This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the "Global Series" and "Premier-Choice Series" plans. The "Global Series" includes Global InvestPlan and Global InvestPlus. The "Premier-Choice Series" includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan.

General Updates to the Underlying Fund of the Investment Choices

- *Value Partners Classic Fund - "B" Unit (VPAFU)**
- *Value Partners Classic Fund - "C" Unit (VPCFU)*

**This investment choice is available in Premier-Choice Series only and has been closed for new subscription.*

As advised by Value Partners Hong Kong Limited, with effect from October 16, 2017, the explanatory memorandum of the underlying fund of the investment choices above has been amended by way of the third addendum to reflect additional disclosures and updates as summarised below:-

(i) enhanced disclosures in the sub-sections headed "Investment Objective and Policy", "Risk Factors", "Securities Lending", "Compulsory Redemption" and "Performance Fees" for compliance with the SFC's minimum disclosure requirements; and

(ii) updates to disclosures relating to the information of the manager, Stock Connects and PRC taxation.

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by MassMutual Asia Ltd. upon request, or visit our website (www.massmutualasia.com) to carefully read the details of the relevant documents in relation to the above change(s).

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Investment Choice Brochure or contact MassMutual Asia Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

Value Partners
Investing through discipline

Value Partners Hong Kong Limited
9th Floor, Nexxus Building,
41 Connaught Road Central, Hong Kong
Tel: (852) 2880 9263 Fax: (852) 2564 8487
Email: vpl@vp.com.hk

Important

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

Unless otherwise stated in this notice, capitalized terms used herein shall have the same meaning as defined in the Explanatory Memorandum of the Fund dated 29 April 2016, as amended by the First Addendum dated 21 September 2016 and the Second Addendum dated 5 December 2016 ("**Explanatory Memorandum**").

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 belief there are no other facts the omission of which would make any statement in this notice misleading as at the date of issuance.

16 October 2017

NOTICE TO UNITHOLDERS – VALUE PARTNERS CLASSIC FUND (the "Fund")

Dear unitholders,

We are writing to inform you of the following changes to the Fund. Unless otherwise specified, the relevant changes will take immediate effect from the date of this notice:

1. Addition of New Classes

Four additional classes of units, namely the "C" units MDis USD, "C" units MDis HKD, "C" units MDis RMB and "C" units MDis RMB Hedged, which may pay out distribution in accordance with the policy as set out in the Explanatory Memorandum will be added to the Fund.

2. Amendments to the Trust Deed

The Trust Deed of the Fund (the "**Trust Deed**") has been amended to reflect the distribution policy of the classes of units which may pay out distribution. Distribution in respect of any distribution period for such classes of units may be made to unitholders in such amount and at such frequency as the Manager may determine and may be payable out of the net distributable income or capital of the Fund.

The Trust Deed has also been amended to include all the key provisions required under the SFC's Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds.

3. General Updates

The Explanatory Memorandum will be amended by way of the Third Addendum to reflect additional disclosures and updates as summarised below:-

(i) enhanced disclosures in the sub-sections headed "**Investment Objective and Policy**", "**Risk Factors**", "**Securities Lending**", "**Compulsory Redemption**" and "**Performance Fees**" for compliance with the SFC's minimum disclosure requirements;

(ii) updates to disclosures relating to the information of the Manager, Stock Connects, PRC taxation, FATCA and distribution policy;

(iii) change of the Manager's website from "www.valuepartners.com.hk" to "www.valuepartners-group.com*";

(iv) the net asset value per unit of each class of the Fund will be published on every Dealing Day on the Manager's website www.valuepartners-group.com* instead of the South China Morning Post, Hong Kong Economic Journal and Hong Kong Economic Times or such other newspaper as notified to the investors; and

(v) notice of declaration of suspension shall be published as soon as may be practicable after any such declaration and at least once a month during the period of such suspension on the Manager's website www.valuepartners-group.com*.

The latest Explanatory Memorandum (as amended by the Third Addendum) and updated Product Key Facts Statement are now available on our website (www.valuepartners-group.com)* and for your inspection at the Manager's office during normal business hours (except on Saturdays, Sundays and public holidays).

The latest Trust Deed, as amended, is also available for your inspection free of charge at the Manager's office during normal business hours (except on Saturdays, Sundays and public holidays).

If you have any questions relating to the above, please contact our Fund Investor Services Team at (852) 2143 0688 or email us at FIS@vp.com.hk. We would like to take this opportunity to thank you for your valuable support and we look forward to be of continued service to you.

Value Partners Hong Kong Limited

* This website has not been reviewed or authorized by the SFC.

Value Partners
Investing through discipline

VALUE PARTNERS CLASSIC FUND (the "Fund")
THIRD ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated 29 April 2016, as amended by the First Addendum dated 21 September 2016 and the Second Addendum dated 5 December 2016 ("**Explanatory Memorandum**"). The changes made to the Explanatory Memorandum by this Addendum shall take effect on 16 October 2017, unless otherwise stated herein.*

All capitalized terms used in this Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. Value Partners Hong Kong Limited, the Manager of the Fund, accepts full responsibility for the accuracy of the information contained in this Addendum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of issuance.

The Explanatory Memorandum will hereby be amended as follows:

(A) Update of Information of the Manager

1. The first paragraph under the sub-section headed "**Manager**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS**" on page 8 shall be deleted in its entirety and replaced by the following:-

   "Value Partners Hong Kong Limited (the "**Manager**") was incorporated in Hong Kong on 10 May 1999 and commenced its current operations in January 2008. It is licensed by the SFC for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO."

(B) Updates in relation to Stock Connects

1. Under the heading entitled "***Eligible Securities***" of the sub-section headed "**Stock Connects**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**", the expression "which are included in the "risk alert board"" under the respective sub-headings headed "(i) Shanghai-Hong Kong Stock Connect" and "(ii) Shenzhen-Hong Kong Stock Connect" on page 13 (as amended by the Second Addendum) shall be deleted and replaced with the expression "which are under risk alert".

2. The paragraphs under the heading entitled "***Corporate Actions and Shareholders' Meetings***" under the sub-section headed "**Stock Connects**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 14-15 (as amended by the Second Addendum) shall be deleted in their entirety and replaced with the following:-

   "Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("**CCASS participants**") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions."

