stimulus has been launched:
 - The FED enacted QE3, \$40b a month of MBS purchases that is **unlimited** in scale and is now augmented by \$45bn a month in treasury purchases – also **unlimited** in scale - that replaces “Operation Twist”
 - The ECB announced a program of Outright Monetary Transactions (OMT) to assist governments that is **unlimited** in scale
 - The BoJ has adopted a 2% inflation target, doubling its previous goal of 1%, and introduced an asset purchase program that is **unlimited** in scale
 - The SNB & BoE continue to stimulate
 - China remains on an easy monetary policy footing
- Global monetary stimulus will continue until the cost (inflation/social unrest) outweighs the benefits



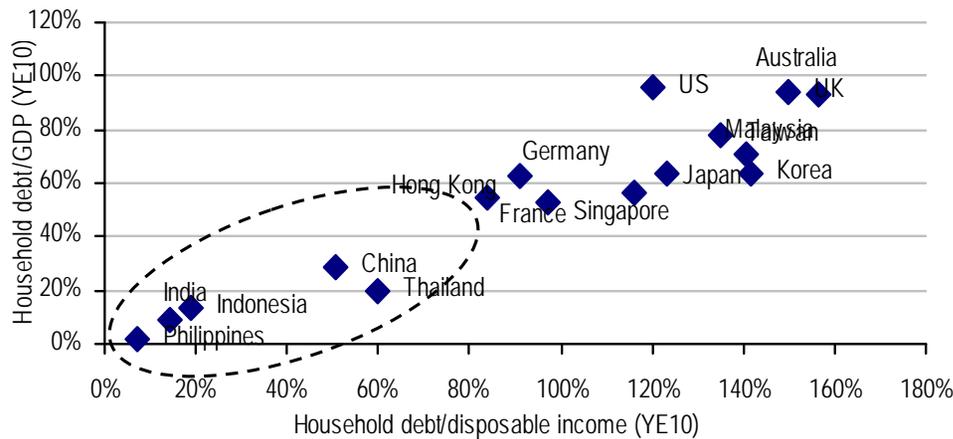
Themes

Asian and Emerging Market Financials

Life Insurance S Curve



- Penetration of financial products remains very low relative to developed markets
- But GDP growth and income growth is higher
- We expect a long term trend of financial product penetration convergence
- Portfolio positioning:
 - Asian life insurance plays
 - Wealth managers
 - Growth in EM banking services





Themes

Communication Revolution

High devices significantly multiply tariffs

Smartphone		= 35* x	
Handheld Gaming Console		= 60* x	
Tablet		= 121* x	
Mobile phone projector		= 300* x	
Laptop		= 498* x	

- Smarter devices are leading to exponential growth of bandwidth
- Affordability is leading to rising penetration rates
- The result is enormous changes in the quantity, quality and modes of communication
- Portfolio Positions
 - Infrastructure plays, ie telco, cable & satellite
 - Online retail/services
 - Advertising agencies

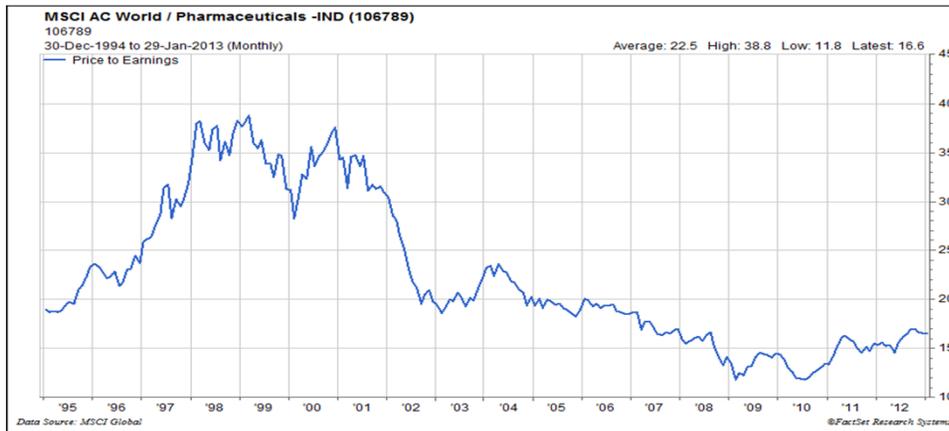
Source: Cisco VNI Mobile, 2012
* Monthly basic mobile phone data traffic



