

FIRST STATE GLOBAL UMBRELLA FUND PLC

an umbrella fund with segregated liability between sub-funds

70 Sir John Rogerson's Quay, Dublin 2, Ireland

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should seek advice from your investment consultant, tax adviser and/or legal adviser as appropriate.

If you have sold or transferred all of your Shares in the First State Asian Bond Fund of First State Global Umbrella Fund plc (the "Company"), please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.

Unless otherwise defined, capitalised terms used herein shall bear the same meaning as capitalised terms used in the prospectus for the Company dated 15 January 2019 (the "Prospectus") and any supplements and the applicable local covering documents. A copy of the Prospectus is available upon request during normal business hours from the registered office of the Company.

The Directors accept responsibility for the accuracy of the information contained in this document. To the best of the Directors' knowledge and belief the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

18 February 2019

To: Shareholders in the First State Asian Bond Fund ("Shareholders")

Re: Proposed changes to the investment objective and policy of the First State Asian Bond Fund (the "Fund")

A. INTRODUCTION

The purpose of this letter is to notify you of an extraordinary general meeting ("EGM") of the Shareholders at which an ordinary resolution will be proposed to amend the investment objective and policy of the Fund for Shareholders to consider and vote on.

B. PROPOSED CHANGES TO INVESTMENT OBJECTIVE AND POLICY OF THE FUND

The board of directors of the Company (the "**Directors**") has undertaken a review of the Fund. In order to allow the Investment Manager to fully utilise its investment expertise and resources to strategically manage the Fund with a view to enhancing the Fund's growth potential, the Directors have decided to propose an EGM to reposition the Fund by changing its investment objective from achieving long-term returns to total return, consisting of both income and capital gains, and changing its investment policy summarised as follows, subject to the approval of the Shareholders at the EGM:

Registered Office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland

Registered Number: 288284

Directors: Peter Blessing, Bronwyn Wright, Kevin Molony,

Kate Dowling (Australian), Adrian Hilderly (British), Christian Turpin (British)

First State Global Umbrella Fund PLC is regulated by the Central Bank of Ireland

- (i) allowing the Fund to hold all or part of its assets in cash and/or US Treasuries for defensive purposes during periods of perceived uncertainty and volatility (e.g. market or major crisis);
- (ii) stating that allocation of the Fund's investments in debt securities will be based on a combination of top-down and bottom-up analysis performed by the Investment Manager;
- (iii) enhancing the Fund's investment policy by stating that the Fund will not be managed against a benchmark;
- (iv) enhancing the Fund's investment policy by stating that the Fund's investment in debt securities may include securities with loss-absorption features (e.g. contingent convertible debt securities), which will be less than 30% of the Fund's Net Asset Value; and
- (v) updating that the Fund's investment in debt securities are mainly denominated in US dollars or Asian currencies.

It is believed that the total return strategy under the Fund's revised investment objective could potentially lead to stronger growth prospects in the Fund's assets in the future and enable the Directors to offer Shareholders a more diversified product range through investing in the Fund.

Please refer to Appendix I to this letter for a comparison between the current and revised investment objective and policy of the Fund.

Conditional upon the passing of the resolution at the EGM, the Fund's name will then be renamed from "First State Asian Bond Fund" to "First State Asia Strategic Bond Fund" to reflect the revised investment objective and policy.

C. IMPACT OF THE PROPOSED CHANGES

The above proposed changes will not result in:

- any change in the level of fees or costs in managing the Fund as borne by the Company or the Shareholders in respect of the Fund (including investment management fees in respect of the existing share classes of the Fund); or
- any impact which may materially prejudice the rights or interests of existing investors in the Fund.

Upon passing the EGM for the above proposed changes, the Fund will be managed in accordance with the revised investment objective and policy as set out in Appendix I to this letter. Save for the above proposed changes, there will be no other changes which may affect the features of the Fund, or which may impact the operation and/or the manner in which the Fund is being managed.

There is no change to the risk profile of the Fund as a result of the proposed changes in the Fund's investment objective and policy as described in section B above, save and except that the Fund may mainly invest in debt securities denominated in Asian currencies after the EGM for the above proposed changes is passed and therefore may be subject to restricted currency risk.

The costs and expenses that will be incurred in connection with the above proposed changes will be borne by the Investment Manager.