3. The paragraphs under the heading entitled "*b) A shares via the Stock Connects*" under the risk factor headed ***"Mainland China Tax Risk (Continued)***" under the sub-section headed "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 32 (as amended by the Second Addendum) shall be deleted in their entirety and replaced with the following:-

"b) *A shares via the Stock Connects*

Dividends

Pursuant to the "Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) ("**Notice No. 81**") and "Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No. 127) ("**Notice No. 127**") promulgated by the MoF, the SAT and the CSRC, the Fund is subject to WIT at 10 per cent on dividends received from A shares traded via the Stock Connects.

Capital gains

Pursuant to Notice No. 81 and Notice No. 127, Mainland China CIT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Fund) on the trading of A shares through the Stock Connects. **Based on Notice No. 81 and Notice No. 127 and having consulted professional and independent tax advisor, no provision for gross realised or unrealised capital gains derived from trading of A shares via the Stock Connects is made by the Manager on behalf of the Fund.**

The Manager will assess the capital gains tax provisioning approach on an on-going basis. Should the Mainland China tax policies in respect of the capital gains tax change, the Manager may decide to set aside a provision to meet any potential capital gains tax liability in the future.

The tax laws, regulations and practice in the Mainland China are constantly changing, and they may be changed with retrospective effect. Any increased tax liabilities on the Fund may adversely affect the Fund's value."

(C) Changes to Mainland China Tax Disclosures

1. The paragraphs under the heading entitled "(iii) A Shares via the Stock Connects" under the sub-heading entitled "*Capital gains (Continued)*" under the heading entitled "***Mainland China Corporate Income Tax ("CIT") (Continued)***" under the sub-section headed "**Mainland China (Continued)**" of the section headed "**TAXATION (Continued)**" on

page 71 (as amended by the Second Addendum) shall be deleted in their entirety and replaced with the following:-

"(iii) A shares via the Stock Connects

Pursuant to the Notice No. 81 and Notice No. 127, Mainland China CIT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Fund) on the trading of A shares through the Stock Connects. **Based on Notice No. 81 and Notice No. 127 and having consulted professional and independent tax advisor, no provision for gross realised or unrealised capital gains derived from trading of A shares via the Stock Connects is made by the Manager on behalf of the Fund.**

The Manager will assess the capital gains tax provisioning approach on an on-going basis. Should the Mainland China tax policies in respect of the capital gains tax change, the Manager may decide to set aside a provision to meet any potential capital gains tax liability in the future."

2. The third paragraph under the heading "**Value Added Tax ("VAT") and other surtaxes**" under the sub-section headed "**Mainland China (Continued)**" of the section headed "**TAXATION (Continued)**" on page 73 (as amended by the Second Addendum) shall be deleted in its entirety and replaced with the following:-

   "Based on the prevailing VAT regulations, capital gains derived by (i) QFIIs / RQFIIs on trading of marketable securities and (ii) investors via the Stock Connects are exempted from VAT. Therefore, to the extent that the Fund's key investments (such as A shares through the Stock Connects, CAAPs, A Share CIS) are conducted through these channels, either by the Fund directly or via CAAP / CIS issuers, the capital gains should be exempted from VAT."

3. The last paragraph under the heading "**Value Added Tax ("VAT") and other surtaxes**" under the sub-section headed "**Mainland China (Continued)**" of the section headed "**TAXATION (Continued)**" on page 73 (as amended by the Second Addendum) shall be deleted in its entirety and replaced with the following:-

   "In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities. The applicable levies depend on the location where VAT filing (if required) is done."

(D) Updates in relation to Minimum Disclosure Requirements

1. The paragraphs under the sub-section headed "**Investment Objectives and Policies**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 11-12 shall be deleted in its entirety and replaced with the following:-

   "The investment objective of the Fund is to achieve consistent superior returns through an investment discipline that places emphasis on the fundamental value of potential investments. The Manager seeks to select stocks which it believes are being traded at deep discounts to their intrinsic values.

   The Fund will concentrate on investing in the markets of the Asia Pacific region. There are no fixed geographical or sectoral or industry weightings in the allocation of assets in the Fund. The Manager does not attempt to follow benchmark indices in determining the geographical, sectoral or industry weighting of the Fund. The Manager may make large investments in a relatively small number of stocks.

The Fund will invest at least 70 per cent. of its net asset value in equity securities. The Fund may invest in equity securities issued by companies of any market size and in such proportions as the Manager deems appropriate. Equity securities that the Fund may invest in include but are not limited to listed equities, real estate investment trusts ("**REITs**"), and Exchange Traded Funds ("**ETFs**"). The Fund may invest less than 30 per cent. of its net asset value in each of the following types of securities, namely, REITs and ETFs, in accordance with the requirements under the Code on Unit Trusts and Mutual Funds (the "**Code**").

In addition to equity securities, the portfolio may from time to time include cash, deposits, short-term papers such as treasury bills, certificates of deposit, bankers' acceptances, short-term commercial paper and other fixed income instruments. However, the Fund will not invest more than 10 per cent. of its net asset value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade. The Manager may also place a substantial portion of the portfolio in cash or cash equivalents and may invest up to 30 per cent. of the Fund's net asset value in collective investment schemes (including those managed or offered by the Manager or its Connected Persons (as defined below in the section headed "Conflicts of Interest")) to the extent permitted by the Code. Under exceptional circumstances (e.g. market crash or major crisis), the Fund may be invested temporarily up to 100 per cent. in liquid assets such as deposits, treasury bills, certificates of deposit, short-term commercial papers for cash flow management. The Fund may also invest in commodities, futures, options, warrants, equity-linked notes and other financial instruments to the extent permitted by the Code and the provisions set out under the section headed "Investment Restrictions".

The Fund's exposure to A shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "**Stock Connects**") (as further described in the section under the heading "The Stock Connects" below), China A Shares Access Products ("**CAAPs**") (such as participatory notes, being listed or unlisted derivative instruments issued by a third party ("**CAAP Issuer**")) and collective investment schemes (including those managed or offered by the Manager or its Connected Persons) directly investing in A shares through qualified foreign institutional investors ("**QFIIs**") or Renminbi qualified foreign institutional investors ("**RQFIIs**") ("**A Shares CIS**") is subject to a maximum exposure of 20 per cent. of the Fund's total net asset value.

The aggregate exposure to investments in the Mainland China market such as A shares and B shares will not exceed 20 per cent. of the Fund's latest available net asset value.

A shares are shares listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi ("**RMB**") and which are available to such investors as approved by the China Securities Regulatory Commission.

