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

**IMPORTANT**

**TraHK**

Tracker Fund of Hong Kong

**TRACKER FUND OF HONG KONG**

**a Hong Kong unit trust authorized under**

**Section 104 of the Securities and Futures Ordinance (Cap 571) of Hong Kong**

**Stock Code: 2800**

## **NOTICE TO UNITHOLDERS**

### **U.S. Executive Order**

We, State Street Global Advisors Asia Limited, the manager (the "**Manager**") of Tracker Fund of Hong Kong ("**TraHK**"), are writing to inform you of the implication of the executive order 13959 signed by the President of the United States of America "Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies" on 12 November 2020 (the "**Executive Order**"). The Executive Order imposes sanctions targeting certain Chinese companies deemed to be affiliated with or supporting the Chinese military (each a "**sanctioned entity**") and prohibits any transaction by any United States person in publicly traded securities, U.S. or foreign funds (such as exchange-traded funds ("**ETFs**") or other mutual funds, regardless of such securities' share of the underlying index fund, ETF, or derivative thereof) that hold publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to such securities, of sanctioned entities. The full text of the Executive Order can be found at:

<https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-securities-investments-finance-communist-chinese-military-companies> \*.

The U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") has subsequently published Frequently Asked Questions regarding the Executive Order ("FAQ"). The full text of the FAQ can be found at: <https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/5671> \*.

### **Implication of the Executive Order to TraHK**

In light of the Executive Order, TraHK will not make any new investments in a sanctioned entity with effect from 11 January 2021 or such later date which is the effective date applicable to a sanctioned entity, which is consistent with guidance and/or licences published by OFAC. The list of sanctioned entities may be subject to OFAC's continuous update of the list of sanctions on its website: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions> \*.

### **Impact to Unitholders**

TraHK is designed to provide investment results that closely correspond to the performance of the Hang Seng Index (the "**Investment Objective**"). As disclosed in the Prospectus of TraHK, the Manager seeks to achieve the Investment Objective by investing all, or substantially all, of TraHK's assets in shares in the constituent companies of the Hang Seng Index in substantially the same weightings as they appear in the Hang Seng Index. If there is any significant deviation between the TraHK's portfolio and the composition and weighting of the Index, the Manager will adjust the TraHK's portfolio when it considers appropriate, after considering transaction costs and the impact, if any, on the market. It may not always be efficient to replicate identically the share composition of the Hang Seng Index. In addition, laws and regulations may require or restrict the Manager from effecting certain adjustments.

In accordance with the trust deed of TraHK, where replication of the composition and weighting of the Hang Seng Index is impracticable, the Manager, using its professional skill, care and judgement, will continue to strive to meet the Investment Objective to the best of its ability, taking into account all relevant market circumstances.

The Manager will monitor and seek to minimize the tracking error, however, there can be no assurance of identical replication at any time of the performance of the Hang Seng Index. Investors should note that in light of the above implications, it is expected to result in greater tracking error, which means that the return of TraHK is likely to have a bigger deviation from the return of the Hang Seng Index.

Unitholders' attention is drawn to the risks disclosed in the Prospectus, in particular those under the "Risk Factors" section in the Prospectus (including risk disclosure relating to tracking error,

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\* This website has not been reviewed by the Securities and Futures Commission.

reliance on market maker and participating dealers, and dependence upon trading market for Index Shares).

For information regarding TraHK's latest holdings of securities, and their weightings, please see: <https://www.trahk.com.hk/eng/Fund/fundInformation#holdings>\*.

The Manager will continue to assess the impact of the situation and will closely monitor any follow-up developments.

As a result of the Executive Order, TraHK is no longer appropriate for U.S. Persons (as defined in the Executive Order) to invest. You should consider whether this is an appropriate investment for you.

Unitholders who have any questions concerning this notice may contact State Street Global Advisors Asia Limited, as the Manager of TraHK, at telephone number +852 2103 0100.

**State Street Global Advisors Asia Limited**  
**Manager**

11 January 2021

**STATE STREET GLOBAL  
ADVISORS**

*The Manager accepts full responsibility for the accuracy of the information contained in this notice as at the date of publication, 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.*