

**FIRST ADDENDUM**  
**CHINA UNIVERSAL INTERNATIONAL SERIES (the “Fund”)**

**This First Addendum should be read in conjunction with, and forms part of, the Explanatory Memorandum for the Fund dated October 2015 (the “Explanatory Memorandum”).** All capitalised terms herein contained shall have the same meaning in this First Addendum as in the Explanatory Memorandum, unless otherwise indicated.

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 in this document misleading.

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

**Change in distribution policy of CUAM Hong Kong Dollar Bond Fund**

With effect from 26 September 2016 (the “**Effective Date**”), the Manager will change the distribution policy of CUAM Hong Kong Dollar Bond Fund (the “**Sub-Fund**”), such that the Manager may make distribution of dividends out of the Sub-Fund’s (i) capital; or (ii) the gross income while charging/paying all or part of the fees and expenses to/out of the Sub-Fund’s capital. Accordingly, the following amendments are made to the Explanatory Memorandum with effect from the Effective Date:-

1. “**Appendix III – CUAM Hong Kong Dollar Bond Fund**” is amended as follows:
  - (a) The following risk factor is inserted after the risk factor headed “**Risk of using financial derivative instruments**” in the section headed “**Specific Risk Factors**”:

*“Risks associated with distributions out of / effectively out of capital – The Manager may at its discretion make distributions from capital or gross income while charging/paying all or part of the Sub-Fund’s fees and expenses to/out of the Sub-Fund’s capital. Unitholders should 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 Sub-Fund’s capital or payment of distributions effectively out of the Sub-Fund’s capital (as the case may be) will result in an immediate reduction of the Net Asset Value per Unit and will reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.”*
  - (b) The first paragraph under the section headed “**Distribution**” is deleted in its entirety and replaced with the following:

“The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. It is currently intended that distribution will be made on a semi-annual basis (i.e. June and December each year) payable in the base currency or class currency of the relevant classes. There is no guarantee of regular distribution and if distribution is made the amount being distributed.

The Manager may at its discretion pay distributions out of the 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 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 Sub-Fund, this will result in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund will effectively pay distributions out of capital. This will reduce the

capital that the Sub-Fund has available for investment in future and may constrain capital growth. In the event the net distributable income and/or capital of the 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](http://www.99fund.com.hk)). Please note that this website has not been reviewed by the SFC.

Unitholders should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under the risk factor headed "**Risks associated with distributions out of / effectively out of capital**" under the section headed "**Specific Risk Factors**".

The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's prior notice to Unitholders."

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