



ST. JAMES'S PLACE
WEALTH MANAGEMENT

This document is important and requires your immediate attention. If in doubt, please seek professional advice.

«TITLE» «CLIENT_NAME»

«ADDRESS_LINE1»

«ADDRESS_LINE2»

«ADDRESS_LINE3»

«ADDRESS_LINE4»

«ADDRESS_LINE5»

22 October 2020

Dear «TITLE» «CLIENT_NAME»

St. James's Place Equity Income Unit Trust (the "Scheme") – Notice of intention to withdraw the Scheme from SFC authorization in Hong Kong

We are writing to inform you that St. James's Place Unit Trust Group Limited (the "**Manager**") will apply to the Securities and Futures Commission (the "**SFC**") to withdraw the authorization of the Scheme in Hong Kong pursuant to section 106 of the Hong Kong Securities and Futures Ordinance and, subject to the approval of the SFC, the withdrawal of authorization of the Scheme in Hong Kong will tentatively take effect from 22 January 2021 (the "**Effective Date**").

Unless otherwise specified, defined terms used in this notice bear the meaning attributed to them in the Scheme's Hong Kong offering documents, comprising the Information for Hong Kong Investors, the Prospectus and its Product Key Facts Statement (collectively, the "**Hong Kong Offering Document**").

I. Background

The Manager has decided to seek withdrawal of authorization of the Scheme from the SFC in Hong Kong due to limited overall Hong Kong retail appetite for this Scheme.

St. James's Place (Hong Kong) Limited
1/F Henley Building 5 Queen's Road Central Hong Kong
T: +852 2824 1083 Website: www.sjp.asia

St. James's Place (Hong Kong) Limited is part of the St. James's Place Wealth Management Group and is an insurance broker company licensed with the Insurance Authority (License No. FB1075), a licensed corporation with the Securities and Futures Commission (CE No. AAV439) and registered as an MPF Intermediary (Registration No. IC000852).



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As at 6 October 2020, the fund size of the Scheme was £1,428,567,926.67 (equivalent to HKD\$14,334,167,216.79). Hong Kong investors accounted for 0.0097% of this amount (i.e. £139,203.49 (equivalent to HKD\$1,396,759.66)).

Note: The HKD equivalent amounts above are based on the exchange rate of 10.03394 and are rounded.

II. Consequences of the withdrawal of authorization of the Scheme

(a) Marketing of the Scheme

After the withdrawal of authorization of the Scheme in Hong Kong is effective, the Scheme will no longer be regulated by the SFC and will no longer be available for public distribution in Hong Kong.

The Scheme has already ceased marketing to the public in Hong Kong and is no longer allowed to be marketed to the public in Hong Kong. In addition, the Scheme no longer accepts subscriptions or switches in from the Hong Kong public, save for those subscriptions from existing Unitholders by way of regular investment plans which may continue prior to the Effective Date, after which they will not be accepted.

(b) Updates to the Scheme's offering documents

The Hong Kong Offering Document will be updated (and in the case of the Product Key Facts Statement, withdrawn) to reflect the withdrawal of authorization of the Scheme in due course upon the SFC's approval of the withdrawal of authorization of the Scheme.

Product documentation previously issued to investors should be retained for personal use only and not for public circulation.

(c) Access to Scheme information by Hong Kong Unitholders post-deauthorization

Hong Kong Unitholders who choose to remain in the Scheme notwithstanding the aforesaid withdrawal of authorization can continue to access information in relation to their holdings in the Scheme by contacting St. James's Place (Hong Kong) Limited at the address stated below or via the Manager's UK website <https://www.sjp.co.uk/> (this website has not been authorized or reviewed by the SFC and may contain information of funds not authorized by the SFC). Hong Kong Unitholders should also refer to Section IV below for "Dealing arrangements" in this regard.

(d) Status of the Scheme up to deauthorization

From the date of this notice to the Effective Date, there will be no change to (a) the way the Scheme is managed or operated in accordance with the Scheme's Trust Deed and with the applicable laws and regulations; and (b) the level of fees or charges (as disclosed in the Hong Kong Offering Document) borne by the Scheme or affected investors.

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(e) Status of the Scheme post-deauthorization and proposed Scheme change that may take place

Following the withdrawal of authorization of the Scheme in Hong Kong (i.e. after the Effective Date), the Scheme will continue to remain in existence and be regulated by the Financial Conduct Authority in the UK (the “FCA”). Notwithstanding the aforesaid withdrawal of authorization of the Scheme in Hong Kong, the Manager and the delegated investment adviser of the Scheme (the “Investment Adviser”) will continue to manage the Scheme in accordance with the Scheme’s Trust Deed.

However, Unitholders should note that after the Effective Date, it is currently proposed that the Scheme be merged with other schemes managed by the Manager (including schemes which are not authorized by the SFC) (the “Post-deauthorization Change”). The Post-deauthorization Change will be subject to the FCA’s approval and the passing of the relevant resolution by the Unitholders at an extraordinary general meeting (“EGM”). It is intended that the EGM will be held after the Effective Date. A notice of the EGM containing details of the Post-deauthorization Change will be sent to the Unitholders separately in due course after the Effective Date.

For the avoidance of doubt, the Post-deauthorization Change will only take effect after the Effective Date and following the Scheme’s withdrawal of authorization in Hong Kong, subject to the approvals by the FCA and the Unitholders at the EGM as mentioned above.

