

FIRST STATE GLOBAL UMBRELLA FUND PLC

an umbrella fund with segregated liability between sub-funds

Arthur Cox Building

Earlsfort Terrace

Dublin 2

Ireland

SHAREHOLDER CIRCULAR

First State Global Emerging Markets Leaders Fund

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 advisor/consultant.

If you have sold or transferred all of your Shares in the First State Global Emerging Markets Leaders Fund, a Fund of First State Global Umbrella Fund plc (the “Company”), please pass this letter 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.

The First State Global Emerging Markets Select Fund and the First State Global Emerging Markets Leaders Fund are authorised by the Securities and Futures Commission (“SFC”) pursuant to Section 104 of the Securities and Futures Ordinance. SFC authorisation is not a recommendation or endorsement of the Merging Fund and the Receiving Fund (as defined below), nor does it guarantee the commercial merits of the Merging Fund and the Receiving Fund or their performance. It does not mean the Merging Fund and the Receiving Fund are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Unless otherwise defined in this letter, capitalised terms shall bear the same meaning as those used in the Company's Prospectus.

Date: 15 December 2014

Proposed merger of the First State Global Emerging Markets Select Fund into the First State Global Emerging Markets Leaders Fund.

Dear Shareholder,

The purpose of this letter is to explain to you our proposal to merge the First State Global Emerging Markets Select Fund (the “**Merging Fund**”) of the Company with a similar Fund, namely the First State Global Emerging Markets Leaders Fund (the “**Receiving Fund**”). This letter also sets out the terms of the proposed merger and explains how it is to be effected in accordance with the UCITS Regulations.

A. TERMS OF THE MERGER

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

Registered Number: 288284

Directors: Peter Blessing, James Breyley (Australian); Bronwyn Wright, Kevin Molony, Michael Stapleton (Australian), Christian Turpin (British)

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

It is a requirement of the UCITS Regulations that the Merging Fund and the Receiving Fund draw up common terms of the proposed merger (the “**Terms**”) which are approved by the Board of the Company (the “**Board**”). The Terms have been provided to the Central Bank and are set out below.

Type of merger and Funds involved

The proposed merger is a domestic merger for the purposes of the UCITS Regulations pursuant to part (c) of the definition in Regulation 3(1) of “merger” as it is a merger between two Irish UCITS funds, both authorised by the Central Bank and at least one of which markets its Shares in other EU Member States. In fact, both the Receiving Fund and the Merging Fund are registered to publicly distribute Shares in other EU Member States.

The proposed merger is of a type which involves the net assets of the Merging Fund being transferred to the Custodian of the Receiving Fund, the Shareholders of the Merging Fund becoming Shareholders of the Receiving Fund and the Merging Fund continuing to exist until its liabilities have been discharged.

Background to and rationale for the proposed merger

The Company is authorised as an umbrella fund with segregated liability between funds pursuant to the UCITS Regulations. The Company currently comprises 30 Funds (27 of which are authorised by the SFC) with a total net asset value as at 30 September 2014 of approximately US\$ 12,526 million.

The Merging Fund was approved by the Central Bank on 22 January 2010 and as at 30 September 2014 had a net asset value of US\$ 161 million .

The Receiving Fund was approved by the Central Bank on 5 May 2004 and as at 30 September 2014 had a net asset value of US\$ 1,243 million.

The rationale for the proposed merger is to allow the Merging Fund’s Shareholders to invest in a wider choice of investments by reference to market capitalisation. The Merging Fund currently invests in companies with larger free floats (shares listed on the appropriate stock exchange) above US\$3 billion. Although the position has not yet been reached, the Investment Manager is aware that the number of larger capitalisation companies which meet both the quality-based and valuation criteria required for investment by the Merging Fund is narrowing too far, even for a concentrated list of holdings as in the Merging Fund.

The Receiving Fund invests in a wider range of companies by market capitalisation (US\$1 billion and a minimum free float of US\$500 million and above) and so the proposed merger should enable Shareholders of the Merging Fund to benefit from the Receiving Fund’s investment in an increased investment universe. The benefit of the merger for the Receiving Fund is that its assets under management should be increased by the merger.