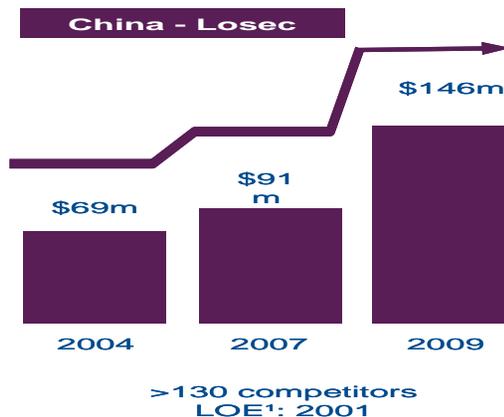
Themes

Pharmaceuticals: Expectations still Low

P/E Multiple Continues to Recover



- 14 year de-rating has ended and a recovery has begun
- Patent cliffs discounted and investors expecting little from product pipelines
- Demand growth and demographic support has not gone away
- Emerging market opportunity underappreciated
- Portfolio positioning;
 - Pharmaceutical providers



Source: Barings and IMS, Atlantic Securities as at 01/05/2012



Economic Bright Spots – the US

US SAAR

US New Car Sales



US Housing



- Signs of bottoming
- US Car Sales
 - SAAR recovering steadily
 - Credit availability improving
 - Second-hand prices strong and affordability good
- Housing
 - Housing starts and new home sales appear to be finding a floor
 - Case-Shiller and Housing Agency indices suggesting improved pricing trends
- BUT
 - Fiscal, monetary and political headwinds remain



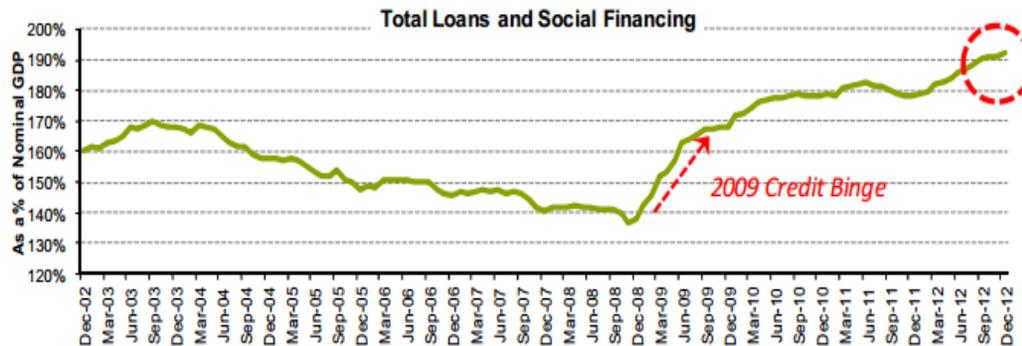
China Outlook

China GDP Growth (%yoy)



- Chinese GDP growth has stabilized at a reasonably high level
- But Chinese growth has become increasingly credit dependent
- Until that changes investing in China will require being vigilant to the credit cycle

Exhibit 7
Total Credit Outstanding, as a Percentage of Nominal GDP Rose to All-Time High by 2012



