

Semi-Annual Report (Unaudited)

**CHINA UNIVERSAL INTERNATIONAL SERIES -
CUAM RMB BONDPLUS FUND**

(A Sub-Fund of China Universal International Series, an open-ended unit trust
established as an umbrella fund under the laws of Hong Kong)

For the period from 1 January 2014 to 30 June 2014



CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
(A Sub-Fund of China Universal International Series)

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CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
(A Sub-Fund of China Universal International Series)

ADMINISTRATION AND MANAGEMENT

MANAGER

China Universal Asset Management (Hong Kong)
Company Limited
3710-11, 37/F, Two IFC
8 Finance Street
Central, Hong Kong

DIRECTORS OF THE MANAGER

LIN Lijun
LI Wen
ZHANG Hui

SOLICITORS TO THE MANAGER

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

TRUSTEE AND REGISTRAR

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

AUDITORS

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

CUSTODIAN

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
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STATEMENT OF COMPREHENSIVE INCOME

	For the period from 1 January 2014 to 30 June 2014 RMB (Unaudited)	Year ended 31 December 2013 RMB (Audited)
INCOME		
Dividend income	-	256,159
Interest income on financial assets at fair value through profit or loss	7,998,200	22,896,468
Other interest income	48,863	101,440
Net gain/ (loss) on financial assets at fair value through profit or loss	6,576,040	(7,435,923)
Foreign exchange differences, net	(1,836)	938
Sundry income	-	-
	<u>14,621,267</u>	<u>15,819,082</u>
EXPENSES		
Management fee	(1,849,522)	(6,019,649)
Trustee fee	(249,323)	(697,410)
Custodian fee	(119,878)	(348,800)
Legal and professional fee	(70,673)	(50,000)
Auditors' remuneration	(117,325)	(195,156)
Preliminary expense	-	-
Other expenses	<u>(135,776)</u>	<u>(581,284)</u>
	<u>(2,542,497)</u>	<u>(7,892,299)</u>
Operating profit	12,078,770	7,926,783
FINANCE COSTS		
Distribution to unitholders	<u>(3,818,997)</u>	<u>(9,015,089)</u>
Profit/ (loss) before tax	8,259,773	(1,088,306)
Withholding tax	<u>2,033,598</u>	<u>(1,361,696)</u>
INCREASE/ (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>10,293,371</u>	<u>(2,450,002)</u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
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STATEMENT OF FINANCIAL POSITION

	30 June 2014	31 December 2013
	RMB (Unaudited)	RMB (Audited)
ASSETS		
Financial assets at fair value through profit or loss	237,685,133	297,766,819
Cash and cash equivalents	3,068,720	48,234,156
Interest receivable	5,526,834	12,326,166
Deposit reserve – China Exchange Clearing	140,000	308,000
Subscription proceeds receivable	-	-
Prepayments	4,756	9,434
TOTAL ASSETS	246,425,443	358,644,575
LIABILITIES		
Redemption proceeds payable	3,978,713	15,903,331
Management fee payable	268,267	439,393
Trustee fee payable	41,360	52,480
Other payables and accruals	199,129	148,996
Tax payable	1,580,789	3,617,181
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS)	6,068,258	20,161,381
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	240,357,185	338,483,194
TOTAL LIABILITIES AND EQUITY	246,425,443	358,644,575
NUMBER OF UNITS IN ISSUE		
- Class A units	14,314,732.30	29,245,019.98
- Class I units	8,845,617.65	4,675,210.14
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
- Class A units	10.307	9.959
- Class I units	10.493	10.100

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

RMB

(Audited)

At 31 December 2012 and 1 January 2013	458,098,544
Subscription of redeemable units	104,125,500
Redemption of redeemable units	(221,290,848)
Decrease in net assets attributable to holders of redeemable units during the period	<u>(2,450,002)</u>
At 31 December 2013 and 1 January 2014	338,483,194

RMB

(Unaudited)

At 31 December 2013 and 1 January 2014	338,483,194
Subscription of redeemable units	66,259,418
Redemption of redeemable units	(174,678,798)
Increase in net assets attributable to holders of redeemable units during the period	<u>10,293,371</u>
At 30 June 2014	<u><u>240,357,185</u></u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
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STATEMENT OF DISTRIBUTION