The expected impact of the proposed merger

For the reasons explained above, the Investment Manager considers that it is becoming increasingly difficult to run a concentrated emerging market portfolio.

The investment policies of the Receiving Fund are similar to the investment policies of the Merging Fund although, as outlined above, the investment policies of the Receiving Fund are wider in that it can invest in a broader universe of companies. The only material difference between the Receiving Fund and the Merging Fund is that the Receiving Fund can invest in equities of companies with a minimum market capitalisation of US\$1 billion and a minimum free float of US\$500 million whereas the Merging Fund has a minimum market capitalisation requirement (free float) of US\$3 billion.

Appendix 1 to this letter sets out a detailed comparison of the key features of the two Funds and it also addresses the operational aspects of the two Funds. The comparison includes information about their investment objectives and policies, investments, structure, investment restrictions, share classes, charges, fees and expenses, expected outcome and periodic reporting. There are no material differences in respect of any of these matters in relation to the two Funds, other than as described above in relation to the investment policies. There will be no changes to the fee structure of both Funds as a result of the merger, and similarly, there will be no differences in the nature of your rights as a Shareholder of the Receiving Fund after the proposed merger takes effect. Notwithstanding the above the Board recommends that you consider the comparison in Appendix 1 carefully.

As a consequence of the above described similarities between the two Funds, the Investment Manager believes the Receiving Fund and the Merging Fund have similar risk/return profiles. While the total expense ratio of the Merging Fund is similar to that of the Receiving Fund, it is expected over the long term that Shareholders will benefit from a lower total expense ratio attributable to the Receiving Fund increasing in size as a consequence of the proposed merger.

The Merging Fund's portfolio will be rebalanced in advance of the merger to ensure that the portfolio only contains those investments which the Receiving Fund is permitted to hold in its portfolio. No rebalancing of the portfolio of the Receiving Fund is necessary before or after the proposed merger takes effect.

If the merger is effected, the Shares issued to Shareholders of the Merging Fund will be in a Share class of the Receiving Fund that has the same fees as the existing class of Shares in which they are invested.

Details of the class of Shares to be issued in the Receiving Fund in place of Shareholders' existing class of Shares in the Merging Fund are set out below:

Shareholders' existing class of Shares in the Merging Fund	Corresponding Class of Shares to be issued in the Receiving Fund
Class I	Class I
Class III	Class III

For the avoidance of doubt, Shareholders of the Merging Fund will not be able to receive shares in Class IV of the Receiving Fund as Class IV shares are not available to retail investors in Hong Kong.

Valuation of assets and calculation of the exchange ratio

If the merger is approved by the Shareholders, the Merging Fund will contribute all of its net assets, including any accrued income, to the Receiving Fund. All assets of the Merging Fund will be valued in accordance with the valuation principles contained in the Prospectus on the Effective Date (as defined below).

Please note that the Shares to be issued to the Merging Fund Shareholders in the Receiving Fund as a result of the merger will have an aggregate value which is, as near as practicable, equivalent to the aggregate value of their Shares in the Merging Fund.

If the proposed merger is approved by Shareholders of the Merging Fund on the Effective Date (as defined below), Shareholders of the Merging Fund will receive Shares in the Receiving Fund on the Effective Date. Additionally, on the Effective Date all of the net assets of the Merging Fund will be transferred to the Receiving Fund so that Shareholders in the Merging Fund receive Shares in the Receiving Fund that are as near as is practicable equal in value to the Shares they own in the Merging Fund.