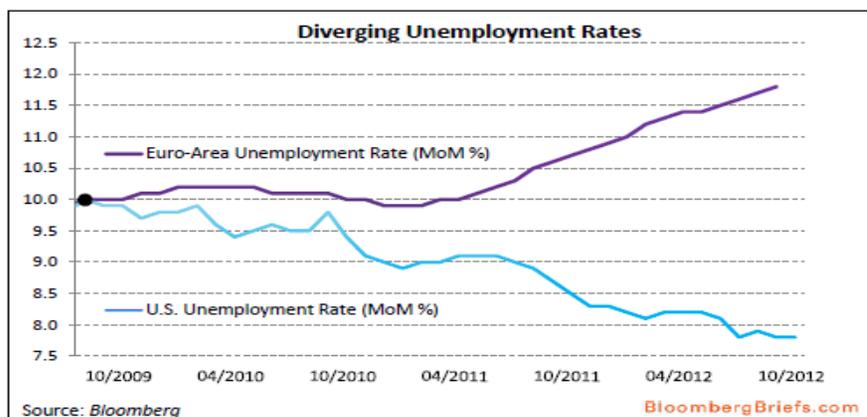
Source: CEIC, NBS, Bernstein Analysis

Source: Bloomberg, Barings January 2013; FT Alphaville Jan 21, 2013



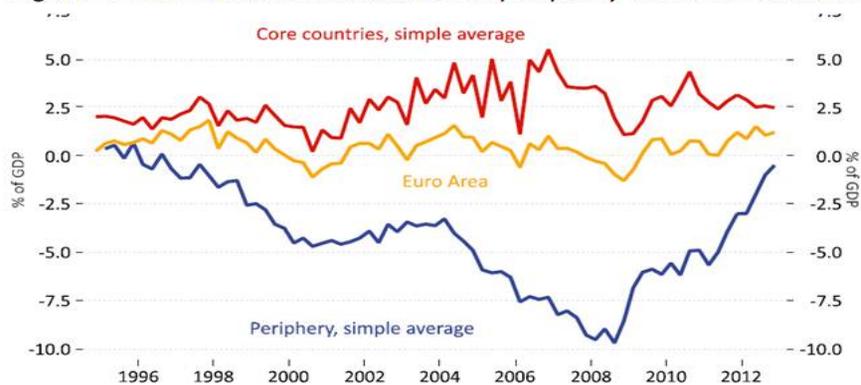
Europe - Current Weakness, but Cause for Hope

Jobless Rate



- European economies, particularly in the periphery continue to struggle
- Unemployment at a new high, and in Spain and Greece now exceeds 26%
 - Youth unemployment is much higher
- BUT, current account balances in the periphery are starting to improve
 - Some early signs of export growth
 - We are still cautious, but remain watchful to a change in economic trend
- The challenge is whether economic improvements can outweigh rising unrest toward austerity