Accordingly, Unitholders should note that the abovementioned Post-deauthorization Change has not been reviewed or approved by the SFC as such Post-deauthorization Change shall only take effect after the withdrawal of authorization of the Scheme becomes effective (i.e. after the Effective Date). The Scheme will no longer be regulated by the SFC and changes to the Scheme including the Post-deauthorization Change will not be subject to the approval of the SFC once withdrawal of authorization of the Scheme in Hong Kong is effective. As noted above, Unitholders will be given prior notice of the abovementioned Post-deauthorization Change by the Manager in due course, in accordance with the relevant FCA’s requirements. Unitholders should carefully assess the impact of the Post-deauthorization Change to the Scheme and its effect on your investment.

The costs relating to the withdrawal of authorization of the Scheme will be borne by the Manager.

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III. What are the options available to existing Unitholders?

| Unitholder type / Available Option | Remain invested in the Scheme from the Effective Date | Redemption of existing unit holdings in the Scheme (free of redemption charge ^{Note 2}) | Switch of existing unit holdings in the Scheme into another SFC authorized scheme managed by the Manager ^{Note 1} (free of switching charge ^{Note 2}) | Subscriptions of and switches in for the units of the Scheme |
|------------------------------------|---|---|--|--|
| Hong Kong public | Yes | Yes | Yes | <p>a) With immediate effect: No subscriptions of or switches in for the units of the Scheme from Hong Kong public will be accepted save for subscriptions by way of regular investment plans from existing Unitholders in the Scheme which may continue prior to the Effective Date.</p> <p>b) From the Effective Date: Subscriptions by way of regular investment plans from existing Unitholders in the Scheme will no longer be accepted.</p> |

Note 1: SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean that the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Note 2: The Scheme does not charge any redemption charge or switching charge prior to or from the Effective Date based on the current disclosures in the Hong Kong Offering Document.

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IV. Dealing arrangements

Unitholders can (a) redeem their existing unit holdings in the Scheme; or (b) switch their existing unit holdings in the Scheme to another SFC authorized scheme (see Note 1 under section III) managed by the Manager for public marketing in Hong Kong free of any redemption or switching charge at all times in accordance with the existing terms and conditions and dealing process(es) described in the latest Hong Kong Offering Document.

From the Effective Date, Unitholders remaining in the Scheme should continue to place their dealing instructions (i.e. for redemption or switching of existing unit holdings in the Scheme) via, and direct all enquiries to, St. James's Place (Hong Kong) Limited at the contact details set out below.

V. Tax implications

The Scheme

Subject to the SFC's approval, as the Scheme will cease to be authorized by the SFC with effect from the Effective Date, it may be exposed to Hong Kong profits tax in respect of Hong Kong sourced income (excluding capital gains). However, exposure to Hong Kong profits tax (currently at a rate of 16.5%) will only arise if the Scheme is regarded as carrying on a trade or business in Hong Kong, either on its own account or through the activities of another person (e.g. its management company or any investment adviser).

As the Scheme and activities of the Manager will not be conducted in Hong Kong, it is the intention of the Manager to conduct the affairs of the Scheme in such a manner as to minimise the risk of the Scheme being considered to carry on a trade or business in Hong Kong, but no assurance can be given that profits from the disposal of certain investments in Hong Kong will not give rise to a liability for profits tax in Hong Kong.

There is no withholding tax on dividends or interest in Hong Kong.

The Unitholders

Unitholders whether or not resident in Hong Kong will generally not be liable for Hong Kong profits tax in respect of any income or gains made on the issue, redemption, conversion or other disposal in Hong Kong of units in the Scheme, whether or not the Scheme is authorized in Hong Kong, save that persons carrying on in Hong Kong a business of trading securities may be subject to Hong Kong profits tax if those gains in question arise in or are derived from Hong Kong and are considered to be part of the Unitholders' normal business profits. Distributions by the Scheme should generally not be subject to Hong Kong profits tax in the hands of the Unitholders (whether by way of withholding or otherwise).

No Hong Kong stamp duty will be payable in respect of transactions in the units of the Scheme, for so long as the register of Unitholders of the Scheme is maintained outside Hong Kong.

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The information in this section is based on tax advice received by the Scheme. It is not and should not be treated as specific tax advice to Unitholders. Unitholders should consult their own professional advisers on the possible tax, exchange control or other consequences of buying, holding or redeeming units in the Scheme. Unitholders who decide to remain in the Scheme from the Effective Date should also inform themselves of, and where appropriate take advice on, the tax consequences of the foregoing in their country of citizenship, residence or domicile.

VI. Further information

Enquiries

Should you have any questions in relation to the above, please contact your St. James's Place Partner, or the Hong Kong Representative, St. James's Place (Hong Kong) Limited, at the following address: 1/F Henley Building, 5 Queen's Road Central, Hong Kong or by telephone at +852 2824 1083.

A copy of the revised Hong Kong Offering Document (reflecting the withdrawal of authorization of the Scheme) will be available via the St. James's Place website <http://www.sjp.asia/hong-kong/documents> free of charge in due course on or around the Effective Date. This website has not been reviewed by the SFC. The Prospectus of the Scheme will also be updated to reflect the Post-deauthorization Change noted at section II(e) above in due course.

The Manager accepts full responsibility for the accuracy of the information contained in this document 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 misleading.

Yours sincerely,

Tom Beal

Chief Investment Officer

On behalf of St. James's Place Unit Trust Group Limited

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