The exchange ratio used to calculate the number of new Shares a Shareholder will receive in the Receiving Fund is based on the NAV per Share of such class of Shares in the Merging Fund relative to the NAV per Share in the corresponding class of Shares in the Receiving Fund as calculated at the daily pricing point of 11:00 a.m. on the Effective Date (the “**Exchange Ratio**”). The valuation methodology used for the calculation of this NAV per Share will be the same as that used to calculate the NAV per Share on a daily basis. The Exchange Ratio is then applied to the number of Shares held by each Shareholder in the Merging Fund to calculate the number of Shares they are to receive in the Receiving Fund (calculated to 9 decimal places). The number of Shares issued to each Shareholder in the Receiving Fund is likely to be different from the number of Shares that they held in the Merging Fund but the aggregate value of these Shares will be, as near as is practicable, be equal to the aggregate value of the Shares which they held in the Merging Fund (any minor difference in the aggregate value is due to rounding adjustments).. It is also proposed that any accrued income in the Merging Fund will be included in the NAV calculations and will form part of the assets being transferred to the Receiving Fund on the Effective Date.

The Exchange Ratio is calculated as follows:

$$\frac{\text{NAV per Share of the Merging Fund}}{\text{NAV per Share of the Receiving Fund}} = \text{Exchange Ratio}$$

Proposed effective date of merger

The proposed merger can only occur if the Shareholders of the Merging Fund pass a special resolution approving the merger at an extraordinary general meeting (the “**EGM**”) of the Merging Fund . If the resolution relating to the merger is passed by the Shareholders of the Merging Fund, it is expected that the merger will take effect on 24 April 2015 (the “**Effective Date**”).

The purpose of this letter is to notify you of the proposed merger. No Shareholder approval is needed from you as a Shareholder of the Receiving Fund in relation to the proposed merger. The purpose of this letter is to notify you of the proposed merger. Appendix 2 sets out a timeline for the merger proposal which the Board recommends you should read carefully.

Rules relating to the transfer of assets

Clause 3(dd) of the Memorandum of Association of the Company provides for the merger of any of its Funds by the transfer of assets to another Fund in consideration for the issue of Shares in the receiving Fund pro rata to the Shareholders’ shareholding in the merging Fund.

Rules of the Receiving Fund

Article 13(5) of the Articles of Association of the Company provides for the issue of Shares by the Company on the vesting of assets that meet the requirement of a Fund’s investment policy provided certain procedures are followed / conditions are fulfilled during the process (for example, the Board and the Custodian must be satisfied that the terms of the exchange will not result in any material prejudice to existing Shareholders; the number of Shares to be allotted must not be more than that number which would have been issued for cash on the relevant Dealing Day; and no Shares can be issued until the assets have been vested in the Custodian). The Board is satisfied that these procedures / conditions set out in Article 13(5) of the Articles of Association of the Company will be followed / fulfilled in the case of this merger.

As outlined above, if the merger is approved by the requisite majority of Shareholders of the Merging Fund, the assets of the Merging Fund will be transferred to the Receiving Fund and all Shareholders of the Merging Fund will be entitled, as of the Effective Date, to receive Shares in the Receiving Fund.

B. OTHER MATTERS RELATING TO THE MERGER

1 Costs

The expenses incurred in connection with the merger and the transfer of the assets of the Merging Fund to the Receiving Fund (including legal, advisory and administration costs and the costs of convening the EGM of the Merging Fund and of the preparation and implementation of the transfer) are not expected to exceed US\$ 100,000.00 and such expenses will be borne by the Investment Manager. There are no unamortised preliminary expenses outstanding in relation to the Merging Fund.

2 *Availability of documents relating to the Merging Fund and the Receiving Fund*

Copies of the Prospectus, Memorandum and Articles of Association, latest annual and semi-annual reports and material contracts of the Company are available free of charge on request from your usual client executive contact or on the Company's website www.firststateinvestments.com and may be inspected at the offices of HSBC Securities Services (Ireland) Limited, Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. Please note that 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.

Copies of the Company's latest Prospectus (as supplemented from time to time), Hong Kong Supplement and KFSs of the Company's SFC-authorized Funds are also available from the office of the Hong Kong Representative at the address stated below.