Figure 2: Current account balances in periphery and core countries



Source: Applied Global Macro Research, Bloomberg

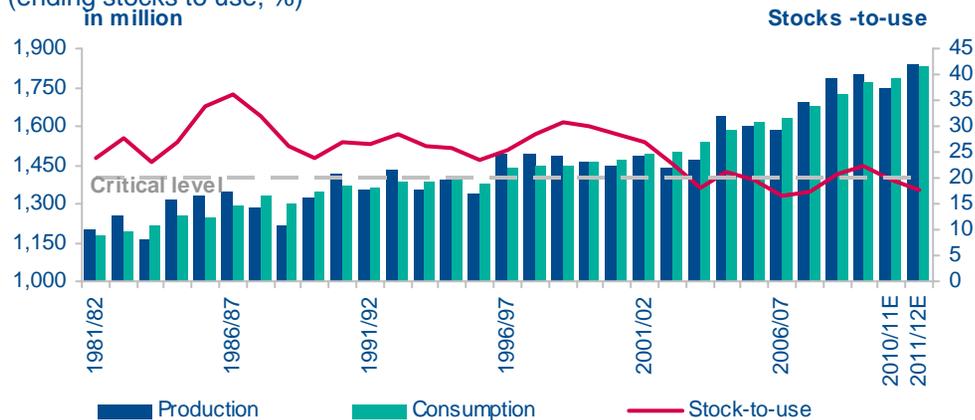


Themes

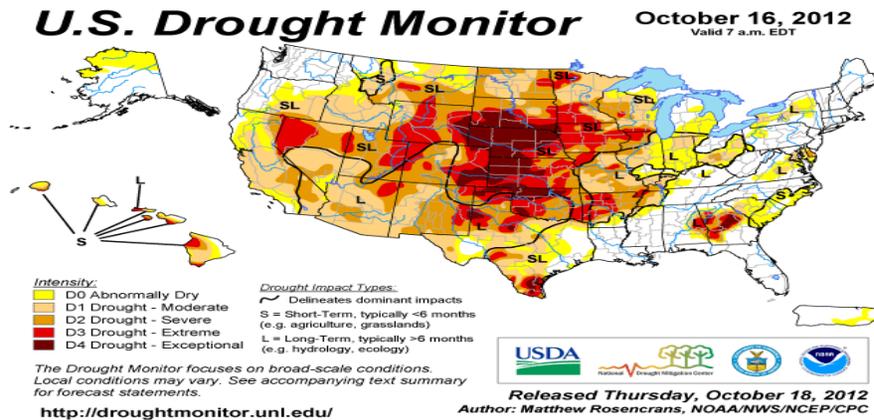
Agriculture: Non-cyclical Growth

World grain stocks-to-use near historical lows

(ending stocks to use, %)
in million



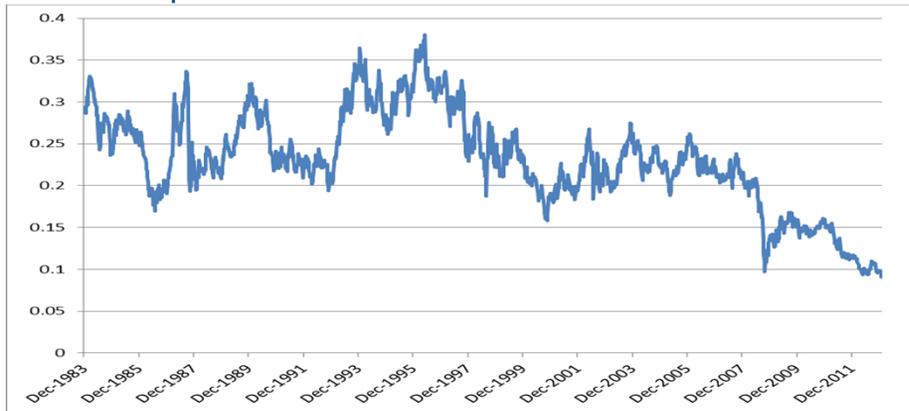
- Grain demand has grown steadily regardless of the economic cycle
- Grain inventories continue to trend lower
- This has supported grain prices and has led to much improved farm economics
- The current US drought and dry conditions in Ukraine are acting as catalysts for higher commodity prices
- Portfolio positioning:
 - Agricultural fertilizer companies
 - Crop protection



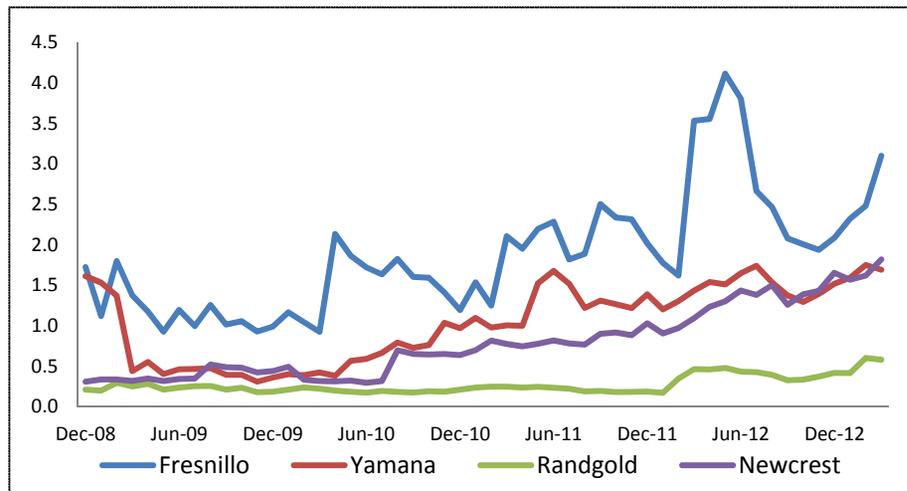


Why Own Gold Mining Stocks?