B shares are shares listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in foreign currencies (US dollars on the Shanghai Stock Exchange and Hong Kong dollars on the Shenzhen Stock Exchange) and which are available to domestic and foreign investors.

The Fund will have limited exposure (i.e. less than 30 per cent. of its net asset value) to investments denominated in RMB. Assets denominated in RMB are valued with reference to the CNH rate (see the risk factor headed "Risks associated with RMB classes of units" for meaning of "CNH rate").

The value of the Fund's holding of securities issued by any single issuer will not exceed 10 per cent. of the total net asset value of the Fund. The Fund does not use securitized and structured finance instruments such as collateralised debt obligations, mortgage-backed securities, asset-backed securities and credit default swaps. Nor does the Fund intend to engage in repurchase and reverse repurchase transactions or other similar over-the-counter transactions. However, the Fund may enter into stock lending arrangements provided that the value of the securities to be loaned, together with the value of all other securities which are the subject of a loan by the Fund does not exceed 10 per cent. of its total net asset value. All investments are subject to the investment restrictions under the Trust Deed. Please refer to the section headed "Investment Restrictions" of this Explanatory Memorandum for details of the investment restrictions under the Trust Deed.

Subject to obtaining the prior consent of the Trustee, the Manager may make loans out of the assets of the Fund. In particular, such loans may take the form of an indirect participation or sub-participation in existing bank loans made to non-performing borrowers in countries such as Vietnam and North Korea, with a view to capitalise on any improvement in the credit standing of the relevant borrower or the implementation of any debt relief programme.

To the extent permitted by the Code and the provisions set out under the sub-section headed "Investment Restrictions", the Fund may, should the Manager consider it to be in the interests of the unitholders, invest in commodities, commodity futures contracts and financial futures contracts and write covered call options. However, the Manager would not ordinarily expect to utilize any of these investment techniques except to hedge against adverse political and economic developments and/or adverse movements in currency exchange rates or interest rates.

The Fund's portfolio is subject to market fluctuations and to the risks inherent in all investments and markets. As a result, the price of units of each class may go down as well as up."

2. The risk factor headed "***Equity Risk***" under the sub-section "**Risk Factors**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 17 shall be deleted in its entirety and replaced with the following:-

   "***Equity Market Risk***

   Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value. The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors."

3. The first paragraph under the risk factor headed "***Investment Risk***" under the sub-section "**Risk Factors**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES**

AND RESTRICTIONS (Continued)" on page 17 shall be deleted in its entirety and replaced with the following:-

"There is no guarantee that in any time period, particularly in the short term, the Fund's portfolio will achieve any capital growth or even to maintain its current value. Investors should be aware that the value of units may fall due to any of the risk factors described in this section as well as rise. Investor's investment in the Fund may suffer losses. There is no guarantee of the repayment of principal."

4. The following risk factor shall be inserted after the risk factor headed "***Investment Risk***" under the sub-section "**Risk Factors**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 17:-

"***Risk associated with Small-capitalisation / Mid-capitalisation Companies***

The stock of small-capitalisation/ mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general."
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5. The paragraphs under the risk factor headed "***Emerging Markets Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 20 shall be deleted in their entirety and replaced with the following:-

"Investments may be made by the Fund in the emerging markets like Mainland China and may be subject to increased risks, additional risks and special considerations not typically associated with investment in more developed markets due to less developed (and in some instances, a lack of) legal, political, business and social frameworks to support their securities markets. Some of the significant additional risks in investing in emerging markets include:

– delays in settling securities transactions and registering transfers of securities
– risk of loss arising out of systems of share registration and custody
– lesser investor protection due to low levels of monitoring of the activities in securities markets
– higher risk of political, economic and social uncertainty
– volatility of emerging market currencies against developed market currencies
– higher volatility and lesser liquidity compared to developed markets
– unforeseen development of new laws which have a negative impact on the value of investments
– shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws
– difficulties in enforcement actions
– currency risks/control
– taxation

These factors make investments in emerging markets generally more volatile than investments in developed markets, which may result in a declining net asset value and may impair the Fund's liquidity.

Risk associated with High Volatility of the Equity Market in Emerging Markets

High market volatility and potential settlement difficulties in the emerging markets may also result in significant fluctuations in the prices of the securities traded in such markets and thereby may adversely affect the value of the Fund.

Risk associated with Regulatory / Exchanges Requirements / Policies of Emerging Markets

Securities exchanges in emerging markets typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund."

6. The paragraph under the risk factor headed "***Geographic Concentration Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 21 shall be deleted in its entirety and replaced with the following:-

"The Fund's investments are concentrated in the Asia Pacific region. The Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the countries in which it invests. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the countries in which the Fund invests."

7. The following risk factor shall be inserted after the risk factor headed "***Geographic Concentration Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 21:

"***Concentration Risk***

The Fund's investments may be concentrated in specific industry sectors or a small number of stocks. The value of the Fund may be more volatile than that of a Fund having a more diverse portfolio of investments."

8. The risk factor headed "***Liquidity Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" and the paragraphs under such heading on page 21-22 shall be deleted in their entirety and replaced with the following:

"***Volatility and Liquidity Risk***

It is possible that there may be no liquidity or no bid or offer prices or no reliable bid or offer prices quoted for certain securities that the Fund may invest in, in particular debt securities and securities that are not listed on a recognised stock exchange. The debt securities in certain emerging markets in the Asia Pacific region may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs. It may be difficult to determine the appropriate valuation of such investments and the Fund's ability to sell or liquidate investments at favourable times or for favourable prices may be restricted.

Volatility and Liquidity Risk (Continued)

A shares may be subject to trading bands which restrict increases and decreases in the trading price. If the trading price of any A shares has increased or decreased to the extent beyond the trading band limit during the day, trading in the A shares on the relevant stock exchange may be suspended. The Fund if investing through the Stock Connects, CAAP Issuers and A Shares CIS will be prevented from trading A shares when they hit the trading band limit. If this happens on a particular trading day, the Fund, CAAP Issuers and A Shares CIS may be unable to trade A shares. As a result, the liquidity of A shares, the CAAPs and A Shares CIS may be adversely affected. This may in turn affect the value of the Fund's investments."

