

## SIXTH ADDENDUM

### CHINA UNIVERSAL INTERNATIONAL SERIES (the “Fund”)

**This Sixth Addendum should be read in conjunction with, and forms part of, the Explanatory Memorandum for the Fund dated November 2012, the Addendum dated December 2012, the Second Addendum dated August 2013, the Third Addendum dated 14 March 2014, the Fourth Addendum dated 8 May 2014 and the Fifth Addendum dated 30 May 2014 (collectively, the “Explanatory Memorandum”).** All capitalised terms herein contained shall have the same meaning in this Sixth Addendum as in the Explanatory Memorandum, unless otherwise indicated.

China Universal Asset Management (Hong Kong) Company Limited 匯添富資產管理（香港）有限公司 (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this document 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 document misleading. However, neither the delivery of this document nor the offer or issue of Units shall under any circumstances constitute a representation that the information contained in this document is correct as of any time subsequent to such date. Any supplements to this document and/or Explanatory Memorandum (or any later Explanatory Memorandum) will be available to the intending applicants for Units.

Unless otherwise stated herein, the Explanatory Memorandum remains in full force and effect.

#### **A. Enhanced disclosures on Foreign Account Tax Compliance Act**

With immediate effect, the following amendments are made to the Explanatory Memorandum to enhance disclosures on the Foreign Account Tax Compliance Act:

1. The following risk factor is inserted after the risk factor headed “(xxv) **Valuation risk**” in the section headed “**Risk Factors**” on page 36 of the Explanatory Memorandum:

##### ***“(xxvi) Foreign Account Tax Compliance Act***

Sections 1471 – 1474 (referred to as “**FATCA**”) of the US Internal Revenue Code of 1986, as amended (“**IRS Code**”) will impose new rules with respect to certain payments to non-United States persons, such as the Fund and the Sub-Funds, including interest and dividends from securities of US issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the US 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 the Sub-Funds (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an “**FFI Agreement**”) with the US IRS 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 person owners to the US IRS.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all “withholdable payments” derived from US sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2017, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating US source dividends or interest will be treated as “withholdable payments.” It is expected that certain non-US sourced payments attributable to amounts that would be subject to FATCA withholding (referred to as “passthru payments”) will also be subject to FATCA withholding, though the definition of “passthru payment” in US Treasury Regulations is currently pending.

The Hong Kong government has announced that Hong Kong will enter into an intergovernmental agreement with the US (“IGA”) for the implementation of FATCA, adopting “Model 2” IGA arrangements. Under this “Model 2” IGA arrangements, FFIs in Hong Kong (such as the Fund and the Sub-Funds) would be required to register with the US IRS and agree to comply with the terms of the FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments to them.

As an IGA has been reached in substance between Hong Kong and the US, it is expected that FFIs in Hong Kong (such as the Fund and the Sub-Funds) complying with the FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will not be required to withhold tax on payments to recalcitrant accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the US IRS) or close those recalcitrant accounts (provided that information regarding such recalcitrant account holders is reported to the US IRS), but may be required to withhold tax on payments made to non-compliant FFIs. However, as of the date hereof, the US and Hong Kong have yet to sign the IGA, and the terms of such IGA may vary from the “Model 2” agreement on which the above described expectations are based.

As of the date hereof, the Fund and each Sub-Fund established as at the date hereof has already registered with the US IRS and agreed to comply with the requirements of the FFI Agreement. An officer of the Manager is acting as the Responsible Officer for the Fund and the Sub-Funds.

<b><u>Name of Fund and Sub-Funds</u></b>	<b><u>GIIN</u></b>
China Universal International Series	74X8RR.99999.SL.344
CUAM RMB RMB <i>Bondplus</i>	E1VD5H.99999.SL.344
CUAM China-Hong Kong Strategy Fund	CJQ8W6.99999.SL.344
CUAM Hong Kong Dollar Bond Fund	G3YCY1.99999.SL.344

The Fund and each Sub-Fund will endeavour to satisfy the requirements imposed under FATCA and the FFI Agreement to avoid any withholding tax but no assurance can be given that the Fund and the Sub-Funds will be able to satisfy all these obligations. In the event that the Fund or any Sub-Fund is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Fund or such Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund or that Sub-Fund may be adversely affected and the Fund or such Sub-Fund may suffer significant loss as a result.

In the event a Unitholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund or the relevant Sub-Fund, or a risk of the Fund or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Fund and each of such relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, (i) reporting the relevant information of such Unitholder to the US IRS; (ii) withholding or deducting from such Unitholder’s redemption proceeds or distributions to the extent permitted by applicable laws and regulations; and/or (iii) deeming such Unitholder to have given notice to redeem all his Units in the relevant Sub-Fund. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds.

Each Unitholder and prospective investor should consult with his own tax advisor as to the potential impact of FATCA in its own tax situation.”

2. The following are inserted as new sections after the section headed “**CONFLICTS OF INTEREST**” on page 44 of the Explanatory Memorandum:

**“Certification for Compliance with FATCA or Other Applicable Laws**

Each investor (i) shall be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Fund or a Sub-Fund (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Fund or the relevant Sub-Fund receives payments and/or (B) to satisfy reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

**Power to Disclose Information to Tax Authorities**

Subject to applicable laws and regulations, the Fund, the relevant Sub-Fund, the Trustee or the Manager or any of their authorised person(s) (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the US IRS), certain information in relation to a Unitholder, including but not limited to the Unitholder’s name, address, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder’s holdings, to enable the Fund or the relevant Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA).”