In addition, please note that the UCITS Regulations require the Custodian to verify certain matters relating to the proposed merger and require the independent auditors to validate matters relating to the valuation of the assets, the calculation method of the exchange ratio and the actual exchange ratio (which are described above). You have the right to obtain a copy of the report prepared by the independent auditors free of charge and it can be obtained at the offices of HSBC Securities Services (Ireland) Limited as described in the paragraph above and at the office of the Hong Kong Representative at the address stated below.

C. CONCLUSION

The Board believes that the proposed merger and the proposed transfer of assets of the Merging Fund into the Receiving Fund will not have any adverse impact to Shareholders of the Receiving Fund. We hope you will choose to remain invested in the Receiving Fund.

Please note that the Custodian is satisfied with the merger proposal and has confirmed certain matters to the Central Bank as is required by the UCITS Regulations.

If you have any questions in relation to the contents of this letter please contact your investment advisor/consultant or your relationship manager at the Investment Manager. Hong Kong Shareholders may also contact:

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

- or in writing: Hong Kong Representative, First State Investments (Hong Kong) Limited, at 6th Floor, Three Exchange Square, Central, Hong Kong.

The Board accepts responsibility for the information contained in this document. To the best of its 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.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized initial 'F' followed by a long, sweeping horizontal line that curves downwards at the end.

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

Appendix 1: Comparison between the Merging Fund and the Receiving Fund
Appendix 2: Timeline for the proposals

Appendix 1

COMPARISON BETWEEN THE MERGING FUND AND THE RECEIVING FUND

Investment involves risk. Investors should not make any investment decision solely based on information contained in this comparison document. You should read the relevant offering document (including the key facts statement) of the Receiving Fund for further details including the risk factors involved.

	THE MERGING FUND	THE RECEIVING FUND
Name of Company	First State Global Umbrella Fund plc	First State Global Umbrella Fund plc
Name of Sub-Fund	First State Global Emerging Markets Select Fund	First State Global Emerging Markets Leaders Fund
Original Launch Date	11 March 2010	6 October 2005
Regulatory status	Authorised by the Central Bank of Ireland	Authorised by the Central Bank of Ireland
Structure	Sub-fund of an umbrella fund with segregated liability between sub-funds The umbrella fund is a UCITS open-ended investment company	Sub-fund of an umbrella fund with segregated liability between sub-funds The umbrella fund is a UCITS open-ended investment company
Country of Incorporation	Ireland	Ireland
Registered for Distribution	Ireland (domicile) Hong Kong, Japan, Macau, Singapore, UK	Ireland (domicile) Hong Kong, Japan, Macau, Singapore, Taiwan, UK
Investment objective and policy	The investment objective is to achieve long term capital appreciation. The Merging Fund invests primarily in a diversified portfolio of securities of larger capitalisation companies established or having significant operations in emerging economies and are listed, traded or dealt in on Regulated Markets worldwide. Such securities will primarily be listed, traded or dealt in on Regulated Markets in EEA, Brazil, Colombia, China, Egypt, Hong Kong, India, Indonesia, Israel, Korea, Malaysia, Mexico, Peru, Philippines, Singapore, South Africa, Taiwan, Thailand, Turkey and United	The investment objective is to achieve long term capital appreciation. The Receiving Fund invests primarily in large and mid capitalisation securities in emerging economies, including those of companies listed on developed market exchanges whose activities predominantly take place in emerging market countries. Such securities will primarily be listed, traded or dealt in on Regulated Markets in EEA, Brazil, Colombia, China, Egypt, Hong Kong, India, Indonesia, Israel, Korea, Malaysia, Mexico, Peru, Philippines, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, Turkey and United States of America. Large and mid capitalisation equities are currently defined as