Year ended 30 June 2014

RMB

Undistributed income at 17 February 2012 (date of inception)	-
Increase in net assets attributable to holders of redeemable units during the period	4,196,459
Add: Finance costs – distribution to unitholders	12,212,141
Less: Unrealised gain on financial assets at fair value through profit or loss	(1,409,844)
Undistributed income before distribution	14,998,756
Interim (2 nd quarter) distribution (RMB0.038 per unit) distributed on 13 June 2012	(2,176,197)
Interim (3 rd quarter) distribution (RMB0.050 per unit) distributed on 13 September 2012	(2,656,920)
Final distribution (RMB0.158 per unit) distributed on 13 December 2012	(7,379,024)
Transfer to capital	(2,786,615)
Undistributed income at 31 December 2012 and 1 January 2013	-
Decrease in net assets attributable to holders of redeemable units during the year	(2,450,002)
Add: Finance costs – distribution to unitholders	9,015,089
Add: Unrealised loss on financial assets at fair value through profit or loss	11,684,546
Undistributed income before distribution	18,249,633
Interim (1 st quarter) distribution (RMB0.058 per unit) distributed on 13 March 2013	(2,465,973)
Interim (2 nd quarter) distribution (RMB0.066 per unit) distributed on 18 June 2013	(2,853,646)
Interim (3 rd quarter) distribution (RMB0.070 per unit) distributed on 13 September 2013	(2,974,605)
Final distribution (RMB0.020 per unit) distributed on 13 December 2013	(720,865)
Transfer to capital	(9,234,544)
Undistributed income at 31 December 2013 and 1 January 2014	-
Increase in net assets attributable to holders of redeemable units during the year	10,293,371
Add: Finance costs – distribution to unitholders	3,818,997
Deduct: Unrealised gain on financial assets at fair value through profit or loss	(13,375,285)
Undistributed income before distribution	737,083
Interim (1 st quarter) distribution (RMB0.045 per unit) distributed on 13 March 2014	(1,218,806)
Interim (2 nd quarter) distribution (RMB0.1 per unit) distributed on 13 June 2014	(2,600,191)
Transfer from capital	3,081,914
Undistributed income at 30 June 2014	-

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM RMB BONDPLUS FUND
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (Unaudited)
30 June 2014

QUOTED DEBT SECURITIES	Movement				
	As at 1 January 2014	Additions	Corporate Action	Disposals	At 30 June 2014
<i>China</i>					
Denominated in RMB					
AGRICULTURAL DEVELOPMENT BANK OF CHINA 5.78% A 17JAN2019	-	20,000,000	-	-	20,000,000
CHINA DATANG CORP RENEWABLE POWER CO LTD 5.4% A 08NOV2016	-	2,500,000	-	(2,500,000)	-
CHINA DEVELOPMENT BANK CORP 5.9% A 20JAN2024	-	20,000,000	-	-	20,000,000
CHINA GOVT BOND 4.08% S/A 22AUG2023	-	20,000,000	-	(20,000,000)	-
DAQIN RAILWAY CO LTD 4.88% A 10DEC2015	-	4,000,00	-	(3,999,000)	1,000
EXPORT-IMPORT BANK OF CHINA 5.1% A 05MAR2019	-	20,000,000	-	-	20,000,000
HANZHONG CITY CONSTRUCTION INVESTMENT & DEVELOPMEN CO LTD 7.48% A 14MAR2018	8,070,000	8,070,000	-	(16,140,000)	-
JIAN CITY CONSTRUCTION INVESTMENT & DEVELOPMENT CO LTD 7.8% A 20APR2019	30,000,000	20,000,000	-	(30,000,000)	20,000,000
JIANGSU LIANYUN DEVELOPMENT GROUP CO LTD 6.1% A 19JUN2019	10,000,000	-	-	(10,000,000)	-
LIANHE CHEMICAL TECHNOLOGY CO LTD 7.3% A 21FEB2019	12,887,200	12,887,200	-	(14,801,200)	10,973,200
MESNAC CO LTD 5.48% A 02JUN2016	7,407,000	-	-	(7,407,000)	-
MIANYANG INVESTMENT HLDG GROUP CO LTD 7.7% A 26MAR2019	20,000,000	-	-	(20,000,000)	-
NANAN CITY TRADE INDUSTRY & AGRICULTURE INVESTMENT MANAGEMENT CO LTD 8.5% A 25APR2019	20,000,000	20,000,000	-	(20,000,000)	20,000,000
NANJING HIGH SPEED GEAR MANUFACTURING CO LTD 5.3% A 20FEB2014	30,000,000	-	-	(30,000,000)	-
PUBANG LANDSCAPE ARCHITECTURE CO LTD 5.5% A 10MAY2018	22,000,000	22,000,000	-	(22,000,000)	22,000,000
SHANGHAI ELECTRIC GROUP CORP 5% A 09SEP2014	-	10,000,000	-	(10,000,000)	-
SHANGHAI INTL PORT GROUP CO LTD 4.69% A 30MAR2016	3,000,000	2,000,000	-	(5,000,000)	-
SHANGHAI INTL PORT GROUP CO LTD 5.05% A 06JUL2016	-	5,000,000	-	(5,000,000)	-

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (Unaudited) (Continued)
30 June 2014