9. The paragraph under the risk factor headed "***Currency Exchange Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 21 shall be deleted in its entirety and replaced with the following:-

   "The Fund is denominated in US dollars. Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. Also, a class of units may be designated in a currency other than the base currency of the Fund. The performance of the assets of the Fund may be affected unfavourably by movements in the exchange rates between the currencies in which the assets are held and US dollars, and any changes in exchange control regulations which may cause difficulties in the repatriation of funds. The Fund may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective and may even be counterproductive due to the foreign exchange controls in the Mainland China. On the other hand, failure to hedge foreign currency risks may result in the Fund suffering from exchange rate fluctuations."

10. The first paragraph of the risk factor headed "***Credit Risk***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 23 shall be deleted in its entirety and replaced with the following:-

    "The Fund may invest in securities which are rated below investment grade or unrated. The Fund may be subject to additional risks due to the speculative nature of investing in securities with a rating below investment grade. Accordingly, an investment in these securities may be accompanied by a higher degree of credit risk (as defined below), lower liquidity and higher volatility than is present with investment in higher rated, lower yielding securities. Below investment grade securities such as, for example, high yield debt securities, may be considered speculative and can include securities that are unrated and/or in default."

11. The following risk factors shall be inserted after the risk factor headed "***Credit Risk (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 24:-

    "***Downgrading Risk***

    The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

    Sovereign Debt risk

    The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

Valuation Risk

Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.

Credit Rating Risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times."

12. The first paragraph under the risk factor "***Equity Linked Notes and Other Derivative Instruments***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 26 shall be deleted in its entirety and replaced with the following:-

    "Risks associated with Derivative Instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. Compared to conventional securities, such as shares and debt securities, Derivative Instruments with leveraging effect (such as futures and warrants) can be more sensitive to changes in interest rates or to sudden fluctuations in market prices. As a result, a relatively small price movement in the value of the underlying asset of such Derivative Instrument may result in immediate and substantial loss (or gain) to the Fund. The leverage element/ component of a Derivative Instrument and adverse changes in the value or level of the underlying asset, rate or index can result in a loss significantly greater than the amount invested in the Derivative Instrument by the Fund. Exposure to Derivative Instruments may lead to a high risk of significant loss by the Fund, and the Fund's losses may be greater than if it invests only in conventional securities such as shares and debt securities. The exposure of the Fund to Derivative Instruments is subject to the applicable investment restrictions set out in this Explanatory Memorandum."

13. The paragraph of the risk factor headed "***Performance Fee (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 27 shall be deleted in its entirety and replaced with the following:-

    "There is no equalisation arrangement in respect of the calculation of the performance fees. As there is no adjustment of equalisation credit or equalisation losses on an individual unitholder basis, a unitholder may incur a performance fee notwithstanding the unitholder may have suffered a loss in investment in the units (e.g. a unitholder will be disadvantaged if he subscribes to the Fund during a performance period when the net asset value per unit is above the High Water Mark and redeems prior to or at the end of such performance period when the net asset value per unit at the time of redemption has decreased but remains above High Water Mark. Under such circumstances, he has paid the performance fee despite of a loss). On the other hand, a unitholder may not be subject to any performance fee notwithstanding the unitholder concerned may have realised a gain in investment in the units."

14. The paragraphs of the risk factor headed "***Risks of Investing in Other Collective Investment Schemes***" under the sub-section "**Risk Factors (Continued)**" of the section

headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 27 shall be deleted in their entirety and replaced with the following:-

"The underlying schemes in which the Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Fund's redemption requests as and when made.

Investment decisions of the underlying schemes are made at the level of such schemes. There can be no assurance that (i) the selection of the managers of the underlying schemes will result in an effective diversification of investment styles and that positions taken by the underlying schemes will always be consistent; and (ii) the investment objective and strategy of the underlying schemes will be successfully achieved.

The Fund bears the fees payable to the Manager and its other service providers, as well as, indirectly, a proportionate share of the fees paid by the underlying schemes to their managers and the service providers of the underlying schemes (such as subscription fee, redemption fee, management fee and other costs and charges payable to the managers and service providers of the underlying schemes). For the avoidance of doubt, where the Fund invests into an underlying scheme managed by the Manager or any of its Connected Persons, all initial charges on such underlying scheme will be waived. Further, the Manager will not obtain a rebate on any fees or charges levied by the underlying scheme or its manager."

15. The third paragraph of the risk factor headed "***Risk Associated with the Stock Connects***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 35 (as amended by the Second Addendum) shall be deleted in their entirety and replaced with the following:-

    "Suspension risk – Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, the Fund's ability to invest in A shares or access the Mainland China market will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected."

16. The third paragraph of the risk factor headed "***Risk Associated with the Stock Connects***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 39 (as amended by the Second Addendum) shall be deleted in its entirety and replaced with the following:-

    "It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connects will not be abolished. The Fund, which may invest in the Mainland China stock markets through the Stock Connects, may be adversely affected as a result of such changes."

17. The first and second paragraphs of the risk factor headed "***Risks Associated with RMB classes of units (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 40 shall be deleted in their entirety and replaced with the following:-

"The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of the RMB could adversely affect the value of investors' investments in the RMB classes of units. If investors are non RMB-based (e.g. Hong Kong) investors and convert other currencies into RMB so as to invest in the RMB classes of units and subsequently convert the RMB redemption proceeds back into other currencies, they may incur currency conversion costs and may suffer a loss if RMB depreciates against such other currencies.

In addition, under the current regulations, the rate at which RMB may be exchanged outside the Mainland China (in the case of Hong Kong, the "CNH" rate) may be different from the exchange rate within the Mainland China (the "CNY" rate) and such divergence may increase due to supply and demand. When calculating the value of the RMB classes of units, namely "C" units RMB, "C" units RMB Hedged, "C" units MDis RMB and "C" units MDis RMB Hedged, reference to the CNH rate rather than the CNY rate will be made and the value of the RMB classes of units thus calculated will be affected by fluctuations in the CNH rate. While the CNH rate and the CNY rate represent the same currency, they are traded at different rates and in different and separate markets which operate independently. As such, the CNH rate does not necessarily have the same exchange rate and may not move in the same direction as the CNY rate. Any divergence between the CNH rate and the CNY rate may adversely impact investors."

18. The third and fourth paragraphs of the risk factor headed "***Risks Associated with RMB classes of units (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 41 shall be deleted in their entirety and replaced with the following:-

    "It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and restrictions of the Chinese government. The Chinese government's policies on exchange control and repatriation restrictions are subject to change and the investors' investment in the RMB classes of units may be adversely affected.

