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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



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

Amendments to Product Key Facts Statement

Updates to KFS

On 29 December 2021, Tracker Fund of Hong Kong ("TraHK") issued a revised product key facts statement of TraHK (the "**Revised KFS**").

Unless otherwise defined in this notice, terms and expressions used in this notice shall have the same meanings ascribed to them under the Prospectus.

The Revised KFS provides updated disclosures of the tracking difference of the last calendar year calculated using two methodologies: (i) the return difference between TraHK's NAV and the Hang Seng Index, and (ii) the return difference between TraHK's Adjusted NAV (which represents the

equities only portion of the NAV and excludes undistributed net income (e.g. cash)) and the Hang Seng Index.

Further Background

As set out in TraHK's offering documents, TraHK aims to provide investment results that closely correspond to the performance of the Hang Seng Index. To achieve this objective, TraHK invests all, or substantially all, of its assets in shares in the constituent companies of the Hang Seng Index ("**Index Shares**") in substantially the same weightings as they appear in the Hang Seng Index. As a result of holding Index Shares, TraHK receives dividends being paid on those shares, which TraHK retains in cash or cash-like investments. This cash is available for distribution to investors every 6 months. TraHK meets its investment objective over a given period when both the capital gains or losses on the stocks it holds and the accrued income from the stock dividends it receives closely correspond to the respective return and income of the Hang Seng Index over that period. The Hang Seng Index is not a total return index, but a price return index, which means it only measures capital gains and losses on its constituent stocks and does not include any cash from the dividend income which the stocks may generate.

TraHK's KFS has been updated to show Tracking Difference using the following two methodologies:

- (1) *NAV vs Hang Seng Index*: this disclosure provides comparison between NAV of TraHK (which consists of equities and cash) with the Hang Seng Index (which consists of equities only). This is designed to provide investors with a way to compare similar investment products.
- (2) *Adjusted NAV vs Hang Seng Index*: this disclosure compares the Adjusted NAV of TraHK (which represents the equities only portion of the NAV and excludes undistributed net income (e.g. cash)) with the Hang Seng Index (which consists of equities only). This aims to facilitate investors' assessment on how closely TraHK provides equity returns from capital gains or losses in line with the Hang Seng Index and in meeting its investment objective.

General Information

You may also find information on the ongoing charges figure, the past performance and the tracking difference and tracking error of TraHK at TraHK's website¹. The tracking difference and tracking error at TraHK's website¹ have also been updated to reflect the two methodologies mentioned above. Such disclosure is compliant with the relevant guidance of the Securities and Futures Commission of Hong Kong.

The proposed changes to TraHK's KFS and TraHK's website have not resulted in any change to the operation of TraHK and do not prejudice the interest of unitholders or change or increase in the overall risk profile of the TraHK.

The costs and expenses incurred by TraHK relating to the above changes, including the updating of offering documents and related administrative costs, will be borne by the Manager.

The latest Prospectus (together with First Addendum, the Second Addendum, the Third Addendum, the Fourth Addendum and the Fifth Addendum) and the Revised KFS are available at TraHK's website <http://www.trahk.com.hk>¹ and for inspection free of charge during normal business hours at the offices of the Manager or the Trustee at 68/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

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

29 December 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.

¹ This website has not been reviewed by the Securities and Futures Commission