
Important

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice.

23 August 2013

NOTICE TO UNITHOLDERS – VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND (the “Trust”)

Dear Unitholders

Notice of Addendum to the Explanatory Memorandum of the Trust (the “Notice”)

We are writing to notify you of certain changes which have been reflected in an addendum, dated 23 August 2013 (the “**Addendum**”), to the Explanatory Memorandum of the Trust dated 25 June 2011, as amended by addenda dated 22 November 2011, 24 August 2012, 20 September 2012 and 11 March 2013 (“**Explanatory Memorandum**”).

Capitalized terms used herein but not otherwise defined will have the same meanings as defined in the Explanatory Memorandum.

Your attention is drawn to some of the changes in the Addendum as described below. However, please note that all information provided herein is qualified in its entirety by the Addendum and related documents and you should carefully read the Addendum.

Foreign Account Tax Compliance (FATCA)

The risk factor “Foreign Account Tax Compliance” in the Explanatory Memorandum has been updated for enhancement of disclosures. The Cayman Islands government announced on 15 March 2013, that it would adopt a Model 1 intergovernmental agreement (an “IGA”) with the U.S. government for the implementation of the provisions of FATCA. As at the date of this Notice, the IGA has yet to be signed. Under this model of IGA, the Trust will generally be relieved from the obligation to enter into an FFI Agreement and will generally not be required to withhold tax on payments made to their investors provided that the Cayman Islands government and the Trust comply with the terms of the IGA.

If the Trust receives payments covered by FATCA, withholding may apply if it cannot satisfy the applicable requirements under the IGA or the Cayman Islands government is not in compliance with the IGA. Please refer to the Addendum for further details regarding FATCA.

New Unit Classes for Participation in New Issues

The Trust may invest in initial public offerings (sometimes referred to as “IPOs” or “new issues”) under the U.S. Financial Regulatory Authority (“**FINRA**”) Rule 5130. The Manager currently intends to issue Units only to investors eligible to participate in the profits and losses from “new issues” under FINRA Rules 5130 and 5131 (the “**Rules**”). The disclosures on new issues have been updated to clarify that the Manager does not and will not issue any Units to Restricted Persons. The Manager, however, has discretion to avail itself of one or more exemptions under the Rules and make other determinations in connection with the Rules in respect of those matters described in more detail in the Addendum.

The term “Restricted Persons” refer to investors of a fund who are (i) “Restricted Persons”, which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms and/or (ii) “Covered Investors”, which category includes executive officers or directors of a Public Company or Covered Non-Public Company, unless any of the exemptions under the Rules applies. A “Public Company” is a company that is registered under Section 12 of the U.S. Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or any other company that files periodic reports pursuant to Section 15(d) of the Exchange Act, and a “Covered Non-Public Company” is a non-public company satisfying one or more of the following three criteria: (a) income of at least US\$1 million in the last fiscal year or in two of the last three fiscal years and shareholders’ equity of at least US\$15 million; or (b) shareholder’s equity of at least US\$30 million and a two year operating history; or (c) total assets and total revenue of at least US\$75 million in the latest fiscal year or in two of the last three fiscal years.

Change of Investment Objective and Policy

With effect from 23 September 2013 (“**Effective Date**”), the investment policy of the Trust will be revised as follows:

Existing investment approach	Revised investment approach
For the purposes of hedging market and currency risks, the Trust may invest in index and currency swaps.	For the purposes of hedging market and currency risks, the Trust may invest in index and currency swaps and currency forwards.

The amendment to the investment policy of the Trust is to provide flexibility to the Trust to invest in currency forwards for the purpose of hedging market and currency risks. The risk disclosures in the Explanatory Memorandum will be enhanced by inserting a new risk factor on “Hedging Risk”.

Unitholders who do not wish to remain in the Trust after the abovementioned change may redeem their Units in the Trust during any Dealing Period in accordance with the procedures set out in the Explanatory Memorandum. No redemption charge shall be payable on the redemption of any Classes of Units.

Please refer to the Explanatory Memorandum and the Addendum for further details regarding the change of investment policy and the new risk factor on “Hedging Risks”.

