

FIRST STATE GLOBAL UMBRELLA FUND PLC

an umbrella fund with segregated liability between sub-funds

70 Sir John Rogerson's Quay, Dublin 2, D02 R296, 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 a Fund of First State Global Umbrella Fund plc (the "Company") please pass this letter 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 5 July 2018 and any supplements and the applicable local covering documents (the "Prospectus"). 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.

13 December 2018

To: the Shareholders of the Company

Dear Shareholder,

Notification of various changes to the Prospectus of the Company and its sub-funds (each a "Fund", collectively the "Funds")

1) What's happening?

The Directors of the Company are writing to inform you of the updates that may impact you in the revised Prospectus which is going to be published on or about 15 January 2019. These updates are summarised below:-

- A) The investment policy of the **First State Asia Pacific Select Fund** will be amended to include mid-capitalisation companies in its primary investments and accordingly to lower the minimum market capitalisation of the companies the Fund may invest in as follows :-

"The Fund invests primarily (at least 70% of its Net Asset Value) in a diversified portfolio of **large and mid-capitalisation** equity securities **or equity-related securities** of ~~larger capitalisation~~ companies established or having significant operations in the Asia Pacific region (excluding Japan) and are listed, traded or dealt in on Regulated Markets worldwide.

~~Larger~~ **Large and mid-capitalisation** companies are currently defined for the purposes of this policy as companies with a minimum ~~investible~~ market capitalisation **(free float)** of US\$13 billion at the time of investment. The Investment Manager may review this definition as considered appropriate **as a result of changes in the relevant market.**"

The above change will increase the universe of companies and opportunities that the Fund can invest into and it is expected that there will be no significant change in the Fund's liquidity profile.

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

Registered Number: 288284

Directors: Peter Blessing, Kevin Molony, Kate Dowling (Australian),
Adrian Hilderly (British), Christian Turpin (British) and Bronwyn Wright

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

However, investing in mid-capitalisation companies may be subject to the risks that the stock of mid-capitalisation companies may have lower liquidity and their prices are generally more volatile to adverse economic developments than those of larger capitalisation companies.

As a result, the name of the Fund will be changed from the First State Asia Pacific Select Fund to the **First State Asia Focus Fund**.

- B) The investment policy of the **Stewart Investors Worldwide Leaders Fund** will be clarified to reflect the key features which will be taken into account as part of the Fund's current emphasis on sustainable development in making investment decisions.

As a result, the name of the Fund will be changed from the Stewart Investors Worldwide Leaders Fund to the **Stewart Investors Worldwide Leaders Sustainability Fund**.

- C) Many of the Equity Funds may currently invest in China A Shares and China B Shares subject to the applicable aggregate maximum limit as disclosed in their investment policies. To allow the Investment Manager greater flexibility to capture market opportunities in the China market, the investment policies of the relevant Equity Funds will be amended to increase their existing maximum limits for investment in China A Shares as shown in Appendix 1 to this letter.

Their existing maximum limits for investment in China B Shares will also decrease to 10% of the relevant Equity Fund's Net Asset Value.

These changes will only affect certain Equity Funds which may currently invest in China A Shares and China B Shares, and therefore do not apply to the First State Asian Property Securities Fund, the First State Global Resources Fund, the First State Global Listed Infrastructure Fund, the First State Global Property Securities Fund, the First State Indian Subcontinent Fund, the First State Japan Equity Fund, and the First State Singapore and Malaysia Growth Fund.

As a result of the relevant Equity Funds' increased maximum exposure to China A Shares, the relevant Equity Funds will continue to be subject to the general risks associated with investing in the China markets, including liquidity and volatility risk, foreign exchange, currency and repatriation risk, changes in social, political or economic policies, legal or regulatory event and uncertainties with respect to taxation policies, and the relevant risks associated with investments via Stock Connects, QFII quota and/or RQFII quota as may be applicable to the relevant Equity Funds. Notwithstanding an increase in the relevant Equity Funds' total maximum exposure to China A Shares, the impact on such Equity Funds' liquidity and volatility is expected to be immaterial.