    Under exceptional circumstances, payment of redemption proceeds and/ or distributions in RMB may be delayed due to the exchange controls and restrictions applicable to RMB. The PRC government's imposition of restrictions on the repatriation of RMB out of Mainland China may limit the depth of the RMB market outside the Mainland China and make it impossible for the Fund to hold sufficient amounts of RMB outside the Mainland China to meet redemption requests in RMB. Due to the exchange controls and restrictions applicable to RMB, the Fund may not be able to get sufficient amounts of RMB in a timely manner to meet redemption requests of the RMB classes of units as a substantial portion of its underlying investments are non-RMB denominated."

19. The following risk factors shall be inserted after the risk factor headed "***Equity Linked Notes and Other Derivative Instruments (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 26:-

    "***Risks relating to Investment in ETFs***

    Passive investments

The ETFs that the Fund invests in may not be "actively managed" and the managers of such ETFs do not have the discretion to adapt to market changes due to the inherent investment nature of such ETFs. Therefore, when there is a decline in the underlying index of the ETFs, the ETFs will also decrease in value, which may adversely affect the value of the Fund.

Tracking error risk

Due to fees and expenses of an ETF that the Fund invests in, liquidity of the market and different investment strategies adopted by the manager of the ETF, the ETF's return may deviate from that of the underlying index. Although the manager of the ETF will monitor and seek to manage such risk in minimising tracking error, there can be no assurance of exact or identical replication at any time of the performance of the underlying index.

Trading risk

Generally, the Fund can only buy or sell units/shares of an ETF on any securities exchange. The trading price of units/shares of an ETF on a securities exchange is driven by market factors such as the demand and supply of such units/shares. Therefore, such units/shares may trade at a substantial premium or discount to the relevant ETF's net asset value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell units/shares of an ETF on a securities exchange, the Fund may pay more than the net asset value per unit/share when buying units/shares of an ETF on a securities exchange, and may receive less than the net asset value per unit/share when selling units/shares of an ETF on a securities exchange.

Trading differences risk

As the relevant stock exchanges may be open when units/shares in an ETF that the Fund invests in are not priced, the value of the securities in the relevant ETF's portfolio may change on days when investors like the Fund will not be able to purchase or sell the ETF's units/shares.

Differences in trading hours between the relevant stock exchanges and the stock exchange on which an ETF is listed may also increase the level of premium or discount of the unit/share price to the net asset value of an ETF, which in turn, may affect the value of the Fund.

Termination risk

The ETFs that the Fund invests in may be terminated early under certain circumstances, for example, where the underlying index is no longer available for benchmarking or if the size of the relevant ETF falls below a pre-determined threshold as set out in the constitutive documents and offering documents. Investors like the Fund may not be able to recover its investments and suffer a loss when the relevant ETF is terminated.

Reliance on market maker risk

Although the manager of an ETF that the Fund invests in will ensure that there will be market making arrangement in place, there is no guarantee that any market making activity will be effective. Also, liquidity in the market for the units/shares of the relevant ETF may be adversely affected if there is no or only one market maker for the relevant ETFs.

Risks relating to REITs

The prices of REITs are affected by changes in the value of the underlying properties owned by the REITs and may subject the Fund to risks similar to those from direct ownership of real property.

Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate markets or other conditions.

Returns from REITs are dependent on management skills in managing the underlying properties. REITs are subject to risk of defaults by borrowers or tenants. In the event of a default, a REIT may experience delays in enforcing its rights and may suffer losses as a result.

Risks relating to Dim Sum Bond

"Dim Sum" bonds are bonds issued outside of Mainland China but denominated in RMB. The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

Risks relating to Securities Lending Transactions

Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out."

20. The first paragraph of the sub-section headed "**Securities Lending**" under the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 48-49 shall be deleted in its entirety and replaced with the following:-

"The Trustee may, at the request of the Manager, arrange for any securities for the time being comprised in the Fund to be loaned by, or securities to be loaned to, the Fund through the agency of or directly with any person acceptable for the purpose to the Trustee (including the Manager or the Trustee or any Connected Person of either of them) provided that:

(a) the relevant securities lent must be fully paid-up shares listed on internationally organised securities markets on which such securities are regularly traded;

(b) the consideration given for the relevant securities must exceed the value of such securities at any one time on daily marked to market values;

(c) any incremental income earned from any securities lending arrangement may be split between the Fund and any security lending agent in such proportion as the Manager may determine in each case, provided that the amount payable to any security lending agent should not exceed 30% of such incremental income; income accruing to the

Fund, after deduction of any fees or commission payable will be credited to the account of the Fund and such income will be disclosed in its annual financial reports;

(d) where any loan has been arranged through the Manager or the Trustee or a Connected Person of either of them, the relevant entity shall be entitled to retain for its own use and benefit any fee or benefit it receives on a commercial basis in connection with such arrangement provided that at least 70 per cent. of any incremental income earned from securities lending must be accrued to the Fund. Any fee or benefit received by the relevant entity will be disclosed in the connected party transaction section of the Fund's annual financial reports;

(e) the counterparties' financial standings must be equivalent to at least A2/P2 (either based on reputable credit rating agencies or in the opinion of the Manager);

(f) the value of the securities to be loaned, together with the value of all other securities which are the subject of a loan must not exceed 10 per cent. of the net asset value of the Fund (calculated on the immediate preceding Dealing Day or being the latest available value);

(g) no more than 50 per cent. of the securities of the same issue, or of the same kind (by value) held under the Fund may be the subject of any securities lending at any one time; and

(h) collateral in such amount and in such form as prescribed by the Manager from time to time, which will be cash or liquid securities with value greater than or equal to the value of the securities lent, has been provided by the borrower."

21. The paragraph of the sub-section headed "**Compulsory Redemption (Continued)**" under the section headed "**ISSUE AND REDEMPTION OF UNITS (Continued)**" on page 59 shall be deleted in its entirety and replaced with the following:-

"If it comes to the notice of the Manager that any units are so held by such a person, the Manager may give notice to such person requiring the redemption or transfer of such units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning units in breach of any such restriction is required either to deliver to the Fund a written request for redemption of his units in accordance with the Trust Deed or to transfer his units to a person who would not thereby be a non-qualified person. If any unitholder upon whom such a notice is served pursuant to the Trust Deed does not, within 30 days of such notice, transfer or redeem such units as aforesaid or establish to the satisfaction of the Manager who will be acting in good faith and on reasonable grounds (whose judgment shall be final and binding) that such units are not held in contravention of any such restrictions he shall be deemed upon the expiry of the 30-day period to have given a request in writing for the redemption of all such units."

