

CHINA UNIVERSAL INTERNATIONAL SERIES (the “Fund”)

CUAM China-Hong Kong Strategy Fund CUAM Hong Kong Dollar Bond Fund CUAM RMB Bond*plus* Fund CUAM Select US Dollar Bond 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 Sub-Funds and the Product Key Facts Statement of CUAM RMB Bond*plus* 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 and the Sub-Funds dated June 2017 (the “Explanatory Memorandum”).

Dear Investor,

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

A. **Changes in investment policy of CUAM RMB Bond*plus* Fund**

It is the current investment policy of CUAM RMB Bond*plus* Fund that its investments (including RMB-denominated fixed income instruments issued within Mainland China) are acquired under the RQFII scheme.

To provide greater flexibility for this Sub-Fund, the investment policy of this Sub-Fund will be revised to allow this Sub-Fund to invest less than 70% of its net asset value in RMB-denominated fixed income instruments issued within Mainland China via the China interbank bond market (the “CIBM”) initiative or such other means as may be permitted under applicable laws and regulations from time to time. Such amendments are shown as bold and underlined in the table below:

Existing investment policy	Revised investment policy
The fixed income instruments in which the Sub-Fund may invest include sovereign bonds, local government bonds, urban investment bonds (城投債), bonds issued by banks or other financial institutions, corporate / company bonds regulated by the PRC National Development and Reform Commission and/or the China Securities Regulatory Commission, convertible bonds, central bank bills, medium term notes, short-term financing bills and fixed income funds authorised by the CSRC for offering to the public in the PRC. These fixed income	The fixed income instruments in which the Sub-Fund may invest include sovereign bonds, local government bonds, urban investment bonds (城投債), bonds issued by banks or other financial institutions, corporate / company bonds regulated by the PRC National Development and Reform Commission and/or the China Securities Regulatory Commission, convertible bonds, central bank bills, medium term notes, short-term financing bills and fixed income funds authorised by the CSRC for offering to the public in the PRC. These fixed income

instruments also include other fixed income instruments which is permitted by the China Securities Regulatory Commission. These instruments may be traded or dealt in the mainland exchange market or interbank bond market.

The equity instruments in which the Sub-Fund may invest include equities acquired from initial public offering in the primary market of China, equities converted from convertible bonds, equities acquired in secondary markets, equity funds authorised by the CSRC for offering to the public in the PRC and other equity instruments which is permitted by the China Securities Regulatory Commission.

Investment in money market funds, fixed income funds and equity funds authorised by the CSRC for offering to the public in the PRC will not in aggregate exceed 10% of the net asset value of the Sub-Fund.

The Manager seeks to achieve investment returns through active management of the risks associated with RMB-denominated fixed income instruments (fixed rate or floating rate) and equity instruments. Over 80% of the assets of the Sub-Fund would be invested in the RMB-denominated fixed income instruments issued within Mainland China. The Manager will select various RMB-denominated fixed income instruments and determine their allocation ratios in the portfolio in light of macro economic analysis, research on the benchmark yields of bonds, research on credit ratings of bonds, and research on levels of bond spread of China.

In particular, the Sub-Fund may invest up to 80% of its net asset value in urban investment bonds (城投債) (i.e. debt instruments issued by local government financing vehicles (“LGFVs”) in the PRC exchange-traded bond markets and inter-bank bond market). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for local development, public welfare investment and infrastructure projects.

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<p>No more than 20% of the assets of the Sub-Fund would be invested in RMB equity instruments within Mainland China including listed securities in recognised stock exchange within China as permitted by the China Securities Regulatory Commission.</p> <p>While there are no minimum credit rating requirements for the Sub-Fund, the Sub-Fund will not invest more than 20% of its net asset value in fixed income instruments which (i) has credit rating of BB+ or below as rated by PRC local rating agencies; or (ii) are unrated, which means neither the fixed income instrument itself nor its issuer has a credit rating. The Manager will first consider the credit rating of the fixed income instrument itself and only if it is not available, the Manager will then consider the credit rating of the issuer of the fixed income instrument, which will become the implied credit rating of the fixed income instrument.</p> <p>The Sub-Fund may also invest up to 20% of its net asset value in asset backed securities (including asset backed commercial papers).</p> <p>The Sub-Fund will not invest in any structured deposits or structured products or financial derivative instruments for hedging or non-hedging purpose.</p> <p>The Sub-Fund will not enter into any securities lending activities or repurchase and reverse repurchase transactions.</p>	<p>No more than 20% of the assets of the Sub-Fund would be invested in RMB equity instruments within Mainland China including listed securities in recognised stock exchange within China as permitted by the China Securities Regulatory Commission.</p> <p>While there are no minimum credit rating requirements for the Sub-Fund, the Sub-Fund will not invest more than 20% of its net asset value in fixed income instruments which (i) has credit rating of BB+ or below as rated by PRC local rating agencies; or (ii) are unrated, which means neither the fixed income instrument itself nor its issuer has a credit rating. The Manager will first consider the credit rating of the fixed income instrument itself and only if it is not available, the Manager will then consider the credit rating of the issuer of the fixed income instrument, which will become the implied credit rating of the fixed income instrument.</p> <p>The Sub-Fund may also invest up to 20% of its net asset value in asset backed securities (including asset backed commercial papers).</p> <p><u>The Sub-Fund’s investments are acquired under the RQFII scheme. In addition, the Sub-Fund may invest less than 70% of its net asset value in RMB-denominated fixed income instruments issued within Mainland China via the China interbank bond market (CIBM) initiative or such other means as may be permitted under applicable laws and regulations from time to time.</u></p> <p>The Sub-Fund will not invest in any structured deposits or structured products or financial derivative instruments for hedging or non-hedging purpose.</p> <p>The Sub-Fund will not enter into any securities lending activities or repurchase and reverse repurchase transactions.</p>
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CIBM Initiative

CIBM is the over-the-counter market for bonds issued and traded in the PRC. A new scheme was launched in 2016 to open up CIBM to eligible foreign institutional investors to access onshore bonds directly (“**CIBM Initiative**”). Under this scheme, foreign institutions can trade bonds directly through onshore settlement agents (i.e. banks) in the PRC. There are no specific quota limits imposed on the foreign institutional investor.

Please note that investments via the CIBM Initiative are subject to the Risks associated with CIBM. Please refer to the revised Explanatory Memorandum for further information relating to the CIBM Initiative.

B. Other changes

In addition, the First Addendum dated 26 September 2016, the Second Addendum dated 31 October 2016, the Third Addendum dated 9 February 2017, the Fourth Addendum dated 17 February 2017 and the Fifth Addendum dated 28 April 2017 to the Explanatory Memorandum dated October 2015 have been incorporated in the revised Explanatory Memorandum.

To reflect the changes as discussed above, the Explanatory Memorandum and the Product Key Facts Statement of CUAM RMB Bond*plus* Fund have been updated, where appropriate. The revised Explanatory Memorandum and the Product Key Facts Statement of CUAM RMB Bond*plus* Fund are available on the Manager's website (www.99fund.com.hk).¹

If you have any questions or require further information about the above 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
30 June 2017

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