

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

### CUAM China-Hong Kong Strategy Fund (the “Sub-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 Product Key Facts Statement of the 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 and the First Addendum dated 26 September 2016 (the “Explanatory Memorandum”).

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Dear Investor,

We are writing to inform you that the following changes will take immediate effect:

#### A. Changes in investment policy of CUAM China-Hong Kong Strategy Fund

To provide greater flexibility for the Sub-Fund to capture market opportunities, the investment policy of the Sub-Fund will be revised. The proportion of the primary and ancillary investments of the Sub-Fund will be adjusted (the “Scheme Change”). Such amendments are shown as bold and underlined in the table below:

Existing investment policy	Revised investment policy
<p>The Manager will invest principally in listed equity securities of Greater China Companies and it intends to hold such investments for a medium to long term (i.e. for a period varying from 6 months to 5 years), although the actual holding period may vary subject to various factors such as the actual return from the investments.</p> <p>At least 80% of the Sub-Fund’s non-cash assets will be invested in equity securities listed on the Hong Kong Stock Exchange.</p> <p>In addition, the Sub-Fund may invest on an ancillary basis up to 20% of its net assets in equity securities listed on other stock exchanges around the world (including China A-Shares and China B-Shares), debt securities and other collective investment schemes, subject to the investment and borrowing restrictions in the Explanatory Memorandum.</p>	<p>The Manager will invest principally in listed equity securities of Greater China Companies and it intends to hold such investments for a medium to long term (i.e. for a period varying from 6 months to 5 years), although the actual holding period may vary subject to various factors such as the actual return from the investments.</p> <p>At least <b><u>80.70%</u></b> of the Sub-Fund’s <b><u>non-cash assets net asset value</u></b> will be invested in equity securities listed on the Hong Kong Stock Exchange.</p> <p>In addition, the Sub-Fund may invest on an ancillary basis <b><u>up to 20 less than 30%</u></b> of its net <b><u>assets asset value</u></b> in equity securities listed on other stock exchanges around the world (<b><u>including China A-Shares and China B-Shares</u></b>), debt securities and other collective investment schemes, subject to the investment</p>

Existing investment policy	Revised investment policy
<p>The Sub-Fund may have direct exposure to China A-Shares using RQFII quota of the Manager (as RQFII holder). The Sub-Fund may also have direct exposure to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect (“<b>Stock Connect</b>”) (as further described in the section headed “Shanghai-Hong Kong Stock Connect” in the Explanatory Memorandum). Besides, the Sub-Fund may invest in exchange traded funds listed on Hong Kong Stock Exchange with exposure to China A-Shares (including physical and synthetic ETFs).</p> <p>The Sub-Fund will not invest more than 10% of its net assets in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade. Also, the Sub-Fund will not invest in structured products such as asset backed securities (including asset backed commercial papers).</p> <p>The Sub-Fund will invest in financial derivative instruments (by engaging in foreign currency transactions, including but not limited to currency forward contracts) for hedging purposes only.</p> <p>The Sub-Fund will not engage in securities lending transactions or repurchase and reverse repurchase transactions.</p>	<p>and borrowing restrictions in the Explanatory Memorandum. <b><u>For the avoidance of doubt, the Sub-Fund’s aggregate exposure in onshore mainland China market will not be more than 20% of its net asset value.</u></b></p> <p>The Sub-Fund may have direct exposure to China A-Shares using RQFII quota of the Manager (as RQFII holder) <b><u>and China B-Shares</u></b>. The Sub-Fund may also have direct exposure to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect (“<b>Stock Connect</b>”) (as further described in the section headed “Shanghai-Hong Kong Stock Connect” in the Explanatory Memorandum). Besides, the Sub-Fund may invest in exchange traded funds listed on Hong Kong Stock Exchange with exposure to China A-Shares (including physical and synthetic ETFs).</p> <p>The Sub-Fund will not invest more than 10% of its net <del>assets</del><b><u>asset value</u></b> in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade. Also, the Sub-Fund will not invest in structured products such as asset backed securities (including asset backed commercial papers).</p> <p>The Sub-Fund will invest in financial derivative instruments (by engaging in foreign currency transactions, including but not limited to currency forward contracts) for hedging purposes only.</p> <p>The Sub-Fund will not engage in securities lending transactions or repurchase and reverse repurchase transactions.</p>

Given that the primary investments of the Sub-Fund remain the same after the Scheme Change, the Manager believes there will not be any increase in the overall risk profile of the Sub-Fund. Apart from the Scheme Change, there is no change in the operation, and/or manner in which the Sub-Fund is being managed and there will be no material impact on existing Unitholders. The Scheme Change will not materially prejudice the existing Unitholders’ rights or interests.

The costs incurred in relation to the Scheme Change 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-Fund and the Unitholders following the implementation of the Scheme Change.

To reflect the Scheme Change as discussed above, the Explanatory Memorandum of the Fund and the Sub-Fund and the Product Key Facts Statement of the Sub-Fund have been updated, where appropriate. The revised Explanatory Memorandum of the Fund and Sub-Fund and the Product Key Facts Statement of the Sub-Fund are available on the Manager's website ([www.99fund.com.hk](http://www.99fund.com.hk)).<sup>1</sup>

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  
31 October 2016

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