

FIRST STATE GLOBAL UMBRELLA FUND PLC

an umbrella fund with segregated liability between sub-funds

Arthur Cox Building
Earlsfort Terrace
Dublin 2

SHAREHOLDER CIRCULAR

Date: 21 January 2013

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 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 herein, all capitalised terms used herein shall bear the same meaning as capitalised terms used in the latest prospectus of the Company dated 2 November 2011, as may be amended from time to time (the “Prospectus”). A copy of the Prospectus is available upon request during normal business hours from the Company or from the local representative of the Company in any jurisdiction in which the Company is registered for public distribution.

The Directors of the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) 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.

Please note that the Central Bank has not reviewed this letter.

Dear Shareholder,

RE: Notification of Amendments to the Prospectus

1. INTRODUCTION

The Company is authorised by the Central Bank as an open-ended investment company with variable capital incorporated under the laws of Ireland as a public limited company pursuant to the Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. The Company is organised as an umbrella fund with segregated liability between sub-funds.

The purpose of this letter is to notify you of certain amendments to the Company’s Prospectus.

2. PROPOSED AMENDMENTS TO THE PROSPECTUS

The Prospectus is in the process of being updated and reviewed by the Central Bank. We wish to notify you of the principal changes which are to be made to it and these are listed below.

Registered Office: Arthur Cox Building, Earlsfort Terrace, Dublin 2

Registered Number: 288284

Directors: Peter Blessing, Hans Vogel (German), Michael Stapleton (Australian), Chris Turpin (UK)

2.1 **Anti-Dilution Levy**

Currently the Anti-Dilution Levy only applies on net subscriptions and redemptions for certain Funds. In general, an Anti-Dilution Levy is added to the Net Asset Value per Share of the relevant Fund if there are net subscriptions on a Dealing Day to cover dealing costs which the Fund will incur in purchasing investments. On the other hand, an Anti-Dilution Levy is deducted from the Net Asset Value per Share if there are net redemptions on a Dealing Day to cover dealing costs which the Fund will incur in selling investments. The amount of the Anti-Dilution Levy is paid into the Fund for the protection of continuing Shareholders in that Fund. Please refer to the “BUYING, SELLING AND SWITCHING SHARES” section of the Prospectus for further details of the levy.

It is now proposed that this levy may be charged to any Fund in these circumstances as and from the date of the issue of the new Prospectus. This will ensure that the costs of dealing are borne by the subscribing or redeeming Shareholders on a particular Dealing Day and not by the other Shareholders in the particular Fund. In addition, the levy is to be increased to 2% but the levy charged will reflect the actual dealing costs incurred in respect of any such dealing and may be any amount up to this 2% figure.

2.2 **Minimum Initial Investment and Minimum Holding**

The Minimum Initial Investment and Minimum Holding of Class III Shares have been reduced from US\$5,000,000 to US\$500,000.

2.3 **Appointment of new Sub-Investment Manager and Sub-Sub-Investment Manager**

Colonial First State Asset Management (Australia) Limited has been appointed as the sub-investment manager to First State Global Credit Income Fund*. Colonial First State Asset Management (Australia) Limited has then appointed Money, Inc. as sub-sub-investment manager in respect of the management of the U.S. high yield portion of this Fund. Further details in respect of these appointments are available on request free of charge from the Company.

2.4 **Paying Dividends out of Capital**

New monthly distributing shares classes are to be created which may in certain circumstances allow for the payment of dividends out of capital. The Central Bank recently amended its policy to permit distributions out of capital subject to certain requirements being met including disclosure in the revised Prospectus that the payment of dividends out of capital may result in an erosion of the capital invested given the lack of potential for future capital growth and this cycle may continue until all the capital is depleted.

Investors should also note that payment of dividends out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of a Fund’s capital may result in an immediate reduction of the Net Asset Value per Share and may over time deplete all of the original investment.

As soon as the new monthly distributing share classes are offered to the public in Hong Kong, the compositions of dividends of the relevant classes (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be made available from the Hong Kong representative on request and also on the website www.firststateasia.com.

* This Fund is not authorised by the SFC and may not be offered to the public in Hong Kong.

The distribution policy of the these share classes may be amended subject to the prior approval of the SFC and by giving not less than one month's prior notice to investors.

2.5 First State Long Term Bond Fund

It is proposed that the investment policy of First State Long Term Bond Fund will be enhanced to clarify that the Fund may invest up to 10% of its net assets in U.S. Dollar cash deposits.

2.6 Increase in investment management fee of Class III Shares

The investment management fee for Class III Shares of the First State Asia Innovation Fund, First State China Growth Fund and First State Indian Subcontinent Fund will increase from 0.3% p.a. to 1.0% p.a.