Philadelphia Gold & Silver Idx v. Gold Price



Dividend Yields



• Micro Factors

- Production growth can deliver greater operational gearing than the physical
- Expectations now very low
 - Valuations attractive
 - Equities at historic lows to physical gold
- Delivering yield
- Growth plus valuation attraction leaves the gold miners firmly in GARP territory

• Macro Factors

- Negative real interest rates to persist
- Monetary stimulus to remain strong
 - Bank of Japan now joining the party
- Central Banks remain heavy net buyers



Current Holdings

	Portfolio Weight	Index Weight	Market Cap \$ bn
Australia	2.30	9.18	13.76
Newcrest Mining Ltd.	138	0.14	13.14
Paladin Energy Ltd.	0.92	--	0.61
Canada	1.41	--	8.67
Yamana Gold, Inc.	1.41	--	8.67
China	3.02	0.11	37.26
Baidu, Inc.	1.61	--	23.49
China Pacific Insurance	1.41	--	13.77
France	10.01	9.21	270.43
Sanofi	2.63	1.06	136.97
SCOR SE	1.48	0.04	5.42
SES SA	1.81	0.08	11.37
Societe BIC SA	1.50	0.03	4.90
SUEZ Environnement Co. SA	1.19	0.03	5.97
Total SA	1.40	0.89	105.79
Germany	11.50	8.34	259.88
adidas AG	1.74	0.19	20.95
Bayer AG	1.74	0.75	84.73
Deutsche Boerse AG	2.14	0.10	11.26
Fresenius SE & Co. KGaA	2.23	0.13	21.02
Muenchener Rueckversicherungs	1.82	0.29	34.69
SAP AG	1.83	0.65	87.23
Israel	3.78	0.54	48.88
ICL-Israel Chemicals Ltd.	1.78	0.05	13.11
Teva Pharmaceutical Industries	2.00	0.31	35.77
Japan	23.73	21.23	464.53
DENSO Corp.	1.74	0.18	33.86
East Japan Railway Co.	1.80	0.24	32.34
Hitachi Metals, Ltd.	1.28	0.01	3.08
Japan Tobacco Inc.	1.92	0.31	60.51
KEYENCE Corp.	1.32	0.12	17.27
Kyocera Corp.	2.13	0.12	16.54
LINTEC Corp.	0.46	--	1.21
Mitsubishi Electric Corp.	2.23	0.14	18.70
Rakuten, Inc.	1.67	0.06	12.71
Sumitomo Mitsui Trust Holdings	1.61	0.13	19.38
Takeda Pharmaceutical Co., Ltd.	1.39	0.38	41.45
Tokio Marine Holdings, Inc.	1.73	0.17	22.76
Tokyo Electron Ltd.	2.04	0.06	8.15
Toyota Motor Corp.	2.40	1.24	176.58

	Portfolio Weight	Index Weight	Market Cap \$ bn
Mexico	1.10	--	52.36
America Movil SAB de CV	1.10	--	52.36
Russia	2.47	--	83.88
Mobile TeleSystems OJSC	1.23	--	17.88
Sberbank Russia OJSC	1.23	--	66.00
Singapore	4.61	1.75	50.12
DBS Group Holdings Ltd.	1.73	0.21	29.37
Golden Agri-Resources Ltd.	1.38	0.03	5.08
Keppel Corp. Ltd.	1.49	0.11	15.67
Sweden	1.62	3.28	5.58
Elektro AB	1.62	0.05	5.58
Switzerland	10.59	9.04	194.53
Chugai Pharmaceutical	0.98	0.04	11.84
Credit Suisse Group AG	1.70	0.29	37.96
Julius Baer Gruppe AG	2.09	0.07	8.18
Syngenta AG	1.76	0.34	38.77
UBS AG	2.14	0.49	59.41
Zurich Insurance Group AG	1.92	0.36	38.37
United Kingdom	21.62	22.01	625.14
Admiral Group Plc	1.84	0.04	5.29
BG Group Plc	1.85	0.51	53.91
Experian Plc	1.04	0.15	17.24
Fresnillo Plc	1.46	0.03	10.39
GlaxoSmithKline Plc	1.52	1.00	123.80
Imperial Tobacco Group Plc	1.13	0.30	33.75
Prudential Plc	1.66	0.36	40.45
Randgold Resources Ltd.	0.74	0.07	6.49
Reckitt Benckiser Group Plc	2.27	0.41	50.48
Rolls-Royce Holdings Plc	1.48	0.28	32.15
Royal Dutch Shell Plc	1.90	1.82	140.71
SABMiller Plc	1.81	0.44	75.77
Tullow Oil Plc	1.26	0.15	14.52
WPP Plc	1.66	0.18	20.20
Cash	2.24	--	--



