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IMPORTANT: This notice is important and requires your immediate attention. If you are in doubt 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

Change of Manager

We, State Street Bank and Trust Company as the trustee (“**Trustee**”) of Tracker Fund of Hong Kong (“**TraHK**”), wish to inform TraHK’s unitholders (“**Unitholders**”) that the Supervisory Committee of TraHK has conducted a manager review, with the assistance of a professional consultant. As a result of that review, Hang Seng Investment Management Limited (“**HSVM**”), a wholly-owned subsidiary of Hang Seng Bank Limited and an SFC licensed investment manager, has been selected by the Supervisory Committee as the new manager of TraHK. The

Trustee participated in the manager review process and supports the Supervisory Committee's decision.

The Supervisory Committee engaged an independent professional consultant with expertise in manager selection to conduct a manager review to help the Supervisory Committee to stay abreast of market developments and ensure the ongoing competitiveness of TraHK. Following completion of the manager review, the Supervisory Committee identified HSVM to be the most suitable firm to manage TraHK in the interests of Unitholders, having regard to: (i) HSVM's relevant experience, expertise and sizable presence in Hong Kong, as demonstrated in part by HSVM's management of several existing SFC-authorized funds and exchange traded funds; (ii) latest market developments and TraHK's future development; and (iii) HSVM's fee proposal. For the same reasons, the Trustee is supportive of this decision and also regards the change in manager to be in the best interests of Unitholders.

Further information about the manager review and the selection of HSVM as the new manager of TraHK can be found in the Supervisory Committee's statement which is available on TraHK's website (<https://www.trahk.com.hk/eng/>¹).

The new manager has plans in place to address all relevant matters under the TraHK trust deed ("**Trust Deed**"), including compliance with its competition provision, before the effective date of appointment. It is expected that the transition to the new manager will be completed in the third quarter of 2022, subject to the foregoing and regulatory approvals. During the transition, the management and operation of TraHK will not be impacted. HSVM as the new manager, State Street Global Advisors Asia Limited as the incumbent manager, and the Trustee will work closely together to ensure a smooth transition. There will be no change to the investment objective of TraHK as a result of the change in manager and at no time will TraHK be without a manager, as the retirement of the incumbent manager will not take effect until the new manager is appointed.

¹ This website has not been reviewed by the Securities and Futures Commission.

A further announcement regarding the transition arrangements will be made once the details have been finalised.

Upon the effective date of the new manager's appointment, a new management fee schedule will apply to TraHK, where the current tiered management fee of TraHK as specified in the Trust Deed of 0.025% to 0.05% per annum will be adjusted to 0.015% to 0.045% per annum. This will lower the effective management fee of TraHK to 0.022% per annum in the first three years, which represents approximately a 31% reduction when compared with TraHK's current management fee schedule². HSVM will further reduce the effective management fee to 0.019% per annum from the fourth year onwards, which represents approximately a 40% reduction when compared with TraHK's current management fee schedule².

In addition, the effective trustee fee of TraHK will also be lowered to the same level as that of the new effective management fee of TraHK, which reduction will also take effect upon the effective date of the new management fee.

There is no requirement for Unitholders to take any action in response to this notice. It is for information purposes only.

Unitholders who have any questions concerning this notice may contact State Street Bank and Trust Company, as the Trustee of TraHK, at the following email address: TraHK-Trustee@statestreet.com

By

State Street Bank and Trust Company
as trustee of Tracker Fund of Hong Kong
29 March 2022

The Trustee 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.

² Based on assets under management (AUM) of around HK\$105 billion, which was approximately the daily average AUM of TraHK from the beginning of 2022 to 28 February 2022. The effective management fee and the resultant percentage reduction will vary according to the actual level of AUM.