- D) Additionally, to allow the Investment Manager to capture market opportunities in the China market, the investment policy of the **First State Singapore and Malaysia Growth Fund** will be amended to allow the Fund to gain exposure to the mainland China market by investing up to 20% of its net asset value in China A Shares, either directly via the RQFII quota, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (the "**Stock Connects**") and/or indirectly through equity linked or participation notes and collective investment schemes investing in China A Shares.

The relevant risk factors in the Prospectus including "China Market Risk" and "Risks of Investing in China A Shares and other eligible PRC securities via QFII and RQFII" in the Prospectus have also been updated to cover the relevant Equity Funds as a result of the changes in item C and D above.

- E) Each of the Equity Funds and the Bond Funds may invest in open-ended collective investment schemes (which may be UCITS or non-UCITS). The current limit will increase from 5% to 10% of the relevant Fund's Net Asset Value.
- F) The amount of time to settle payment for the purchase of Shares of any Fund will be shortened from five to four Business Days after the relevant Dealing Day we receive your completed application form.

This will allow the Investment Manager to utilize the new capital of the relevant Fund for investment one day earlier when compared to the current settlement period and hence allow

investor's money to be invested more quickly. This change will also align the Funds with industry standards.

- G) First State Investments (Hong Kong) Limited, the Investment Manager of the Company and all the Funds, has currently adopted a "pooled investment delegate arrangement" under which the discretionary investment management of all or a portion of the assets of any of the Funds may be delegated to one or more Sub-Investment Managers. The Investment Manager will appoint First State Investments (US) LLC as an additional Sub-Investment Manager under such arrangement, save for the Funds registered with the Hong Kong Securities and Futures Commission ("**SFC**").
- H) Updates to the category of the Bond Funds based on exposure to leverage. In particular, the category of the First State Asian Bond Fund, the First State Asian Quality Bond Fund, the First State High Quality Bond Fund and the First State Long Term Bond Fund is changed from "medium exposure" to "low exposure" and the category of the First State Emerging Markets Bond Fund* from "low exposure" to "medium exposure".

**This Fund is not authorised by the SFC and is therefore not available to the public in Hong Kong.*

- I) Saudi Arabia and Serbia have been added under "APPENDIX 5 – REGULATED MARKETS" of the Prospectus.
- J) Update of the legal name of the Depositary, Administrator and Registrar of the Company from "HSBC Institutional Trust Services (Ireland) Limited" to "HSBC Institutional Trust Services (Ireland) DAC".
- K) Update of the list of sub-custodians under "APPENDIX 8 – DELEGATES" of the Prospectus.
- L) Update of the derivatives risks as a result of the European Market Infrastructure Regulation. For the avoidance of doubt, there is no change in the purpose or extent of use of derivatives by the Funds.
- M) Other miscellaneous, general regulatory and cosmetic updates to the Prospectus.

2) What is the impact?

In respect of the above changes:

- save for the changes in the investment policies of the relevant Funds as described in items A), C) and D), there is no change to how the Funds are currently operated or managed and there is no change to the features and the overall risk profile of the Funds;
- there will be no change to the level of fees or costs in managing the Funds; and
- there is no material prejudice to the Shareholders' rights or interests.

We estimate the costs and expenses in relation to the changes will be US\$ 80,000. These will be borne by the relevant Funds.

3) When will these changes take place?

All of the above changes will take effect on or around 15 January 2019 (the "Effective Date").

4) Where can I find more information?

We will issue an updated Prospectus to reflect the changes described in this letter. Additionally, in Hong Kong, the Hong Kong Supplement and the Key Facts Statements ("**KFS**") of the relevant Funds will be updated accordingly.