Performance Attribution

6 Months Ending March 31, 2013

By Sector			
%	Relative Contribution	Selection	Allocation
Utilities	0.43	0.13	0.30
Consumer Discretionary	0.00	0.14	-0.14
Health Care	-0.41	-0.48	0.07
Consumer Staples	-0.52	-0.41	-0.11
Telecom. Services	-0.69	-0.46	-0.23
Industrials	-0.77	-0.69	-0.09
Financials	-0.86	-0.67	-0.20
Information Technology	-0.95	-1.11	0.16
Energy	-1.13	-0.90	-0.23
Materials	-3.48	-3.40	-0.08

By Country/Region			
%	Relative Contribution	Selection	Allocation
Europe x-UK	0.49	0.54	-0.05
North America	-0.18	0.00	-0.18
Middle East	-0.30	-0.04	-0.26
Japan	-1.65	-1.78	0.13
Pacific x-Japan	-2.01	-1.92	-0.08
United Kingdom	-2.26	-2.02	-0.24
Emerging Markets	-2.47	-1.75	-0.73



Performance Attribution

6 Months Ending March 31, 2013

Top 10 Contributors	
	Relative Contribution
Prudential PLC	0.27
BHP Billiton	0.20
East Japan Railway Co.	0.18
Denso Corp.	0.18
Jupiter Telecommunications	0.18
adidas AG	0.17
Rolls Royce	0.15
E.ON SE	0.14
Vodafone Group PLC	0.13
BP PLC	0.12

Bottom 10 Contributors	
	Relative Contribution
Randgold Resources Ltd.	-0.95
Fresnillo PLC	-0.90
Centamin Egypt Ltd	-0.89
Newcrest Mining Ltd.	-0.84
Baidu Inc.	-0.75
America Movil	-0.54
Tullow Oil PLC	-0.35
Paladin Energy Ltd.	-0.35
China Unicom (Hong Kong)	-0.35
Gazprom	-0.31



Performance Attribution

1 Year Ending March 31, 2013

By Sector			
%	Relative Contribution	Selection	Allocation
Consumer Discretionary	0.95	0.91	0.04
Utilities	0.21	-0.15	0.36
Industrials	0.20	0.13	0.06
Health Care	-0.29	-0.67	0.38
Telecom. Services	-0.57	-0.36	-0.21
Consumer Staples	-0.68	-0.18	-0.50
Information Technology	-0.96	-0.50	-0.46
Materials	-1.18	-0.85	-0.33
Financials	-1.72	-1.40	-0.32
Energy	-2.64	-2.31	-0.34

By Country/Region			
%	Relative Contribution	Selection	Allocation
Europe x-UK	2.17	2.22	-0.05
Middle East	-0.14	0.35	-0.49
North America	-0.71	0.00	-0.71
Japan	-0.87	-1.11	0.23
United Kingdom	-1.62	-1.51	-0.11
Pacific x-Japan	-2.71	-2.34	-0.39
Emerging Markets	-2.76	-1.96	-0.82



Performance Attribution

1 Year Ending March 31, 2013

Top 10 Contributors	
	Relative Contribution
Marine Harvest	0.50
Prudential PLC	0.42
Bayer AG	0.35
SES S.A. FDR A	0.31
Keyence Corp.	0.29
SABMiller PLC	0.29
East Japan Railway Co.	0.28
Sanofi S.A.	0.26
Munich Reinsurance Company	0.25
Rolls Royce	0.24

