

FIRST STATE UMBRELLA FUNDS (the “Trust”) – FIRST STATE ASIAN BRIDGE FUND (the “Fund”)

NOTICE TO UNITHOLDERS

Date: 29 September 2017

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.

Unless otherwise defined herein, all capitalised terms used herein shall bear the same meaning as capitalised terms used in the latest Explanatory Memorandum of the Fund dated 12 September 2016, as may be amended from time to time (the “Explanatory Memorandum”).

The Manager of the Fund accepts responsibility for the accuracy of the information contained in this document. To the best of the knowledge and belief of the Manager (who has 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.

Dear Unitholder,

RE: NOTIFICATION OF AMENDMENTS TO THE FUND

We are writing to you as an investor in the Fund to inform you of changes to the Fund.

1. Anti-Dilution Adjustment

In order to minimize the dilution impact and to protect the interests of the existing/remaining Unitholders, an Anti-Dilution Adjustment (which is also referred to as a swing pricing adjustment) may be charged to any class of the Fund with effect from 1 November 2017 (the “Effective Date”) when there are net subscriptions into or net redemptions from the Fund on any Dealing Day.

In general, an Anti-Dilution Adjustment (which shall not exceed 2% of the value of subscription obtained on the Dealing Day on which the subscription is effected) may be payable by persons (the “Persons”) who subscribe for Units from time to time as determined by the Manager in good faith and in the best interest of Unitholders. If the value of all subscriptions for Units exceeds the value of all redemptions of Units on a Dealing Day, then the Manager may have to purchase investments for the Fund and in doing so the Fund will incur dealing costs. An Anti-Dilution Adjustment intends to reduce the effect of these costs by increasing the Net Asset Value per Unit applicable to the Persons in these circumstances to cover those dealing costs. Any Anti-Dilution Adjustment will be included in the Net Asset Value per Unit on any day on which the value of all subscriptions for Units exceeds the value of all redemptions of Units. The amount of the Anti-Dilution Adjustment is paid into the Fund for the protection of other continuing Unitholders in the Fund.

An Anti-Dilution Adjustment (which shall not exceed 2% of the value of redemption obtained on the Dealing Day on which the redemptions are effected) may be payable by the Persons who redeem their Units from time to time as determined by the Manager in good faith and in the best interest of Unitholders. If the value of all redemptions of Units exceeds the value of all subscriptions for Units on a Dealing Day, then the Manager may have to sell investments in the Fund and in doing so the Fund will incur dealing costs. An Anti-Dilution Adjustment intends to reduce the effect of these costs by decreasing the Net Asset Value per Unit applicable to the Persons in these circumstances to cover those dealing costs. Any Anti-Dilution Adjustment will be included in the Net Asset Value per Unit on any day on which the value of all redemptions of Units exceeds the value of all subscriptions for Units. The amount of the Anti-Dilution Adjustment is paid into the Fund for the protection of other continuing Unitholders in the Fund.

Further information on how Anti-Dilution Adjustment is applied can be obtained on request from the Manager.

The Trust Deed and the Explanatory Memorandum will be amended to reflect the above change.

For the purposes of clarity, investors should note that:

- a) the Fund will continue to be managed in a manner which is in accordance with its existing investment objectives and policies;
- b) there will be no change to the existing investment objectives, policies, operation and risk profile of the Fund;
- c) there will be no change to the existing fees and charges payable by the Fund; and
- d) the above changes will not materially prejudice existing Unitholders' rights and interests.

The costs and expenses in relation to this change, including legal costs, will be borne by the Fund. These costs and expenses will only have an insignificant impact on the fees and charges incurred by the Fund.

2. Change of Distribution Frequency of Dividends

With effect from the Effective Date, the distribution frequency of dividends for the currently offered class of Units in this Fund will change from semi-annual to monthly declarations and payments as detailed in the table below:

	Current frequency		New frequency
	Semi-annually		Monthly
Distribution period end date(s):	30 June	The last Dealing Day in December	The last calendar day in each month
Distribution declaration and payment date:	By end of August	By end of February	Within the following month

The new frequency of distribution will ensure a distribution to Unitholders as close as possible to that which they would receive if they directly held the underlying securities of the Fund in which they have invested.

The distribution of dividends accrued for 30 June 2017 will be declared and paid in accordance with the current distribution policy as disclosed in the Explanatory Memorandum (i.e. by end of August 2017). There will also be a special distribution accrued for the period from July 2017 to October 2017 which will be declared and paid in early November 2017. The first distribution of dividends under the new distribution policy to be declared and will be paid in early December 2017.

It is the current practice that the Manager, may at its discretion, pay dividends out of the income derived from the Fund's investment or out of the capital of the Fund. It should be noted 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 the Fund's capital may result in an immediate reduction of the Net Asset Value per Unit. Notwithstanding the change of distribution frequency of dividends, the information on compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will continue to be available to Unitholders by the Manager on request and also on the website www.firststateinvestments.com. The SFC has not reviewed the contents of this website.

As a result of the above change, the Explanatory Memorandum and Product Key Facts Statements ("KFS") of the Fund will be updated accordingly.

3. Updates to Better Align with the SFC's Revamp Guide

The investment objective and policy as well as the relevant risk factors of the Fund have been enhanced in the updated Explanatory Memorandum and KFS of the Fund. Moreover, the Trust Deed has been enhanced. Such updates have been made to better align them with the relevant minimum disclosure requirements under the SFC's Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds (the "Revamp Guide").

4. Other miscellaneous updates

- a. Change of the legal adviser to the Manager of the Trust to Deacons.
- b. Consolidation of the first supplement dated 12 April 2017 into the Explanatory Memorandum.
- c. Updates of disclosures relating to the Manager of the Trust.

- d. Updates of disclosures relating to the Trustee and Registrar of the Trust as a result of a change of its intermediate shareholder. For the avoidance of doubt, the Trustee and Registrar of the Trust will remain to be an indirect wholly-owned subsidiary of HSBC Holdings plc.
- e. Clarificatory update of the disclosure under sub-heading “General” under the heading “Distribution Policy” that distributions will be paid in US dollars or HK dollars and reinvestment shall normally be effected on the next day of the ex-dividend date of the corresponding distribution.
- f. Enhancement of liquidity risk management disclosure to comply with circular to management companies of SFC-authorized funds on liquidity risk management issued by the SFC.
- g. Other editorial and administrative tidy-ups.


Availability of Updated Offering Documents and Trust Deed

The revised Explanatory Memorandum, KFS and Trust Deed incorporating the above amendments will be available at the office of the Manager, First State Investments (Hong Kong) Limited, at Level 25, One Exchange Square, 8 Connaught Place, Central, Hong Kong. The Chinese version of the updated Explanatory Memorandum and KFS is also available at the same address.

Further Enquiries

Should you have any questions relating to the above matters, please contact us on the Manager’s Investor Services Hotline on +852 2846 7566, fax +852 2868 4742 or alternatively contact your investment consultant.

Yours faithfully,



For and on behalf of
First State Investments (Hong Kong) Limited