Establishment of New Class of Units

We would like to inform you that Class A2 MDis HKD Units, Class A2 MDis AUD Hedged Units, Class A2 MDis CAD Hedged Units and Class A2 MDis NZD Hedged Units will be available for subscription from the Effective Date while Units in Class A2 MDis GBP Hedged of the Trust will be available for subscription during the Initial Offer Period of such Class as agreed between the Manager and the Trustee and thereafter, as determined by the Manager with the prior approval of the Trustee and set out in the Explanatory Memorandum as amended or supplemented from time to time:

Features	Class A2 MDis HKD	Class A2 MDis AUD Hedged	Class A2 MDis CAD Hedged	Class A2 MDis GBP Hedged	Class A2 MDis NZD Hedged
Currency of issue of a Class (the "Class Currency")	Hong Kong Dollars ("HKD")	Australian Dollars ("AUD")	Canadian Dollars ("CAD")	Pounds Sterling ("GBP")	New Zealand Dollars ("NZD")
Minimum initial subscription	HKD80,000 (inclusive of any Preliminary Charge)	AUD10,000 (inclusive of any Preliminary Charge)	CAD10,000 (inclusive of any Preliminary Charge)	GBP10,000 (inclusive of any Preliminary Charge)	NZD10,000 (inclusive of any Preliminary Charge)
Minimum subsequent subscription	HKD40,000 (inclusive of any Preliminary Charge)	AUD5,000 (inclusive of any Preliminary Charge)	CAD5,000 (inclusive of any Preliminary Charge)	GBP5,000 (inclusive of any Preliminary Charge)	NZD5,000 (inclusive of any Preliminary Charge)
Minimum redemption	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Minimum holding for each Class of the Trust applicable to partial redemption, transfers and switching	HKD80,000	AUD10,000	CAD10,000	GBP10,000	NZD10,000
Preliminary Charge on subscription	Up to 5.0 per cent. of the Issue Price	Up to 5.0 per cent. of the Issue Price	Up to 5.0 per cent. of the Issue Price	Up to 5.0 per cent. of the Issue Price	Up to 5.0 per cent. of the Issue Price
Switching fee	Currently Nil*	Currently Nil*	Currently Nil*	Currently Nil*	Currently Nil*
Redemption Charge	Currently Nil (Max. 5.0 per cent.)	Currently Nil (Max. 5.0 per cent.)	Currently Nil (Max. 5.0 per cent.)	Currently Nil (Max. 5.0 per cent.)	Currently Nil (Max. 5.0 per cent.)
Annual Management fee	1.25 per cent. per annum (Max. 2.0 per cent.)	1.25 per cent. per annum (Max. 2.0 per cent.)	1.25 per cent. per annum (Max. 2.0 per cent.)	1.25 per cent. per annum (Max. 2.0 per cent.)	1.25 per cent. per annum (Max. 2.0 per cent.)
Performance fee	15.0 per cent. of the increase in Net Asset Value per Unit in the relevant Class in the relevant performance period calculated annually on a high-on-high basis	15.0 per cent. of the increase in Net Asset Value per Unit in the relevant Class in the relevant performance period calculated annually on a high-on-high basis	15.0 per cent. of the increase in Net Asset Value per Unit in the relevant Class in the relevant performance period calculated annually on a high-on-high basis	15.0 per cent. of the increase in Net Asset Value per Unit in the relevant Class in the relevant performance period calculated annually on a high-on-high basis	15.0 per cent. of the increase in Net Asset Value per Unit in the relevant Class in the relevant performance period calculated annually on a high-on-high basis

* Certain distributors may impose a charge for each switching of Units acquired through it for Units in another Class, which will be deducted at the time of the switching and paid to the relevant distributor.

Please refer to the Explanatory Memorandum and the Addendum for further details regarding Class A2 MDis HKD, Class A2 MDis AUD Hedged, Class A2 MDis CAD Hedged, Class A2 MDis GBP Hedged and Class A2 MDis NZD Hedged.

Reduction of Trustee Fee

With effect from the date of this Notice, the Trustee fee is revised as follows:

- 0.17 per cent. per annum on the first US\$400 million of the Net Asset Value of the Trust;
- 0.15 per cent. per annum on the next US\$400 million of the Net Asset Value of the Trust; and
- 0.13 per cent. per annum of the Net Asset Value of the Trust in excess of US\$800 million,

subject to a minimum Trustee fee of US\$4,000 per month. The Trustee is also entitled to a fixed annual fee of US\$3,000.

The Trustee fee is calculated as at each Valuation Day.

Clarification on the Entity which processes Subscription, Redemption, Transfer and Switching Applications

The Explanatory Memorandum has been revised to clarify that the Registrar's Agent, and not the Manager, is the entity responsible for processing subscription, redemption, transfer and switching applications.

The latest Addendum and the Explanatory Memorandum have been uploaded on our website (www.valuepartners.com.hk) and are available for your inspection at the Manager's office during normal business hours (except on Saturdays, Sundays and public holidays).

Thank you for your continued support. If you have any questions relating to the above, please contact us at (852) 2880-9263 or email to vppl@vp.com.hk.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and believe there are no other facts the omission of which would make any statement in this Notice misleading as at the date of issuance.

Value Partners Limited