22. The paragraphs of the sub-section headed "**Performance Fee**" under the section headed "**FEES AND EXPENSES (Continued))**" on page 78-79 shall be deleted in their entirety and replaced with the following:-

"(a) *Performance fee in respect of "A" units and "B" units*

The Manager is entitled to receive a performance fee out of the assets of the Fund in respect of any financial year for "A" units and "B" units.

Performance fee calculation

Performance fee is payable annually on a high-on-high basis (i.e. when the net asset value per undivided share as at the last Dealing Day of a performance period exceeds the High Water Mark (as defined below)) in accordance with the following formula:

(A-B) x C x D

where:

“A” is the net asset value per undivided share (before deduction of any provision for the performance fee) as at the last Dealing Day of a performance period.

“B” is the **High Water Mark**, which is the higher of:

(i) the initial issue price; and
(ii) the net asset value per undivided share on the last Dealing Day of the last performance period in respect of which a performance fee was paid to the Manager (after deduction of all fees including any performance fee).

Where a performance fee is payable for a performance period, the net asset value per undivided share (after deduction of performance fee) on the last Dealing Day of that performance period will be set as the High Water Mark for the next performance period.

“(A-B)” means the outperformance of the net asset value per undivided share, i.e. the amount by which the increase in net asset value per undivided share during the relevant performance period exceeds the High Water Mark.

“C” is the rate of performance fee payable (i.e. 15%).

“D” is the average number of undivided shares represented by all the units for “A” units and “B” units in issue immediately after each Dealing Day in the relevant performance period, calculated by adding the total number of undivided shares in issue immediately after each Dealing Day of the relevant performance period divided by the total number of Dealing Days in such performance period.

Each performance period corresponds to the financial year of the Fund.

Any performance fee payable shall be paid to the Manager as soon as practicable after the end of the relevant performance period.

The performance fee payable to the Manager in respect of “A” units and “B” units shall be apportioned between “A” units and “B” units in accordance with the aggregate number of undivided shares represented by all units in each class of “A” units and “B” units respectively on the immediately preceding Dealing Day in the relevant financial year.

(b) Performance fee in respect of “C” units, “C” units – Hedged and “Z” units

The Manager is entitled to receive a performance fee out of the assets of the Fund for “C” units, “C” units – Hedged and “Z” units.

Performance fee calculation

Performance fee is payable annually on a high-on-high basis (i.e. when the net asset value per unit as at the last Dealing Day of a performance period exceeds the High Water Mark (as defined below)) in accordance with the following formula:

(A-B) x C x D

where:

"A" is the net asset value per unit (before deduction of any provision for the performance fee including any distribution which has been declared or paid during the relevant performance period) as at the last Dealing Day of a performance period.

"B" is the **High Water Mark**, which is the higher of:

(i) the initial issue price; and
(ii) the net asset value per unit on the last Dealing Day of the last performance period in respect of which a performance fee was paid to the Manager (after deduction of all fees including any performance fee and any distribution declared or paid in respect of that preceding performance period).

Where a performance fee is payable for a performance period, the net asset value per unit (after deduction of performance fee and any distribution declared or paid in respect of that preceding performance period) on the last Dealing Day of that performance period will be set as the High Water Mark for the next performance period.

"(A-B)" means the outperformance of the net asset value per unit, i.e. the amount by which the increase in net asset value per unit during the relevant performance period exceeds the High Water Mark.

"C" is the rate of performance fee payable (i.e. 15%).

"D" is the average number of each of "C" units, "C" units - Hedged and "Z" units in issue immediately after each Dealing Day in the relevant performance period, calculated by adding the total number of units of each of "C" units, "C" units - Hedged and "Z" units in issue immediately after each Dealing Day of the relevant performance period divided by the total number of Dealing Days in such performance period.

Each performance period corresponds to the financial year of the Fund.

Any performance fee payable shall be paid to the Manager as soon as practicable after the end of the relevant performance period.

The total amount of performance fee that is payable to the Manager shall be the aggregate of performance fees calculated in respect of each class of units in the Fund.

Performance fee accrual

The performance fee shall be accrued on each Dealing Day throughout a performance period. If the net asset value per undivided share/unit exceeds the High Water Mark, a performance fee accrual will be made. If not, no performance fee accrual will be made. On each Dealing Day, the accrual made on the previous Dealing Day will be reversed and a new performance fee accrual will be calculated and made in accordance with the above. If the net asset value per undivided share/unit on a Dealing Day is lower than or equal to the

High Water Mark, all provision previously accrued performance fee will be reversed and no performance fee will be accrued.

The price of units subscribed for or redeemed during a performance period will be based on the net asset value per unit (after accrual of performance fee as calculated in accordance with the above). Depending upon the performance of the Fund during the year, the price at which unitholders subscribe for or redeem units at different times will be affected by performance of the Fund and this could have a positive or negative effect on the performance fee borne by them.

There is no equalisation arrangement in respect of the calculation of the performance fees. That means, there is no adjustment of equalisation credit or equalisation losses on an individual unitholder basis based on the timing the relevant unitholder subscribes or redeems the relevant units during the course of a performance period. The unitholder may be advantaged or disadvantaged as a result of this method of calculating the performance fee. A charge of performance fee may have been borne by a unitholder notwithstanding the unitholder concerned may have suffered a loss in investment in the units. On the other hand, a unitholder may not be subject to any performance fee notwithstanding the unitholder concerned may have realised a gain in investment in the units.

For instance, a unitholder will be advantaged if he subscribes to the Fund during a performance period when the net asset value per undivided share/unit is below the High Water Mark, and redeems prior to the end of such performance period when the net asset value per undivided share/unit has increased up to but does not exceed the High Water Mark at the time of his redemption, and thus, no performance fee is payable even though he has made a profit.

Likewise, a unitholder will be disadvantaged if he subscribes to the Fund during a performance period when the net asset value per undivided share/unit is above the High Water Mark and redeems prior to or at the end of such performance period when the net asset value per undivided share/unit at the time of redemption has decreased but remains above High Water Mark. Under such circumstances, he has paid the performance fee despite of a loss.

