

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

**This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional financial advice. Investment involves risk. Please refer to the Explanatory Memorandum of the Fund and the Key Fact Statement of each Sub-Fund for further details including the risk factors.**

**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 misleading.**

**Capitalised terms used herein shall bear the same meanings as capitalised terms used in the Explanatory Memorandum for the Fund dated November 2012, as may be amended and supplemented from time to time (the “Explanatory Memorandum”).**

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Dear Investor,

### **Change in PRC tax provisioning policy of the CUAM RMB Bond*plus* Fund (the “Sub-Fund”)**

We are writing to inform you of a change in the PRC tax provisioning policy of the Sub-Fund with effect from 17 November 2014 (the “**Effective Date**”).

The Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission issued the “Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII” (“關於 QFII 和 RQFII 取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通知”) Caishui [2014] No.79 on 14 November 2014 (the “**Notice**”). The Notice states that PRC corporate income tax will be imposed on capital gains derived by QFII and RQFII from equity investment assets (including PRC domestic stocks) prior to 17 November 2014 (“**capital gains tax**”) in accordance with laws. The Notice also states that RQFII without an establishment or place of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of China A-Shares effective from 17 November 2014.

Referring to our notice on 30 May 2014, a 10% provision for PRC withholding income tax (“**WIT**”) will only be provided for the gross realised and unrealised capital gains derived by the Sub-Fund from investment in China A-Shares issued by PRC tax resident companies which are land rich companies (i.e. PRC companies in which at least 50% of their assets are comprised, directly or indirectly, of immovable properties situated in the PRC). In light of the Notice, the Manager has determined that the Sub-Fund will reverse any PRC WIT provision provided prior to the Effective Date on the gross unrealised capital gains derived from investment in China A-Shares issued by land rich companies. Moreover, starting from the Effective Date, no PRC WIT provision on the gross realised and unrealised capital gains derived from investments in China A-Shares will be made.

*Impact on the change in PRC tax provisioning policy*

Given that the Sub-Fund currently has no investment holdings in any China A-Shares issued by land rich companies, there is no PRC WIT provision made on the gross unrealised capital gains derived from investment in China A-Shares prior to the Effective Date. As a result, the net asset value of the Sub-Fund will not be affected owing to this change in PRC tax provisioning policy.

Apart from the change in PRC tax provisioning policy, there is no change in the investment objective and policy, operations and fee levels of the Sub-Fund.

*Risk factors*

The PRC tax rules and practices in relation to RQFII, including the Notice and the application of the existing relevant tax treaties, are new and their implementation is not tested and is uncertain. The Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust the withholding policy of the Sub-Fund accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of the Sub-Fund at all times.

If you have any doubts, you should seek your own tax advice on your tax position with regard to your investment in the Sub-Fund.

The Explanatory Memorandum will be updated to reflect to above-mentioned change as soon as practicable. If you have any questions or require further information, please contact the Manager at Room 3710-3711, 37/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or by telephone at 3983 5600.

Yours faithfully,

China Universal Asset Management (Hong Kong) Company Limited

匯添富資產管理（香港）有限公司

17 November 2014