

**CHINA POST GLOBAL FUNDS**  
(the “Trust”)

*A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap.571) of Hong Kong comprising:*

**JAPAN SMALL CAP EQUITY FUND**  
**CHINA POST GLOBAL FIXED INCOME FUND**  
(together, the “Sub-Funds”)**NOTICE TO UNITHOLDERS****AMENDMENTS TO THE OFFERING DOCUMENTS AND TRUST DEED  
OF THE TRUST AND THE SUB-FUNDS*****Important***

*The Securities and Futures Commission (the “SFC”) takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*

***This notice is important and requires your immediate attention.***

*If you are in doubt about the contents of this document, you should seek independent professional financial advice. SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Funds nor does it guarantee the commercial merits of the Trust or the Sub-Funds or their performance. It does not mean the Trust or the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.*

*All capitalised terms used in this document have the same meaning as in the explanatory memorandum of the Trust dated December 2019 (the “**Explanatory Memorandum**”), unless otherwise defined herein. The Manager accepts full responsibility for the accuracy of the information contained in this document and confirms that, having made all reasonable enquiries, to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this document misleading as at the date of publication of this document.*

Dear Unitholders

We, China Post & Capital Global Asset Management Limited (the “**Manager**”), wish to inform you of the following changes which will take immediate effect:

**1 Enhanced disclosures for compliance with the Securities and Futures Commission’s revised Code on Unit Trusts and Mutual Funds (“UT Code”)**

As a result of ensuring compliance with the UT Code which was effective on 1 January 2019, the Explanatory Memorandum has been updated and a summary of the *key changes* are as follows:

- (a) new disclosure on the segregation of Fund assets from the property of various parties including (i) the Manager, any investment delegates and their respective connected persons; (ii) the Trustee (and any of its nominees, agents or delegates throughout the custody chain); and (iii) other clients of the Trustee (and any of its nominees, agents or delegates throughout the custody chain);
- (b) amended the disclosure of the Trustee’s obligations, including the new requirement to exercise reasonable care, *skill* and diligence in the selection, appointment and on-going monitoring of any of its custodians, nominees, agents and/or delegates (each a

- “**Correspondent**”), and be satisfied that the Correspondents remain suitably qualified and competent *on an ongoing basis*;
- (c) new disclosure on details of the existing Custodian of the Trust, namely Bank of China (Hong Kong) Limited, and the relevant custodian fees for each Sub-Fund;
  - (d) amended the disclosure on connected party transactions, to reflect the updated disclosure under the UT Code and includes the following updates:
    - (i) the Manager’s and the Trustee’s additional obligation to ensure that such transactions are *in the best interest of the Unitholders* (in addition to the existing requirement of such transaction being conducted at arm’s length);
    - (ii) the Manager’s additional obligation to use due care *when selecting brokers or dealers*;
    - (iii) cash deposits transferred to an account with the Trustee, the Custodian, the Manager, any investment delegate or any of their connected persons, shall be *in the best interest of the Unitholders* and negotiated at arm’s length in accordance with *ordinary and normal course of business*; and
    - (iv) broaden the scope of parties who would trigger the Manager’s additional obligations when transacting with brokers or dealers, to include *the Trustee, any investment delegates and any of their connected persons* (in addition to the Manager, the investment advisers and of their connected persons);
  - (e) amendments to the investment and borrowing restrictions of the Trust to reflect the updated investment and borrowing restrictions under the UT Code;
  - (f) amendments to the disclosure on temporary suspension of determination of net asset value, to reflect the updated disclosure under the UT Code and include the following updates:
    - (i) the updated procedure that the Manager may only declare a suspension of the determination of the net asset value of any Sub-Fund, calculation of the value of the fund assets and determination of the net asset value per Unit and/or dealing of the Units *after consultation with the Trustee* and having regard to the *best interests* of Unitholders (the previous position being only *prior written notice* was required to be given to the Trustee and having regards to the *interests* of the Unitholders);
    - (ii) additional disclosure that the Manager will *review prolonged suspension of dealings and take all necessary steps to resume normal operations as soon as possible following a suspension*; and
    - (iii) additional disclosure that the Manager shall *immediately notify the SFC* following a suspension;
  - (g) updates to the information which will be provided to Unitholders, including financial reports;
  - (h) enhanced disclosure on the procedures on calling a meeting and voting rights of Unitholders;
  - (i) updates to instances of when the Manager may be subject to removal by written notice from the Trustee, to reflect that the Manager (through its holding of Units) may now be counted when voting on a request to dismiss the Manager (the previous position being the Manager was excluded from voting); and
  - (j) new disclosure on the handling of unclaimed proceeds upon termination of the Trust of the Fund, to provide that at the expiration of 12 months from the date on which the

proceeds were to be distributed, any unclaimed proceeds or cash held by the Trustee at such time shall be paid into court, as well as updates to the information which will be provided to Unitholders in relation to such proposed termination.

As some of the changes introduced are as a result of the enhanced disclosure requirements to comply with the UT Code, which codifies the existing requirements or practices of the Manager and/or Trustee, the Manager does not consider these changes to materially affect the existing obligations of the Manager and the Trustee, the investment methodology or the overall operation of the Sub-Funds.

The KFS has also been updated to reflect any consequential changes made to the Explanatory Memorandum.

The trust deed of the Trust, as amended by supplemental deeds dated 7 December 2017 and 14 November 2018 has been amended by way of Supplemental Deed No. 3 to reflect the enhanced disclosure and content requirements under the UT Code. Supplemental Deed No. 3 also appends a form of the amended and restated trust deed which has consolidated the previous supplemental deeds.

## **2 Other changes**

The following changes have also been made to the Explanatory Memorandum:

- (a) new disclosure for applicants or Unitholders who wish to give instructions for subscription, redemption or conversion of Units by fax or other electronic means;
- (b) minor amendments to the disclosure on valuation of Investments; and
- (c) other minor cosmetic amendments for clarity and/or consistency purposes.

## **3 Ongoing charges figures in the KFS**

The footnote to the ongoing charges figures in the KFS for Japan Small Cap Equity Fund has been updated to reflect that the figures provided are the actual ongoing charges figures for the period of 2018.

Hard copies of the Explanatory Memorandum, the KFS of the Sub-Funds, the Trust Deed and all supplemental deeds are available for inspection at the Manager's office located at Suite 1901, The Centrium, 60 Wyndham Street, Central, Hong Kong (telephone number: +852 3468 5355) during normal office hours on each Business Day.

If you have any queries or concerns regarding the above change, please direct them to your financial adviser or contact the Manager at the address or telephone number mentioned above.

**China Post & Capital Global Asset Management Limited**

**31 December 2019**