Bottom 10 Contributors	
	Relative Contribution
Baidu Inc.	-1.11
Paladin Energy Ltd.	-0.90
Newcrest Mining Ltd.	-0.80
Niko Resources Ltd.	-0.71
Hitachi Metals Ltd.	-0.64
Tokyo Electron Ltd.	-0.61
Nidec Corp.	-0.61
Gazprom	-0.54
Centamin Egypt Ltd	-0.52
Tullow Oil PLC	-0.48



Barings Focused International Plus Equity Broad Composite Performance as of 12/31/12

Composite Returns	Focused International Plus Equity Broad Gross Performance	Composite Inception	30-Jun-00
Reporting Currency	USD	Composite Creation	Jan-08
Date	31-Dec-12	Composite Mnemonic	SUP31
Primary Benchmark	MSCI EAFE Index Gross Dividends to 30-Jun-12 then Net Dividends		

Year	Returns			Composite Accounts (at year end)	Composite Assets (Millions)	Dispersion*			'Firm' Assets (Millions)	% of 'Firm' Assets	3 Year Standard Deviation (Ann.)**	
	Composite Gross	Composite Net	Benchmark			High	Median	Low			Composite	Benchmark
2012	11.65	10.88	17.79	8	1,416.32	12.33	11.77	11.49	51,968.02	2.73%	18.06	19.45
2011	-7.92	-8.66	-11.73	9	1,508.05	-7.66	-8.04	-8.29	44,694.55	3.37%	19.23	22.38
2010	9.70	8.82	8.21	8	1,557.57	10.51	9.81	9.54	50,391.63	3.09%	26.02	26.96
2009	39.23	38.06	32.46	4	1,028.62	40.14	39.39	37.71	46,523.90	2.21%	25.54	24.45
2008	-43.70	-44.13	-43.06	3	634.69	-43.39	-43.48	-43.91	32,415.15	1.96%	24.35	20.40
2007	24.31	23.40	11.63	3	915.76	25.27	25.27	25.27	54,835.47	1.67%	13.45	9.31
2006	34.01	32.94	26.86	1	72.46	34.01	34.01	34.01	41,723.93	0.17%	11.76	9.18
2005	18.42	17.53	14.02	1	5.96	N/A	N/A	N/A	34,887.91	0.02%	11.52	11.17
2004	25.01	24.65	20.70	1	336.49	25.01	25.01	25.01	34,636.99	0.97%	14.28	15.54
2003	39.27	38.87	39.16	1	355.58	39.27	39.27	39.27	35,230.76	1.01%	17.88	18.02

Past performance is not a guide to future performance

Please use this report in conjunction with the attached disclosures

*The highest, lowest and median Gross of Fees annual return of all portfolios that were included in the composite for the entire year are presented as a measure of dispersion. If Dispersion displays N/A, no single constituent in the composite for full calendar year.

** If 3 year annualized ex post Standard Deviation is not shown, there are not 36 monthly Composite or Benchmark returns available since the inception of the Composite, inception of the Benchmark, or the inception of the firm. Standard Deviation is calculated using Gross of Fee returns. Returns for periods of less than one year are not annualized.

FIRM DEFINITION

For the purpose of GIPS compliance, the "Firm" is defined as the investment firm Baring Asset Management Limited (and its relevant subsidiaries which are registered with the appropriate regulatory authorities to undertake investment business in those jurisdictions in which they operate).

CHANGES TO FIRM DEFINITION

Prior to 20th December 2012, Baring Asset Management LLC was also included within the definition of the GIPS Firm. It was removed with effect from 20th December 2012, the reason being at that date it deregistered from the United States SEC, and assigned all of its clients to Baring International Investment Limited, a wholly owned subsidiary of Baring Asset Management Limited. At 31st December 2010, Baring Asset Management Inc. changed its Corporate Structure and became Baring Asset Management LLC, conducting the same business as Baring Asset Management Inc., which had been included in the GIPS Firm prior to 31st December 2010.

SIGNIFICANT EVENT

At 27th May 2011 the Private Client Business, comprising both Onshore and Offshore private clients was sold to SG Hambros. As of this date all Private Client portfolios were excluded From the "Firm" as defined herein. This is disclosed as a significant event for the purposes of the GIPS standards.