2.7 Other Prospectus changes

In addition a number of other changes being made are listed below.

- Two new sub-funds have been included in the umbrella, First State Asia Pacific All Cap Fund* and First State Global Credit Income Fund*.
- Various new share classes in several Funds are to be launched in a number of different currencies. These are all listed in Appendix 2 of the revised Prospectus.
- Some of the new share classes in First State Global Credit Income Fund* are to be currency hedged and disclosure has been included in the revised Prospectus in relation thereto.
- Mr. Greg Cooper resigned as a Director on 16 March 2012. Mr. Chris Turpin was appointed as a director on 17 April 2012. Mr. Turpin's biographical details are included in the revised Prospectus.
- Prior to 22 November 2011, the company secretary of the Company was HSBC Securities Services (Ireland) Limited. With effect from 22 November 2011, HSBC Securities Services (Ireland) Limited was replaced as company secretary by Bradwell Limited. In addition the Company's registered office was changed to Arthur Cox Building, Earlsfort Terrace, Dublin 2. For the avoidance of doubt, HSBC Securities Services (Ireland) Limited remains as the Administrator of the Company.
- The risk factors in the revised Prospectus have been expanded to include currency hedged share class risk for the new hedged currency share classes (applicable to First State Global Credit Income Fund*), global resources risk (applicable to First State Global Resources Fund), property securities risk (applicable to First State Asian Property Securities Fund and First State Global Property Securities Fund) and concentrated risk (applicable to First State Global Opportunities Fund and First State Global Listed Infrastructure Fund).
- Both the Administrator's and the Custodian's fees have been updated as follows to reflect the new fee arrangements agreed with the Administrator and the Custodian with effect from 1 January 2012 which represents a reduction in the Company's fees for these services.

* This Fund is not authorised by the SFC and may not be offered to the public in Hong Kong.

Administrator's and the Custodian's fees before 1 January 2012	Administrator's and the Custodian's fees with effect from 1 January 2012
<p data-bbox="443 279 824 310"><i>Applicable to all Classes of Share</i></p> <p data-bbox="443 342 889 625">The Custodian will be entitled to charge US\$30 in respect of each investment transaction relating to the sale and purchase of securities by the Investment Manager or a Sub-Investment Manager on behalf of a Fund. This charge will be paid by the Company out of the assets of the relevant Fund.</p> <p data-bbox="443 657 889 909">Transaction charges of US\$15 per transaction for processing of subscriptions, redemptions, transfers and other Shareholder-related transactions such as dividend payments (if applicable) are payable to the Administrator out of the assets of each Fund.</p> <p data-bbox="443 940 889 1098">The Custodian and the Administrator are entitled to reimbursement of all out-of-pocket expenses incurred on behalf of the relevant Fund, out of the assets of each Fund.</p> <p data-bbox="443 1129 889 1623">The Custodian is entitled to receive out of the assets of each Fund a fee at the rate of 0.035 per cent per annum of the asset value of securities in developed markets (Australia, Austria, Belgium, Canada, Clearstream, Denmark, Euroclear, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States) and 0.08 per cent per annum of the asset value of securities in any other markets calculated as at each Dealing Day and payable monthly in arrears.</p>	<p data-bbox="914 279 1295 310"><i>Applicable to all Classes of Shares</i></p> <p data-bbox="914 342 1360 909">The Custodian shall be entitled to receive a safe-keeping fee of up to 0.45 per cent per annum of the value of the relevant assets of the Fund depending on the location of the assets held. Transaction charges for processing of subscriptions, redemptions, transfers, security transactions and other such Shareholder-related transactions are payable to the Custodian and the Administrator out of the assets of each Fund which shall be charged at normal commercial rates. The Custodian and the Administrator are entitled to reimbursement of all reasonable out-of-pocket expenses incurred on behalf of the relevant Fund, out of the assets of each Fund.</p>
<p data-bbox="443 1665 719 1696"><i>Class I, II and IV Shares</i></p> <p data-bbox="443 1728 889 1932">The Administrator as the administrator and registrar is entitled to receive out of the assets of each Fund a fee of 0.15 per cent per annum on balances up to US\$25,000,000 and 0.10 per cent per annum on balances in excess of US\$25,000,000 and 0.08 per cent per</p>	<p data-bbox="914 1665 1190 1696"><i>Class I, II and IV Shares</i></p> <p data-bbox="914 1728 1360 1932">The Administrator and the Custodian will be entitled to receive out of the assets of each Fund a composite fee of 0.0485 per cent per annum for the administration and trustee services provided to the Company. The fee is determined by reference to the</p>