The Manager may, in its absolute discretion, waive or reduce, share with or rebate to any person(s) by or through whom the units are offered for subscription, the payment of all or any portion of the preliminary charge, redemption charge, management fee and/or performance fee received by the Manager. Such persons may retain such charges for their own use and benefit by agreement between the Manager and such persons.

Illustrative examples

The examples below are shown for illustration purposes only and may contain simplifications.

Assumptions:

- The initial issue price for the relevant unit is US$10.
- The performance fee payable is 15% of the increase in the net asset value per unit during a performance period above the High Water Mark (i.e. outperformance of net asset value per unit).

(I) First performance period (net asset value per unit above High Water Mark at the end of performance period – performance fee payable)

Investor A subscribes for one unit during the initial offer period at the initial issue price. Thereafter, Investor B subscribes for one unit mid-way through the first performance period at an issue price of US$12. High Water Mark is the initial issue price, which is US$10.

By the end of the first performance period, the net asset value per unit (before deducting performance fee accrual) is US$11. The outperformance of net asset value per unit is thus US$1. The average number of units in issue on this Dealing Day is 1.5 units.

The total performance fee payable by the Fund would be calculated as:
(US$11 – US$10) x 15% x 1.5 units = US$0.23.

At the end of the first performance period, the net asset value per unit will be reduced by US$0.12 (i.e. US$0.23 / 2 units). In effect, each of Investors A and B will have borne the US$0.12 performance fee in respect of the first performance period.

(II) Second performance period (net asset value per unit below High Water Mark on a particular Dealing Day – no performance fee accrual; net asset value below High Water Mark at the end of performance period – no performance fee payable):

At the start of the second performance period, the High Water Mark is US$10.88 (being the net asset value per unit at the end of the last performance period in respect of which a performance fee was paid (after deduction of performance fee)).

Mid-way through the second performance period, the net asset value per unit is US$9.85. Investor A redeems his unit. Investor C subscribes for one unit. On this Dealing Day, the net asset value per unit is below the High Water Mark. Therefore, no performance fee is accrued in respect of the unit redeemed by Investor A.

At the end of the second performance period, the net asset value per unit becomes US$10.50. No performance fee is payable in the second performance period as the net asset value per unit at the end of performance period is below the High Water Mark. Although Investor C had a gain in this period, no performance fee is charged."

(E) Updates to FATCA Disclosures

1. The paragraph of the risk factor headed "***Foreign Account Tax Compliance***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 43 shall be deleted in its entirety and replaced with the following:-

   "Subject to the discussion regarding the IGA below, sections 1471 – 1474 (referred to as "**FATCA**") of the U.S. Internal Revenue Code of 1986, as amended ("**IRS Code**") impose rules with respect to certain payments to non-United States persons, such as the Fund, including interest and dividends from securities of U.S. issuers and gross proceeds from the sale of such securities. All such payments (referred to as "**withholdable payments**") may be subject to withholding at a 30% rate (currently applicable to payments of U.S. source dividends and interest, and beginning on or after 1 January 2019 with respect to gross proceeds), unless the recipient of the payment satisfies certain requirements intended to enable the U.S. Internal Revenue Service ("**IRS**") to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an "**FFI**"), such as the Fund (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an "**FFI Agreement**") with the IRS and/or comply with the requirements imposed under an applicable intergovernmental agreement for the implementation of FATCA (an "**IGA**") under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such United States persons to the IRS."

2. The paragraphs of the risk factor headed "***Foreign Account Tax Compliance (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 44 shall be deleted in their entirety and replaced with the following:-

   "The FFI Agreement will also generally require that an FFI withhold U.S. tax at a rate of 30% on certain payments to investors who fail to cooperate with certain information requests made by the FFI or on such payments made to investors that are FFIs that have not entered into an FFI Agreement with the IRS. On 13 November 2014, Hong Kong entered into an IGA for the implementation of FATCA, adopting a "Model 2" IGA arrangement. Under this "Model 2" IGA arrangement, FFIs in Hong Kong (such as the Fund) would be required to register with the IRS and comply with the terms of an FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant U.S.-sourced payments they receive.

   As an IGA has been entered into between Hong Kong and the U.S., FFIs in Hong Kong (such as the Fund) complying with the FFI Agreement (i) will generally not be subject to the above described 30% withholding tax on payments they receive; and (ii) will not be required to withhold tax on withholdable payments to recalcitrant accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close those recalcitrant accounts (provided that information regarding such recalcitrant account is reported to the IRS pursuant to the provisions of the IGA), but may be required to withhold tax on withholdable payments made to non-compliant FFIs. Withholding may be required with respect to withholdable payments made to recalcitrant accounts if, pursuant to certain exchange of information provisions contained in the IGA, the IRS has not obtained information regarding such recalcitrant account holders within a time period specified in the IGA.

   The Fund has registered with the IRS as a reporting financial institution and agreed to comply with the requirements of the FFI Agreement. The Manager will endeavour to satisfy the requirements imposed under FATCA, the IGA and the FFI Agreement to avoid any withholding tax. In the event that the Fund is not able to comply with the requirements imposed by FATCA or the IGA, or the FFI Agreement and the Fund does suffer U.S. withholding tax on its investments as a result of non-compliance, the net asset value of the Fund may be adversely affected and the Fund may suffer significant loss as a result. In addition, prospective investors should note that underlying collective investment schemes in which the Fund invests may be required to satisfy their own FATCA compliance obligations, and failure by any underlying collective investment scheme to fully comply with its FATCA obligations may have an adverse impact on the net asset value of the Fund."