	<p>States of America.</p> <p>Larger capitalisation companies are currently defined as companies with a minimum investible market cap (free float) of US\$3 billion at the time of investment. The Investment Manager may review this definition as considered appropriate.</p> <p>The Merging Fund may only use financial derivative instruments (“FDIs”) for purposes of hedging and efficient portfolio management. The Merging Fund will not invest extensively or primarily in FDIs to achieve its investment objective. It is not intended that the Merging Fund will avail of the opportunity to invest in FDIs for investment purposes. The major types of FDIs that may be used include futures, currency forwards and warrants.</p>	<p>companies with a minimum market capitalisation of US\$1 billion and a minimum free float of US\$500 million at the time of investment. The Investment Manager may review this definition as considered appropriate.</p> <p>The Receiving Fund may only use financial derivative instruments (“FDIs”) for purposes of hedging and efficient portfolio management. The Receiving Fund will not invest extensively or primarily in FDIs to achieve its investment objective. It is not intended that the Receiving Fund will avail of the opportunity to invest in FDIs for investment purposes. The major types of FDIs that may be used include futures, currency forwards and warrants.</p>
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Expected Outcome of Merger	<p>The only material difference between the two Funds is that the Receiving Fund can invest in equities of companies with a minimum market capitalisation of US\$1 billion and a minimum free float of US\$500 million, whereas the investments of the Merging Fund must have a minimum market capitalisation requirement (free float) of US\$3 billion. Notwithstanding this difference, the risk / return profiles of the two Funds are similar.</p> <p>As a consequence of the similarities between the characteristics of the two Funds the Receiving Fund and the Merging Fund will have similar risk/return profiles. The investment outcome for Shareholders of the Merging Fund as a result of the merger should be similar to what they expected when they invested in the Merging Fund. While the total expense ratio of the Merging Fund is similar to that of the Receiving Fund, it is expected over the long term that Shareholders will benefit from a lower total expense ratio attributable to the Receiving Fund being a more sizeable Fund as a consequence of the proposed merger.</p>	
Base Currency of Fund	USD	USD
Classes of Shares/ Class Currencies	Class I: USD	Class I: USD
	Class III: USD	Class III: USD
	Class I (Distributing) [#] ; USD	N/A
	Class III (Distributing) [#] ; USD	N/A
	N/A	Class IV: USD (not available to retail investors in Hong Kong)
Dividend Policy	Class I and Class III: no dividend will be distributed	Class I and Class III: no dividend will be distributed
	Class I (Distributing) and Class III (Distributing): dividends will be declared every February and August (distributions will be reinvested unless the Shareholder otherwise specifies in writing)	N/A
	N/A	Class IV: no dividend will be distributed
Accounting Date	31 December (Final)	31 December (Final)
	30 June (Interim)	30 June (Interim)

Minimum Investment	Class I and Class I (Distributing): US\$1,500 (initial); US\$1,000 (subsequent)	Class I / Class IV: US\$1,500 (initial); US\$1,000 (subsequent)
	Class III and Class III (Distributing): US\$500,000 (initial); no minimum subsequent investment	Class III: US\$500,000 (initial); no minimum subsequent investment
Fund Size at 30 September 2014	USD 161m	USD 1,243m
Dealing Days	Any Business Day as the Directors may determine provided there is at least one Dealing Day per fortnight.	Any Business Day as the Directors may determine provided there is at least one Dealing Day per fortnight.
Valuation Policy	Last traded price as at 11.00 a.m. (Irish time) on the relevant Dealing Day.	Last traded price as at 11.00 a.m. (Irish time) on the relevant Dealing Day.
Pricing	Forward pricing	Forward pricing
Publication of Prices	www.firststateinvestments.com *	www.firststateinvestments.com *
Annual Management Fee	Class I and Class I (Distributing)	Class I
	Class III and Class III (Distributing)	Class III
	N/A	Class IV
Sales Charge	Class I and Class I (Distributing)	Class I
	Class III and Class III (Distributing)	Class III
	N/A	Class IV
Annual Total Expense Ratio (TER)s** (for the twelve months	Class I	Class I
	Class III	Class III

