

CHINA UNIVERSAL INTERNATIONAL SERIES (the “Fund”)

CUAM Hong Kong Dollar Bond Fund CUAM China-Hong Kong Strategy Fund CUAM RMB Bondplus Fund (each a “Sub-Fund”, together the “Sub-Funds”)

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 Product Key Facts Statement of each Sub-Fund for further details including the risk factors.

China Universal Asset Management (Hong Kong) Company Limited (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 October 2015 (the “Explanatory Memorandum”).

Dear Investor,

We are writing to inform you of the following matters in relation to the Fund and the Sub-Funds:

1. Change in distribution policy of the CUAM Hong Kong Dollar Bond Fund (the “HKD Bond Sub-Fund”)

The Manager has decided to revise the distribution policy of the HKD Bond Sub-Fund to provide greater flexibility in distribution. Instead of distributing only the HKD Bond Sub-Fund’s net distributable income, with effect from 26 September 2016 (the “**Effective Date**”), the Manager may at its discretion pay distributions out of the HKD Bond Sub-Fund’s net distributable income and/or capital if the net distributable income is insufficient to pay distributions as declared, or pay distributions out of gross income while charging/paying all or part of the fees and expenses to/out of the HKD Bond Sub-Fund’s capital. Where distributions are paid out of gross income while charging/paying all or part of the fees and expenses to/out of the capital of the HKD Bond Sub-Fund, this will result in an increase in distributable income for the payment of distributions by the HKD Bond Sub-Fund and therefore, the HKD Bond Sub-Fund will effectively pay distributions out of capital. This will reduce the capital that the HKD Bond Sub-Fund has available for investment in future and may constrain capital growth.

Please note that the distributions paid out of capital or effectively out of capital amount to a return or withdrawal of part of a Unitholder’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the HKD Bond Sub-Fund’s capital or payment of distributions effectively out of the HKD Bond Sub-Fund’s capital (as the case may be) will result in an immediate reduction of the Net Asset Value per Unit.

In the event the net distributable income and/or capital of the HKD Bond Sub-Fund are insufficient to pay distributions, the Manager may at its discretion not to make any distributions.

Compositions of the distributions (if any) (i.e. the relative amounts paid out of (i) net distributable income; and (ii) capital) for the last 12 months would be made available by the Manager on request and also on the Manager’s website (www.99fund.com.hk). Please note that this website has not been reviewed by the SFC.

According to Clause 15.8 of the Trust Deed of the Fund and Sub-Funds dated 29 December 2011 (the “**Trust Deed**”), the change in distribution policy of the HKD Bond Sub-Fund does not require any change in the constitutive document of the Fund and Sub-Funds.

The Manager may amend the aforementioned distribution policy subject to SFC’s prior approval and by giving not less than one month’s prior notice to Unitholders. Please note that the change in distribution policy will not materially prejudice the rights and interests of the existing investors.

Apart from the change in distribution policy as discussed above, there is no change in the investment objective and policy, operations and fee levels of the HKD Bond Sub-Fund.

2. Amendments to the Trust Deed of the Fund and Sub-Funds

a. Establishment of new Class of Units for new or existing sub-funds of the Fund

The Trust Deed of the Fund and Sub-Funds has been amended to clarify the administrative procedures in relation to establishment of new Class of Units for new or existing sub-funds of the Fund. Such amendments to the Trust Deed are clarificatory update only and will not result in any change in the operation and/or manner in which the Fund or its Sub-Funds are being managed.

b. Fiscal, statutory or official requirements

The Trust Deed of the Fund and Sub-Funds has also been amended to make possible compliance with fiscal, statutory or official requirements (whether or not having the force of law). Such amendments to the Trust Deed will not result in any change in the operation and/or manner in which the Fund or its Sub-Funds are being managed. A summary of the amendments to be made to the Trust Deed is as follows:-

1. inserting sub-clause 20.5A to include that for so long as the Fund and the Sub-Funds are authorised by the SFC, the Manager and the Trustee shall at all times comply with the applicable provisions of the Code on Unit Trusts and Mutual Funds (the “**Code**”) and shall act at all times in compliance with and in a manner consistent with the Code. Nothing in the Trust Deed shall diminish or exempt any of the Manager or the Trustee from any of its duties and liabilities under the Code; and
2. updates to sub-clause 21.1 that the Fund may have powers of delegation and may, in respect of the custody of investments, appoint any persons to act as agent, nominee, custodian or joint custodian and may empower any such custodian or joint custodian to further appoint, subject to no objection in writing from the Trustee, sub-custodians, nominees, agents and/or delegates.

As regards the amendments to the Trust Deed of the Fund and Sub-Funds as described above, please note that they do not require any amendments in the Explanatory Memorandum of the Fund and Sub-Funds.

The costs incurred in relation to the scheme changes as discussed above, which is estimated to be around HK\$100,000, will be borne by the Manager. There will be no change in fee structure and fee level payable by the Sub-Funds and the Unitholders following the implementation of the above changes.

Unitholders who do not agree with the above scheme changes may redeem their Units in accordance with the provisions in the Explanatory Memorandum. Currently, there is no redemption charge.

To reflect the scheme change as discussed in section 1 above, the Explanatory Memorandum of the Fund and its Sub-Funds and the Product Key Facts Statement of the HKD Bond Sub-Fund will be updated from the Effective Date, where appropriate. To reflect the changes described in section 2 above, the Trust Deed of the Fund and Sub-Funds have been updated by way of a supplemental deed dated 25 August 2016. The revised Explanatory Memorandum of the Fund and Sub-Funds and the Product Key Facts Statement of the HKD Bond

Sub-Fund are available from the Effective Date on the Manager's website (www.99fund.com.hk).¹ The Trust Deed (together with any supplemental deeds) is available for inspection free of charge during normal working hours at the offices of the Manager.

If you have any questions or require further information about the scheme changes, please contact the Manager at Room 3710-3711, 37/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or by telephone at (852) 3983 5600.

Yours faithfully,

China Universal Asset Management (Hong Kong) Company Limited
26 August 2016

¹ *This website has not been reviewed by the SFC and may contain information of funds not authorized by the SFC.*