**B. Updates relating to the PRC tax provisioning policy of the CUAM China-Hong Kong Strategy Fund**

With immediate effect, the following amendment is made to the Explanatory Memorandum to reflect the PRC tax provisioning policy in respect of the CUAM China-Hong Kong Strategy Fund:

1. The section headed “**PRC Tax Provisions**” in “**Appendix II – CUAM China-Hong Kong Strategy Fund**” on page 61 of the Explanatory Memorandum is deleted in its entirety and replaced with the following:-

**“PRC Tax Provisions**

As set out above, the Sub-Fund may invest up to 30% of its latest available Net Asset Value in China B-Shares. For further details relating to PRC taxes and the associated risks, please refer to the risk factor headed “**PRC tax considerations**” under the “**Risk Factors**” section.

After seeking independent professional tax advice, it is noted that there are uncertainties as to whether withholding income tax (“**WIT**”) will be imposed on capital gains derived from trading of China B-Shares. In practice, the PRC tax authorities have not enforced collection of WIT on capital gains derived by non-residents from trading of China B-Shares where both the purchase and sales of China B-Shares are conducted via stock exchange. The Manager currently has no intention to make provision in respect of such potential tax liability of the Sub-Fund, as the possibility of the imposition of such tax liability is considered remote. However, this approach may be changed if, in the opinion of the Manager, a provision is warranted. Investors should note that, in the event that actual tax is collected by the State Administration of Taxation and the Sub-Fund is required to make payments reflecting tax liabilities for which no provisions has been made, the Net Asset Value of the Sub-Fund may be adversely affected, as the Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the tax liabilities will only impact Units in issue at the relevant time, and the then existing

Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Fund.

Investors should refer to the relevant risks disclosed in the risk factor headed “**PRC tax considerations**” under the section headed “**Risk Factors**” of this Explanatory Memorandum.”

### **C. Change of RQFII quota administration rules**

With immediate effect, the following amendments are made to the Explanatory Memorandum to reflect certain changes to the RQFII quota administration rules:

1. The second last sentence in the first paragraph in the risk factor headed “**(xix) RQFII risk**” in the section headed “**Risk Factors**” on page 30 of the Explanatory Memorandum is deleted in its entirety.
2. The fifth paragraph in the risk factor headed “**(xix) RQFII risk**” in the section headed “**Risk Factors**” on page 31 of the Explanatory Memorandum is deleted in its entirety and replaced with the following:-

“Investors should note that there can be no assurance that a RQFII will continue to maintain its RQFII status or to make available its RQFII quota, or a Sub-Fund will be allocated a sufficient portion of RQFII quotas from a RQFII to meet all applications for subscription to the Sub-Fund, or that realisation requests can be processed in a timely manner due to adverse changes in relevant laws or regulations.

A Sub-Fund may not have exclusive use of the entire RQFII quota granted by SAFE to the RQFII (i.e. the Manager), as the RQFII may in its discretion allocate RQFII quota which may otherwise be available to the relevant Sub-Fund to other products. There can be no assurance that the RQFII can allocate sufficient RQFII quota to a Sub-Fund to meet all applications for subscription of Units in the relevant Sub-Fund. The aforementioned restrictions may result in a rejection of subscription applications. Furthermore, a Sub-Fund may not be able to fully implement or pursue its investment objective or strategy, due to insufficiency of RQFII quota and RQFII investment restrictions.

In extreme circumstances, a Sub-Fund may incur significant losses due to illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.”

3. The third paragraph in the section headed “**Offering**” in “**Appendix I – CUAM RMB Bondplus Fund**” in the Explanatory Memorandum is deleted in its entirety and replaced with the following:

“The Manager (as the RQFII holder) may from time to time make available RQFII quota for the purpose of the Sub-Fund’s direct investment into the PRC. Under the SAFE’s RQFII quota administration policy, the Manager (as the RQFII holder) has the flexibility to allocate its RQFII quota across different public fund products, or, subject to SAFE’s approval, to products and/or accounts that are not public funds. The Manager (as the RQFII holder) may therefore allocate additional RQFII quota to the Sub-Fund, or allocate RQFII quota which may otherwise be available to the Sub-Fund to other products and/or accounts. The Manager (as the RQFII holder) may also apply to SAFE for additional RQFII quota which may be utilised by the Sub-Fund, other clients of the Manager or other products managed by the Manager. However, a Sub-Fund may not have exclusive use of the entire RQFII quota granted by SAFE to the Manager, as the Manager may in its discretion allocate RQFII quota which may otherwise be available to the relevant Sub-Fund to other products. There can be no assurance that the Manager can allocate sufficient RQFII quota to a Sub-Fund to meet all applications for subscription of Units in the relevant Sub-Fund. The aforementioned restrictions may respectively result in a rejection of applications or a suspension of dealings of a Sub-Fund. Also, there is no assurance that the Manager will make available RQFII quota that is sufficient for a Sub-Fund’s investment at all times.”

**D. Change of address of the Manager**

To effect the change of address of the Manager, the following amendments are made to the Explanatory Memorandum:-

1. The first bullet point under the section headed “**Enquiries and complaints**” on page 2 of the Explanatory Memorandum is deleted and replaced with the following:  
“• In writing to Room 3710-3711, 37/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong”
2. The information of “**Manager**” under “**ADMINISTRATION**” on page 5 of the Explanatory Memorandum is deleted and replaced with the following:  
“China Universal Asset Management (Hong Kong) Company Limited  
匯添富資產管理（香港）有限公司  
Room 3710-3711, 37/F, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong”

China Universal Asset Management (Hong Kong) Company Limited  
匯添富資產管理（香港）有限公司  
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