ended 30 September 2014)	N/A	N/A	Class IV	1.87 per cent.
Maximum Administration and Custodian Fee	0.485 per cent.		0.485 per cent.	
Fees charged to capital or income	Income		Income	
Certificates	No share certificates		No share certificates	
Promoter/Investment Manager	First State Investments (Hong Kong) Limited		First State Investments (Hong Kong) Limited	
Sub-Investment Manager	First State Investments (Singapore), which may delegate discretionary investment management of the Fund to First State Investment Management (UK) Limited from time to time.		First State Investments (Singapore), which may delegate discretionary investment management of the Fund to First State Investment Management (UK) Limited from time to time.	
Domicile	Ireland		Ireland	
Governance	Board of Directors		Board of Directors	
Auditors	PricewaterhouseCoopers		PricewaterhouseCoopers	
Custodian	HSBC Institutional Trust Services (Ireland) Limited		HSBC Institutional Trust Services (Ireland) Limited	
Administrator	HSBC Securities Services (Ireland) Limited		HSBC Securities Services (Ireland) Limited	
Distributors	First State Investments (UK) Limited First State Investments (Hong Kong) Limited First State Investments (Singapore)		First State Investments (UK) Limited First State Investments (Hong Kong) Limited First State Investments (Singapore)	
Investment Restrictions	UCITS fund restrictions as per UCITS Directive and no additional restrictions imposed.		UCITS fund restrictions as per UCITS Directive and no additional restrictions imposed.	
Borrowing	The Fund may borrow 10% of its net assets, which borrowings may only be made on a temporary basis.		The Fund may borrow 10% of its net assets, which borrowings may only be made on a temporary basis.	
Performance[^]	Calendar Year Performance net of fees (1 January to 31 December in each respective year)			

	Class I	Class I
Calendar year from 1 January 2014 to 30 September 2014	3.42%	5.70%
2013	1.64%	0.91%
2012	N/A ^{^^}	25.01%
2011	N/A ^{^^}	-7.73%
2010	N/A ^{^^}	25.77%
2009	N/A ^{^^}	66.84%
	Class III	Class III
Calendar year from 1 January 2014 to 30 September 2014	4.00%	6.25%
2013	2.60%	1.61%
2012	23.10%	25.95%
2011	-2.15%	-7.03%
2010	N/A ^{^^}	26.74%
2009	N/A ^{^^}	68.12%

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Class I (Distributing) and Class III (Distributing) Shares of the Merging Fund were never funded and there are no Shareholders in these classes. As a result of the soft closure of the Merging Fund on the 15 October 2014 there will continue to be no Shareholders in each of these classes up to the Effective Date.

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

** The Annual TER is calculated as the ratio of total expenses (including, but not limited to, management fees, custodian and administration fees and other operating expenses) to average net assets for the twelve months ended 30 September 2014.

^ The performance figures of the Merging Fund and Receiving Fund are calculated based on the relevant fund net asset value data (dividend reinvested), as calculated and supplied independently by the Administrator. The computation basis of the performance is based on the calendar year (1 January to the 31 December for each respective year), NAV to NAV, with dividend reinvested. The figures are for illustrative purposes only and are not indicative of the future return likely to be achieved. Past performance information presented is not indicative of future performance. Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on information contained in the table above. You should read the relevant offering document (including the key facts statement) of the Receiving Fund for further details including the risk factors.

^^ No performance is available as this Share Class was not launched at that time.

Appendix 2

Timeline for the proposals

Key dates	
Event	Date
Documentation posted to Shareholders.	15 December 2014
Latest time and date for receipt of Proxy Forms.	9:00 a.m. on 18 March 2015
EGM of Shareholders of the Merging Fund.	9:00 a.m. on 20 March 2015
The last Dealing Day in respect of Shares of the Merging Fund (for receipt of redemption or conversion requests).	16 April 2015
Valuation of the Merging Fund and Receiving Fund.	11:00 a.m. pricing point on 24 April 2015
Effective Date.	24 April 2015
First Dealing Day in respect of Shares issued in the Receiving Fund following the merger of the Merging Fund.	27 April 2015
Written confirmation posted to Shareholders of the Merging Fund advising of allocation and number of Shares in the Receiving Fund.	On or before 1 May 2015