D. NOTICE OF MEETING TO CONSIDER AND VOTE ON THE PROPOSED CHANGES TO THE INVESTMENT OBJECTIVE AND POLICY OF THE FUND

The Directors have decided to convene an EGM of the Fund at which an ordinary resolution to approve the above changes of the Fund’s investment objective and policy will be proposed.

You will find enclosed a notice of EGM (the “**Notice**”) which will be held at the offices of Matsack Trust Limited, at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland on 4 April 2019 at 9:00 a.m. (Irish time) (the “**EGM Date**”). The exact wordings of the revised investment objective and policy of the Fund are also set out in the Notice. The proposed changes to the investment objective and policy of the Fund can only be made with the approval of a simple majority of votes cast by Shareholders attending and voting in person or by proxy at the EGM at which the resolution is proposed.

If there is no quorum present at the first meeting, then the EGM will be adjourned until the same day/time the following week. Upon holding of the EGM, a notice will be issued informing the Shareholders of the outcome of the EGM (the “**EGM Outcome Notice**”).

Subject to Shareholders’ approval being obtained, the proposed changes will take effect from the date of issuance of an updated Prospectus reflecting such changes. This is expected to occur on or around 30 May 2019 (the “**Effective Date**”), with at least one month’s prior notice from the date of the EGM Outcome Notice prior to the changes taking effect.

If Shareholders’ approval is not obtained, the proposal to change the investment objective and policy of the Fund will not proceed. In such event, the Fund will continue to be managed in accordance to its existing investment objective and policy under its current name.

E. PROXY FORM

The proxy form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, must be deposited at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland no later than 48 hours before the time of the EGM or any adjourned meeting to be held thereafter. An emailed or faxed copy will be accepted and can be sent for the attention of Gavin Coleman or Kasia Milian at fscompliance@matheson.com or on fax number (+) 353 1 232 3333.

Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or the adjourned meeting.

F. REDEMPTION AND SWITCHING OF SHARES

a) On any Dealing Day prior to the EGM Date (or its adjourned date):

Shareholders may redeem their Shares on any Dealing Day prior to the EGM Date (or its adjourned date) under the normal redemption procedures as set out in the Prospectus. There are currently no redemption fees levied on the redemption of Shares in the Fund.

Shareholders are also able to switch their Shares for Shares in another available sub-fund of the Company prior to the EGM Date (or its adjourned date) under the normal switching procedures set out in the Prospectus. For Hong Kong investors, such sub-fund must be

authorised by the Securities and Futures Commission of Hong Kong (“SFC”) for offering to the public in Hong Kong.*

b) Where the resolution is passed at the EGM:

- (i) Shareholders may voluntarily redeem their Shares on any Dealing Day until 10 a.m. Irish time / 5 p.m. Hong Kong time (being the dealing cut-off time) or such other dealing cut-off time as the intermediaries may impose (“**Cut-Off Time**”) on the last Dealing Day prior to the Effective Date, which is expected to be 29 May 2019 (“**Last Dealing Day**”), in accordance with the terms of the Prospectus. There are currently no redemption fees levied on the redemption of Shares in the Fund.
- (ii) Shareholders may switch their Shares, free of any switching fee, on any Dealing Day until the Cut-Off Time on the Last Dealing Day for Shares of another available sub-fund of the Company under the procedures set out in the Prospectus. For Hong Kong investors, such sub-fund must be authorised by the SFC for offering to the public in Hong Kong.*

Please note that although we will not impose any switching fees in respect of your switching instructions, your bank, distributor, or financial adviser may charge you switching and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions.

Further details will be included in the EGM Outcome Notice sent to Shareholders after the EGM.

If you are unsure about what action to take, you should contact a professional adviser.

G. RECOMMENDATION & CONCLUSION

Having regard to the proposed changes set out in section B above, the Directors believe it is in the best interests of the Shareholders to amend the Fund’s investment objective and policy and recommend that Shareholders vote in favour of the resolution at the EGM.

Copies of the Prospectus (and, for Hong Kong investors, the Supplement for Hong Kong Investors to the Prospectus and the Product Key Facts Statement relating to the Fund) are available upon request free of charge during normal business hours by contacting us at the contact details set out below, or from our website www.firststateinvestments.com#.

Should you have any questions relating to these matters, you should either contact us at the above address or alternatively you should contact your investment consultant, tax adviser and/or legal adviser as appropriate.