<p>annum on balances over US\$50,000,000 of the Net Asset Value of each Fund. The fee is determined by reference to the calculation of Net Asset Values on each Dealing Day and is payable monthly in arrears.</p> <p>The fees and expenses associated with Class I, Class I (Distributing), Class I (Sterling), Class I (Sterling Distributing), Class I (Hong Kong Dollar) and Class I (Hong Kong Dollar Distributing) Shares are the same.</p>	<p>calculation of the Net Asset Value of each Fund on each Dealing Day and is payable monthly in arrears.</p>
<p><i>Class III Shares</i></p> <p>The Administrator's fees shall be U.S. \$5,000 per annum per Fund for which such Shares are in issue.</p>	<p><i>Class III Shares</i></p> <p>The Administrator and the Custodian's composite fee shall be U.S. \$5,000 per annum per Fund.</p>

The new fee arrangement represents a reduction in the Company's fees on the following basis:-

- Instead of paying a fixed charge of US\$30 for each investment transaction and US\$15 per transaction for processing subscriptions, redemptions, transfers and other Shareholder-related transactions, under the new fee arrangement the Custodian and the Administrator will charge normal commercial rates for the relevant transactions, which are generally lower than the previous fixed rates.
- Previously the Custodian was entitled a fee at the rate of 0.035 per cent per annum of the asset value of securities in developed markets and 0.08 per cent per annum of the asset value of securities in any other markets.

Under the new fee arrangement, a market-specific safe-keeping fee of up to 0.45 per cent per annum of the value of the relevant assets is charged. Effectively, safekeeping fees are charged in a range from 0.003 per cent (UK) to 0.45 per cent (Venezuela). In practice, the Company has only very small holdings in the market which charges the highest safe-keeping fee, and splitting the safe-keeping fee on a market by market basis has ensured savings in safekeeping charges to each Fund as the majority and value of the markets in which the Funds invest are now charged at less than the previous rates of 0.035 per cent or 0.08 per cent.

- Class I, II and IV Shares are now subject to a lower composite Administrator and Custodian fee than the previous Administrator's fees. The rate was reduced from 0.08-0.15 per cent per annum to 0.0485 per cent per annum of the net asset value of the securities.
- Where an Equity Fund may have exposure to China A and China B Shares, the aggregate exposure will not exceed 25 per cent of such Equity Fund's net assets.
- It has been clarified that the Funds may, in addition to other financial derivative instruments, use non-deliverable forwards, non-deliverable options, swaps, interest rate swaps, zero-coupon swaps and currency swaps for the purposes of efficient portfolio management and hedging in accordance with the Central Bank's

requirements. For the avoidance of doubt, the Funds authorised by the SFC for sale to the public in Hong Kong will not invest extensively or primarily in financial derivative instruments to achieve their investment objectives.

- The stock exchange in Doha and the Gre Tai Securities Market in Taiwan have been added to the list of Regulated Markets in Appendix 5 of the revised Prospectus.
- Half yearly reports will now be available to Shareholders on request, free of charge, and no longer sent to Shareholders directly. Hong Kong Shareholders will be notified as to where the half yearly reports (in printed and electronic forms) can be obtained within 2 months after the end of the semi-annual period ending on 30 June in each year.
- Accumulation Shares can now be switched for Distributing Shares of a Class with the same Class designation in the same Fund or vice versa subject to a 1% discretionary switching fee.
- The publications in which the NAV per Share will be published daily for Hong Kong investors will change to The Standard and the Hong Kong Economic Times from 1 April 2013.
- The definition of “Emerging Markets” will be enhanced for clarity. Instead of making reference to stock exchanges, the term will be defined to mean any country which is not classified as a developed market by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income, or which are not members of the Organisation for Economic Co-operation and Development.
- Various other updates and changes of a minor nature have been made to the revised Prospectus, including the update of statutory references, the tax section and the insertion of the initial offer period for unlaunched Share Classes in Appendix 2.

Unless otherwise specified above, it is proposed that these changes will take effect on 4 March 2013. Copies of the Prospectus may be obtained from the Investment Manager or the Administrator on request.

3. CONCLUSION

The revised Prospectus, Hong Kong Supplement and Product Key Facts Statements incorporating the above amendments will be available in due course at the office of the Hong Kong Representative, First State Investments (Hong Kong) Limited, at 6th Floor, Three Exchange Square, Central, Hong Kong. Should you have any questions relating to the above matters, you should either contact us at the above address or the Investment Manager’s Investor Services Hotline on +852 2846 7566, fax +852 2868 4742 or alternatively you should contact your investment consultant.

Yours faithfully



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