CLAIM OF COMPLIANCE

The firm as defined herein claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm as defined herein has been independently verified for the periods from 1st July 1999 to 31st December 2011. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Inception of the Firm is 1st July 1999. A complete list and description of all composites is available on request by sending an e-mail to gips@barings.com.

Benchmark 1 Name
MSCI EAFE Index Gross Dividends to 30-Jun-12 then Net Dividends

Description
MSCI EAFE Total Return Index with Gross dividends reinvested until 30-Jun-12. Then from 01-Jul-12 MSCI EAFE Total Return Index with Net dividends reinvested. (Benchmark changed to reflect the treatment of dividends reinvested in the underlying accounts).



Barings Focused International Plus Equity Broad Composite Performance as of 12/31/12

Composite Focused International Plus Equity Broad

Performance results are total, time-weighted and calculated monthly. Gross-of-fee performance results are presented before management and custody fees but after transaction costs and non-reclaimable foreign withholding taxes. Net-of-fee performance results are presented after management fees, transaction costs and non-reclaimable foreign withholding taxes but before custody fees. The actual returns will be reduced by the investment management (advisory) fees and other expenses.

The Baring Asset Management pricing policy (or the relevant Fund Administrator pricing policy) is applied to funds in this Composite. These policies include provision that where markets are closed due to holidays or political events, the prices of securities in that market may be adjusted. This may on occasion cause differences to the valuation sources used by the benchmark, and to other funds in the Composite.

From 1st October 2012 the minimum portfolio size for inclusion in any Composite is set as £1,000,000. For Private Client Portfolios the minimum portfolio size for inclusion in any Composite was £250,000 prior to 27th May 2011.

The Composite is comprised of accounts which invest in a concentrated portfolio of developed equities, principally within countries of the MSCI EAFE Index. The agreements in place allow for up to 20% to be invested opportunistically in emerging market equities. The composite includes those portfolios impacted by custody restrictions. The Composite also includes portfolios benchmarked against the MSCI Eafe plus Emerging Index, which allows a greater degree of investment in Emerging Market equities. Some accounts within the composite are run within ex-ante tracking error ranges of 6-9 and 4 - 10.

To be included in the composite, each account must be managed with a similar mandate for at least one full month.

Net of fee performance for the Firm is calculated at the constituent account level and deducted monthly using actual client fee schedules. Investment Trusts, Mutual Funds, other Common Investment Funds apply the equivalent Institutional Fee scale ("Model Fee"), which is the maximum fee that institutional clients would be charged for this product. Rebates apply to any institutional clients invested in Common Investment Funds, thereby the fee that would be charged to institutional clients would not exceed that deducted. Composite net of fee performance reflects the weighted average of constituent account net of fee returns. Based on the above and taking into account individual fee arrangements the fee deducted over the last 12 months to the stated reporting date for the composite was 0.70%.

As at the reporting date all portfolios in the Composite reinvest capital gains and income (including dividends and other earnings).

Benchmark Source: MSCI



Institutional Regulatory Disclosure

This document is issued in the local or regional jurisdictions by the appropriate Baring Asset Management company or companies whose name(s) and contact details are specified herein. This document has been produced for, and is intended for receipt by, professional investors/advisers and must not be relied on by any other category of recipient.

This document may include forward-looking statements, which are based upon our current opinions, expectations and projections. We undertake no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements.

Calculation of Gross Returns. Returns are gross of advisory fees, net of transaction costs, and include the reinvestment of dividends. If the expenses were reflected, the performance shown would be lower. Actual fees are described in Part 2A of [Adviser]'s Form ADV and will vary depending on, among other things, the applicable fee schedule and account size. For example, if \$100,000 were invested and experienced a 10% annual return compounded monthly for 10 years, its ending value, without giving effect to the deduction of advisory fees, would be \$270,704 with annualized compounded return of 10.47%. If an advisory fee of 0.95% of the average market value of the account were deducted monthly for the 10-year period, the annualized compounded return would be 9.43% and the ending dollar value would be \$246,355.

Except where otherwise indicated performance numbers are sourced from Baring Asset Management.

All opinions expressed herein are those of Baring Asset Management, unless otherwise stated.

Past performance is no guarantee of future results.

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