The updated Prospectus, any impacted local prospectus supplement (including the Hong Kong Supplement and the KFS) will be available on or around **15 January 2019** and on the following webpage: <http://www.firststateinvestments.com/>. This website has not been reviewed or authorised by the SFC and may contain information of funds not authorised by the SFC and not available to Hong Kong investors.

Additionally, Hong Kong investors may obtain the updated Prospectus, Hong Kong Supplement and KFS of the Funds at the office of the Hong Kong Representative stated below on request free of charge.

If you have any questions about the contents of this letter please contact your investment advisor/consultant or your relationship manager at the Investment Manager or First State Investment's Client Services Team or Investor Services Team as set out below.

5) How can I contact First State Investments?

You can contact our Client Services Team if you have any questions in relation to this letter:

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

Hong Kong Shareholders may also contact the Investor Services Team of the Company's Hong Kong Representative at:

by telephone: +852 2846 7566;
by email: info@firststate.com.hk;
or in writing: First State Investments (Hong Kong) Limited,
25th Floor, One Exchange Square,
8 Connaught Place, Central, Hong Kong

Yours sincerely,



Director
for and on behalf of
First State Global Umbrella Fund Plc

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Appendix 1

The table below details which Equity Funds may invest in China A Shares, and their maximum exposure (whether directly via the Stock Connects, the QFII^{note} and RQFII^{note} quotas and/or indirectly through equity-linked or participation notes and collective investment schemes), as a percentage of the relevant Equity Fund's NAV. Please note that the Equity Funds marked with “^” in the table below are not authorised by the SFC, and are therefore not available to the public in Hong Kong.

Note: Funds which may invest in China A Shares via the QFII quota or the RQFII quota are marked with “*” and “#” respectively below. For the avoidance of doubt, investment in China A Shares by such Funds (save for the First State China A Shares Fund which is not authorised by the SFC) via QFII and/or RQFII quotas will be subject to their proposed increased total maximum exposure to China A Shares as shown in the table below, and will in any event be less than 70% of their Net Asset Value (whether separately or in aggregate, as the case may be).

Equity Funds	Current total maximum exposure to China A Shares (which is also an aggregate limit for both China A Shares and China B Shares)	Increased total maximum exposure to China A Shares
First State Asian Equity Plus Fund*	25%	50%
First State Asian Growth Fund#	25%	50%
First State Asia Opportunities Fund#	25%	50%
^ First State Asia Pacific All Cap Fund#	25%	50%
First State Asia Pacific Select Fund# (to be renamed as “ First State Asia Focus Fund ”)	25%	50%
^ First State China A Shares Fund**	N/A – this is a new Equity Fund	100%
First State China Focus Fund#	25%	100%
First State China Growth Fund**	less than 30%	100%
^ First State Global Emerging Markets Focus Fund#	less than 30%	50%
First State Greater China Growth Fund**	25%	100%
First State Hong Kong Growth Fund	25%	30%
First State Singapore and Malaysia Growth Fund#	0%	20%
^ Stewart Investors Asia Pacific Fund*	less than 30%	50%
^ Stewart Investors Asia Pacific Leaders Fund**	less than 30%	50%
^ Stewart Investors Asia Pacific Sustainability Fund#	less than 30%	50%
Stewart Investors Global Emerging Markets Leaders Fund	25%	50%
^ Stewart Investors Global Emerging Markets Sustainability Fund#	less than 30%	50%

Equity Funds	<u>Current total maximum exposure to China A Shares (which is also an aggregate limit for both China A Shares and China B Shares)</u>	<u>Increased total maximum exposure to China A Shares</u>
Stewart Investors Worldwide Equity Fund	25%	50%
Stewart Investors Worldwide Leaders Fund (to be renamed as “ Stewart Investors Worldwide Leaders Sustainability Fund ”)	25%	50%
^ Stewart Investors Worldwide Select Fund	less than 30%	50%
^ Stewart Investors Worldwide Sustainability Fund	less than 30%	50%