QUOTED DEBT SECURITIES (continued)	Movement				
	As at 1 January 2014	Additions	Corporate Action	Disposals	At 30 June 2014
<i>China</i>					
Denominated in RMB					
SHANGHAI RAAS BLOOD PRODUCTS CO LTD 5.6% A 26MAR2018	27,500,000	27,500,000	-	(29,500,000)	25,500,000
SHANGHAI REAL ESTATE GROUP CO LTD 6.12% A 17MAY2017	30,000,000	20,000,000	-	(30,000,000)	20,000,000
SHENZHEN O-FILM TECH CO LTD 7.9% A 24FEB2017	-	5,000,000	-	-	5,000,000
SINOPHARM GROUP CO LTD 4.54% A 13MAR2018	-	5,000,000	-	(5,000,000)	-
WEIQIAO TEXTILE CO LTD 7% A 23OCT2018	10,000,000	-	-	(10,000,000)	-
YUNTIANHUA GROUP 5.81% A 15JUL2016	30,000,000	-	-	(10,000,000)	20,000,000
ZHEJIANG TRANSFAR CO LTD 5.6% A 15MAR2018	2,640,000	4,640,000	-	(2,640,000)	4,640,000
ZHEJIANG YASHA DECORATION CO LTD 5.2% A 13JUL2017	20,000,000	-	-	(4,000,000)	16,000,000
ZHUCHENG ECONOMIC DEVELOPMENT & INVESTMENT CO LTD 6.8% A 29NOV2019	15,000,000	-	-	(4,810,000)	10,190,000
ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO 6.5% A 21APR2016	4,897,000	-	-	(4,897,000)	-
Total debt securities	303,401,200	248,597,200	-	(317,694,200)	234,304,200

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PERFORMANCE TABLE (Unaudited)

30 June 2014

	Net assets attributable to holders of redeemable units per unit RMB	Net assets attributable to holders of redeemable units RMB
- Class A units	10.307	147,538,187
- Class I units	10.493	92,818,998

31 December 2013

- Class A units	9.959	291,263,077
- Class I units	10.100	47,220,117

PERFORMANCE RECORD (Unaudited)

30 June 2014

	Highest issue price per unit RMB	Lowest redemption price per unit RMB
- Class A units	10.389	9.962
- Class I units	10.572	10.106

31 December 2013

- Class A units	10.382	9.957
- Class I units	10.482	10.097

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INVESTMENT PORTFOLIO (Unaudited)

30 June 2014

	Holding/ Nominal value	Fair value	Accrued Interest	% of net assets
<i>China</i>				
Denominated in RMB				
AGRICULTURAL DEVELOPMENT BANK OF CHINA 5.78% A 17JAN2019	20,000,000	20,789,760	522,575	8.65
CHINA DEVELOPMENT BANK CORP 5.9% A 20JAN2024	20,000,000	21,412,340	523,726	8.91
DAQIN RAILWAY CO LTD 4.88% A 10DEC2015	1,000	999	27	-
EXPORT-IMPORT BANK OF CHINA 5.1% A 05MAR2019	20,000,000	20,247,020	329,753	8.42
JIAN CITY CONSTRUCTION INVESTMENT & DEVELOPMENT CO LTD 7.8% A 20APR2019	20,000,000	20,597,560	307,726	8.57
LIANHE CHEMICAL TECHNOLOGY CO LTD 7.3% A 21FEB2019	10,973,200	11,192,664	285,303	4.66
NANAN CITY TRADE INDUSTRY & AGRICULTURE INVESTMENT MANAGEMENT CO LTD 8.5% A 25APR2019	20,000,000	20,701,440	312,055	8.61
PUBANG LANDSCAPE ARCHITECTURE CO LTD 5.5% A 10MAY2018	22,000,000	21,560,000	172,384	8.97
SHANGHAI RAAS BLOOD PRODUCTS CO LTD 5.6% A 26MAR2018	25,500,000	25,117,500	379,496	10.45
SHANGHAI REAL ESTATE GROUP CO LTD 6.12% A 17MAY2017	20,000,000	20,208,760	150,904	8.41
SHENZHEN O-FILM TECH CO LTD 7.9% A 24FEB2017	5,000,000	5,100,000	137,438	2.12
YUNTIANHUA GROUP 5.81% A 15JUL2016	20,000,000	20,158,460	1,117,430	8.39
ZHEJIANG TRANSFAR CO LTD 5.6% A 15MAR2018	4,640,000	4,570,400	76,884	1.90
ZHEJIANG YASHA DECORATION CO LTD 5.2% A 13JUL2017	16,000,000	15,868,800	804,647	6.60
ZHUCHENG ECONOMIC DEVELOPMENT & INVESTMENT CO LTD 6.8% A 29NOV2019	10,190,000	10,159,430	406,260	4.23
Total debt securities		237,685,133	5,526,608	98.89
<u>TOTAL NET ASSETS</u>				
Total debt securities (Cost: RMB234,584,550)		237,685,133		98.89%
Cash and cash equivalents		3,068,720		1.28%
		240,753,853		100.17%
Other net assets		(396,668)		(0.17%)
Total net assets		240,357,185		100.00%