(F) Establishment of New Classes of Units

1. The third paragraph under the heading entitled "**Nature of Units**" of the section headed "**ISSUE AND REDEMPTION OF UNITS**" on page 51 shall be deleted in its entirety and replaced with the following:-

"The following classes of units are currently available for subscription:

1. "C" units USD
2. "C" units AUD Hedged
3. "C" units CAD Hedged
4. "C" units NZD Hedged
5. "C" units RMB
6. "C" units HKD Hedged
7. "C" units RMB Hedged
8. "Z" units"

2. The fifth paragraph under the heading entitled "**Nature of Units**" of the section headed "**ISSUE AND REDEMPTION OF UNITS**" on page 51 shall be deleted in its entirety and replaced with the following:-

   "The Manager has determined to create and establish the following new classes of units which are now available for subscription:

   1. "C" units MDis USD
   2. "C" units MDis HKD
   3. "C" units MDis RMB
   4. "C" units MDis RMB Hedged"

3. The fourth paragraph under the heading entitled "**Nature of Units (Continued)**" of the section headed "**ISSUE AND REDEMPTION OF UNITS (Continued)**" on page 52 shall be deleted in its entirety and replaced with the following:-

   "For the purpose of this Explanatory Memorandum,

   (a) "C" units RMB, "C" units USD, "C" units MDis USD, "C" units MDis HKD and "C" units MDis RMB are collectively referred to as ""C" units" whereas "C" units AUD Hedged, "C" units CAD Hedged, "C" units EUR Hedged, "C" units GBP Hedged, "C" units HKD Hedged, "C" units NZD Hedged, "C" units RMB Hedged, "C" units MDis RMB Hedged and "C" units SGD Hedged are collectively referred to as ""C" units – Hedged"; and

   (b) Class currency of "C" units USD, "C" units MDis USD and "Z" units is the United States dollars. Class currencies of "C" units AUD Hedged, "C" units CAD Hedged, "C" units EUR Hedged, "C" units GBP Hedged, "C" units NZD Hedged and "C" units SGD Hedged are Australian dollars, Canadian dollars, Euros, Pounds Sterling, New Zealand Dollars and Singapore Dollars respectively. Class currency of "C" units RMB, "C" units RMB Hedged, "C" units MDis RMB and "C" units MDis RMB Hedged is Renminbi. Class currency of "C" units HKD Hedged and "C" units MDis HKD is Hong Kong dollars."

4. The first paragraph under the heading entitled "**Nature of Units (Continued)**" of the section headed "**ISSUE AND REDEMPTION OF UNITS (Continued)**" on page 56 shall be deleted in its entirety and replaced with the following:-

   ""C" units MDis USD, "C" units MDis HKD, "C" units MDis RMB and "C" units MDis RMB Hedged will be initially issued at the following initial issue prices:

Class	Initial Issue Price per unit
"C" units MDis USD	USD10
"C" units MDis HKD	HKD10
"C" units MDis RMB	RMB10
"C" units MDis RMB Hedged	RMB10

"

(G) Distribution Out of Capital

1. The paragraph under the heading entitled "**Distribution Policy**" of the section headed "**GENERAL INFORMATION**" on page 81 shall be deleted in its entirety and replaced with the following:-

   "The Manager has the sole and absolute discretion to amend the distribution policy, subject to the SFC's prior approval (if applicable) and one month's prior notice to the relevant unitholders.

   In respect of all classes of units other than the Distribution Classes, it is the current intention of the Manager that distributions of income will not be made from the Fund. Any distributions that are made will be automatically reinvested in the subscription of further units in the Fund except where unitholders have requested otherwise.

   For Distribution Classes, it is the intention of the Manager to distribute the net distributable income attributable to the relevant Distribution Classes in respect of each accounting period, after charging the expenses attributable to these Distribution Classes respectively.

   It is the intention of the Manager to make distributions on a monthly basis or/and at such other time as the Manager may, after consultation with the Trustee, notify to unitholders. The Manager expects to be able to pay distributions from the net distributable income generated by the Fund from its investment but in the event that such net distributable income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital. Please also refer to the risk factors entitled "Distribution risk" and "Payment of distributions out of capital risk".

   For the purpose of this section, classes with suffix "MDis" are collectively referred to as "Distribution Classes".

   The composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and also on the Manager's website www.valuepartners-group.com[*].

   Unitholders may specify on subscription form that they wish to receive a cash distribution if a distribution is declared by the Manager. Provided, however, that distributions will not be paid in cash if the amount of the distribution for the relevant unitholder amounts to less than US$100 (or its equivalent in other currencies) or such other amount determined by the Manager from time to time. If unitholders do not request cash distributions or if the amount of the distribution payable to the relevant unitholder is less than the minimum amount specified as aforesaid, the distribution to which the unitholder is entitled will be reinvested in further units to be issued at the prevailing Issue Price of the relevant Distribution Class applicable on the Distribution Date.

[*] This website has not been reviewed or authorised by the SFC.

Any payment of distributions in cash will normally be paid by direct transfer or telegraphic transfer in the class currency of the relevant Distribution Class to the pre-designated bank account of the unitholder (at his risk and expense). No third party payments will be permitted.

Any distribution which is not claimed for six years will be forfeited and becomes part of the assets of the relevant class (and in case such relevant class has been terminated, the Fund)."

2. The following risk factors shall be inserted after the risk factor headed "***Foreign Account Tax Compliance (Continued)***" under the sub-section "**Risk Factors (Continued)**" of the section headed "**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS (Continued)**" on page 45:-

   "***Distribution Risk***

   The Manager intends to distribute the income (net of expenses) attributable to each Distribution Class in respect of each financial year. However, there is no assurance on such distribution or the distribution rate or dividend yield.

   Payment of Distributions out of Capital Risk

   Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital including realised and unrealised capital gains. Investors should note that the payment of distributions 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, as a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any such payments of distributions by the Fund may result in an immediate reduction in the net asset value per unit. Also, a high distribution yield does not imply a positive or high return on the total investment."

(H) Publication of Notice of Suspension

1. The following paragraph shall be inserted after the first paragraph under the sub-section headed "**Suspension and Limitation of Redemption (Continued)**" under the section headed "**ISSUE AND REDEMPTION OF UNITS (CONTINUED)**" on page 64:-

   "Whenever the Manager declares such a suspension it shall as soon as may be practicable after any such declaration notify the SFC of such suspension. Notice of declaration of suspension shall be published as soon as may be practicable after any such declaration and at least once a month during the period of such suspension on the Manager's website www.valuepartners-group.com[*]."

(I) Change of the Means of Publication of Net Asset Value

1. The second paragraph under the sub-section headed "**Calculation and Publication of Net Asset Value (Continued)**" under the section headed "**ISSUE AND REDEMPTION OF UNITS (CONTINUED)**" on page 67 shall be deleted in its entirety and replaced with the following:-

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[*] This website has not been reviewed or authorised by the SFC.

"The net asset value, i.e. the redemption prices (excluding the redemption charges, if any), per unit of each class is published on every Dealing Day on the Manager's website www.valuepartners-group.com*."

(J) Change of the Manager's Website

1. All references to the Manager's website "www.valuepartners-group.com.hk" shall be deleted in their entirety and replaced with "www.valuepartners-group.com*".

October 2017

* This website has not been reviewed or authorised by the SFC.