Additionally, if Shareholders have any questions relating to the above matters then:

Hong Kong Shareholders may also contact:

- by telephone: the Investment Manager’s Investor Services Hotline on +852 2846 7566 or fax +852 2868 4742 (telephone calls may be recorded for your security);
- by email: info@firststate.com.hk; or

* SFC authorisation is not a recommendation or endorsement of the Company’s funds, nor does it guarantee the commercial merits of the funds or their performance. It does not mean the funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

This website has not been reviewed by the SFC and may contain non-SFC authorised funds and/or classes of Shares that are not available to Hong Kong investors.

- in writing: Hong Kong Representative, First State Investments (Hong Kong) Limited, 25th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

European Shareholders may also contact their usual First State representative or the Client Services Team via the following means:

- by telephone: from the UK on 0800 917 1717 and from abroad on +44 131 525 8872 (telephone calls may be recorded for your security);
- by email: info@firststate.co.uk; or
- in writing: Client Services, First State Investments (UK) Ltd, 23 St Andrew Square, Edinburgh EH2 1BB, United Kingdom.

Yours sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Director
For and on behalf of
First State Global Umbrella Fund plc

Appendix I

The investment objective and policy of the Fund as set out in the Prospectus will be amended as follows:

First State Asian ~~Asia~~ **Asia Strategic** Bond Fund

Investment Objective:

To ~~Aims to~~ achieve ~~long term returns~~ **total return, consisting of both income and capital gains**, through investment in a diversified portfolio of fixed income and similar transferable instruments issued primarily by government and corporate entities in Asia.

Investment Policy:

The Fund invests primarily (at least 70% of its Net Asset Value) in debt securities of governments or quasi-government organization issuers in Asia and/or issuers organised, headquartered or having their primary business operations in Asia. The Fund may also invest less than 30% of its Net Asset Value in treasury bonds of the United States Government. **The Fund is not managed to a benchmark.**

The Investment Manager will strategically allocate debt securities based on a combination of top-down and bottom-up analysis. The top-down analysis focuses on optimising the Fund's exposure to a range of risk factors such as credit spread, duration, country and currency. In order to make decisions on the appropriate exposure to these factors, the Investment Manager undertakes an ongoing assessment of the drivers of returns, such as interest rates, the macro-economic outlook, inflation expectations, fiscal and external account balances, market sentiment and geo-political issues. The bottom-up analysis focuses on assessing an individual debt security's default risk and value relative to similar debt securities in the market with information such as country/sector and company-specific analysis. Each investment is subject to analysis from the Investment Manager's credit specialists who assess the creditworthiness of the issuer at the time of investment and monitor it continually for changes.

The Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in investment grade debt securities (rated as Baa3 or above by Moody's Investor Services, Inc. or BBB- or above by Standard & Poor's Corporation or other recognised rating agencies) ~~and~~ below investment grade debt and convertible securities, or, if unrated, of comparable quality as determined by the Investment Manager. **The Fund's investment in debt securities may include securities with loss-absorption features (e.g. contingent convertible debt securities), which will be less than 30% of the Fund's Net Asset Value.**

~~However~~ **In addition**, the Fund will not invest more than 10% of its Net Asset Value in debt securities issued by and/or guaranteed by a single sovereign issuer which is below investment grade.

The Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in debt securities in any one or more emerging markets in Asia, or any sector. In respect of the Fund's exposure to PRC, investment in onshore PRC debt securities and offshore debt securities denominated in RMB (including Dim Sum bonds) will be less than 30% of the Fund's Net Asset Value.

The debt securities in which the Fund invests are mainly denominated in US dollars or ~~other major~~ **Asian** currencies.

Although the Fund has a regional investment universe, the securities selected for investment based on the Investment Manager's approach may at times result in a portfolio that is concentrated in certain countries.

~~Such investments are based on the professional judgment of the Investment Manager whose reasons for investment may include a favourable / positive outlook on the sovereign issuer, potential for ratings upgrade and the expected changes in the value of such investments due to the ratings changes.~~

The Fund may only use FDIs for purposes of hedging and efficient portfolio management. The Fund will not invest extensively or primarily in FDIs to achieve its investment objective. It is not intended that the Fund will avail of the opportunity to invest in FDIs for investment purposes.

For defensive purposes during periods of perceived uncertainty and volatility (e.g. market or major crisis), the Fund may also hold all or part of its assets in cash and/or US Treasuries.