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

IMPORTANT

TraHK

Tracker Fund of Hong Kong

TRACKER FUND OF HONG KONG

a Hong Kong unit trust authorized under

Section 104 of the Securities and Futures Ordinance (Cap 571) of Hong Kong

Stock Code: 2800

NOTICE TO UNITHOLDERS

Amendments to Reflect the Requirements under the Revised Code on Unit Trusts and Mutual Funds and Other Updates

We, as the Manager of the Tracker Fund of Hong Kong ("TraHK"), are writing to inform you that with effect from 24 December 2019 (the "**Effective Date**"), amendments have been made to (i) the prospectus of TraHK (the "**Revised Prospectus**"); (ii) the product key facts statement of TraHK (the "**Revised KFS**"); and (iii) the Trust Deed of TraHK (the "**First Amended and Restated Deed**").

Unless otherwise defined in this notice, terms and expressions used in this notice shall have the same meanings ascribed to them under the Prospectus.

Amendments to the Trust Deed

The purpose of the First Amended and Restated Deed is to reflect certain updated requirements set out in the revised Code on Unit Trusts and Mutual Funds (the "**Code**") and make certain amendments that are expedient for the more convenient, economical, simple, advantageous or profitable working or management of TraHK. The revised Code came into effect on 1 January 2019 with a 12-month transition period for existing schemes (i.e. funds previously authorised by the Securities and Futures Commission).

The changes under the First Amended and Restated Deed relate to the following:

- (i) the investment restrictions applicable to TraHK are revised to reflect the updated investment restrictions under Chapter 7 and Chapter 8.6 (unlisted index funds and index tracking exchange traded funds) of the revised Code. Investors can also refer to the section titled "Investment Management – Investment Restrictions" in the Revised Prospectus for the revised investment restrictions;
- (ii) enhanced obligations of the Trustee and the Manager respectively under the revised Code;
- (iii) other changes to comply or align with the revised Code (including for example with respect to operational requirements, suspension of issuance of Units, transactions with connected person and general meetings);
- (iv) updated definitions of "Bank", "Ex. Dividend Date" and "Service Providers";
- (v) requirements in relation to the issuance of advertisement with respect to TraHK by the Manager;
- (vi) clarification on eligibility of unitholders; and
- (vii) other factual and drafting updates.

Pursuant to Clauses 42.1.1 and 42.1.3 of the Trust Deed of TraHK, the trustee of TraHK, State Street Bank and Trust Company (the "**Trustee**"), has certified that in its opinion the alteration, modification or variation to the Trust Deed effected by the First Amended and Restated Deed are (i) expedient for the more convenient, economical, simple, advantageous or profitable working or management of TraHK and such alterations, modifications or variations are not materially prejudicial to the interest of the unitholders, do not to any material extent release the Trustee or the Manager or any other person from any liability to the unitholders and do not increase the costs and charges payable out of TraHK¹; or (ii) in order to comply with fiscal or other statutory or official requirements of Hong Kong and that such alterations, modifications or variations are necessary to comply with such requirements.

Accordingly, such alterations, modifications or variations of the Trust Deed do not require the sanction of an extraordinary resolution of the TraHK's unitholders.

¹ Clause 42.4 of the Trust Deed provides that all of the costs and expenses incurred by the Trustee or the Manager in connection with any supplemental deed referred to in Clause 42 or entered into to effect a modification, alteration, addition or replacement of a kind referred to in Clause 42 may be charged against TraHK.

Offering Documents

The Revised Prospectus and the Revised KFS are amended to reflect the requirements of the revised Code and the First Amended and Restated Deed (as applicable).

The Revised Prospectus also provides updates in relation to the following:

- (i) risk factors including for example risks relating to US Qualified Financial Contract Stay Rules, custodial risks, cybersecurity risks, liquidity risks, and risks relating to REITs;
- (ii) disclosures in relation to U.S. laws and regulations;
- (iii) updates to, and removal of, tax and/or selling restriction disclosures relating to United Kingdom, Japan and Singapore;
- (iv) updated disclosures in relation to anti-money laundering, suspension and conflicts of interest;
- (v) other changes to comply or align with the revised Code (including for example, valuation policy, financial reports, unclaimed assets and Index constituents disclosures);
- (vi) removal of outdated disclosures; and
- (vii) other factual and drafting updates.

The Revised KFS also provides updates in relation to the following:

- (i) clarification changes with respect to the use of financial derivative instruments;
- (ii) other changes to comply or align with the revised Code (including for example Index constituents and other information disclosures);
- (iii) the risk disclosure relating to investment in financial derivative instruments; and
- (iv) other factual and drafting updates.

The latest Revised Prospectus and Revised KFS are available from the Effective Date at TraHK's website <http://www.trahk.com.hk>².

A copy of the Revised Prospectus, the Revised KFS and the First Amended and Restated Deed with the above-mentioned changes incorporated will be available from the Effective Date for inspection during normal business hours at the offices of the Manager or the Trustee at 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Save as disclosed in this notice, there will be no change in the operation and/or manner in which TraHK is being managed, there will be no change in the fee structure in managing TraHK and the changes will not result in any material change to the investment objective and overall risk profile of TraHK. The expenses arising as a result of the above changes will be borne by TraHK.

² This website has not been reviewed by the Securities and Futures Commission.

Unitholders who have any questions concerning this notice may contact State Street Global Advisors Asia Limited, as the Manager of TraHK, at telephone number +852 2103 0100.

State Street Global Advisors Asia Limited
Manager

24 December 2019

**STATE STREET GLOBAL
ADVISORS**

The Manager accepts full responsibility for the accuracy of the information contained in this notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in this notice misleading.