

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 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 and the Sub-Funds dated December 2019 (the “Explanatory Memorandum”).

Dear Investor,

We are writing to inform you that certain amendments have been made to the Trust Deed, the Explanatory Memorandum, and the Product Key Facts Statements of the Sub-Funds.

A. Amendments to Reflect Requirements under the Revised Code on Unit Trusts and Mutual Funds

The Fund and the Sub-Funds are subject to the Code on Unit Trusts and Mutual Funds (“**Code**”) issued by the Securities and Futures Commission in Hong Kong (“**SFC**”), which has been revised with effect from 1 January 2019. A 12-month transition period from 1 January 2019 has been provided by the SFC for existing funds, such as the Fund and the Sub-Funds, to comply with revised Code.

The Trust Deed (by way of a supplemental deed (“**Supplemental Deed**”)), the Explanatory Memorandum, and the Product Key Facts Statements of the Sub-Funds have been amended to reflect the requirements under the revised Code.

Change pursuant to the revised Code

The following key changes (“**Changes**”) will be made to the Trust Deed and/or the Explanatory Memorandum and/or the Product Key Facts Statements of the Sub-Funds (where applicable) to reflect the requirements under the revised Code:

1. Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code;

2. Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapter 7 of the revised Code, including but not limited to amendments in relation to the following: spread of investments, commodities, restrictions on making loans, limitations on borrowing, financial derivative instruments, securities financing transactions and collateral etc.

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this Notice.

Information on the net derivative exposure of each Sub-Fund calculated in accordance with the requirements and guidance issued by the SFC is set out in Annexure B enclosed with this Notice.

3. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
 - a. enhanced disclosures relating to the collateral policy of the Sub-Funds;
 - b. amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements; and
 - c. enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where a Sub-Fund is terminated.

Please refer to the revised Explanatory Memorandum, the Product Key Facts Statements of the Sub-Funds, and the Supplemental Deed for further details.

B. Other Amendments

The Explanatory Memorandum and the Product Key Facts Statements of the Sub-Funds have also been updated to reflect other administrative, clarificatory and editorial amendments. In particular, clarifications have been made to the disclosures on the current level of the Trustee Fee such that the minimum monthly fee for each of the Sub-Funds as currently disclosed are clarified as the maximum level of the minimum monthly fee that may be charged, as the Trustee may from time to time offer certain discounts on the minimum monthly Trustee Fee in respect of any of the Sub-Funds. For instance, it was previously disclosed that the minimum monthly Trustee Fee for CUAM RMB Bondplus Fund is RMB 40,000. Clarifications have been made to the disclosures such that the minimum monthly Trustee Fee for this Sub-Fund is up to RMB 40,000.

There have been no changes to the fee structure for any of the Sub-Funds.

Implication of Changes

Please note that all amendments made to the Trust Deed, the Product Key Facts Statements of the Sub-Funds, and the Explanatory Memorandum will not result in material changes to the investment objective and policy, as well as the risk profile, of the Sub-Funds, the level of fees payable by the Sub-Funds and the Unitholders, or the manner in which the Sub-Funds are being managed.

Availability of Documents

Copies of the Trust Deed (together with any supplemental deeds, including the Supplemental Deed) may be obtained from the Manager on payment of a reasonable fee and may be inspected during normal working hours at the offices of the Manager free of charge.

The Product Key Facts Statements of each of the Sub-Funds and the Explanatory Memorandum has been updated and are available on the Manager's website (www.99fund.com.hk).¹

Enquiries

If you have any questions or require further information relating to the above, 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
27 December 2019

¹ This website has not been reviewed by the SFC.

Annexure A – Summary of key revised investment restrictions

The key amendments to the investment restrictions are as follows:

- (a) the aggregate value of a Sub-Fund’s investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of its latest available Net Asset Value:
 - (i) investments in securities issued by that entity;
 - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.
- (b) subject to the requirements under the revised Code, the aggregate value of a Sub-Fund’s investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its latest available Net Asset Value:
 - (i) investments in securities issued by those entities;
 - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.
- (c) the value of a Sub-Fund’s cash deposits made with the same entity or entities within the same group may not exceed 20% of its latest available Net Asset Value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.
- (d) a Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC.
- (e) subject to the requirements under the revised Code, a Sub-Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (f) the maximum borrowing of a Sub-Fund has been reduced to 10% of its latest available Net Asset Value. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (g) a Sub-Fund may acquire financial derivative instruments for hedging purposes.
- (h) a Sub-Fund may also acquire financial derivative instruments for non-hedging purposes in accordance with its investment objective and policy subject to the limit that such Sub-Fund’s net exposure relating to these financial derivative instruments (“**net derivative exposure**”) does not exceed 50% of its latest available Net Asset Value.

Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

- (i) to limit the exposure to each counterparty, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements in the revised Code.

Annexure B – Information on Net Derivative Exposure

The net derivative exposure is calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of a Sub-Fund are converted into their equivalent positions in their underlying assets.

The net derivative exposure of the following Sub-Funds are subject to the limit set out below:

Sub-Fund	Net derivative exposure (% of Net Asset Value)
CUAM China-Hong Kong Strategy Fund	up to 50%
CUAM Hong Kong Dollar Bond Fund	up to 50%
CUAM Select US Dollar Bond Fund	up to 50%

CUAM RMB Bond*plus* Fund will not invest in financial derivative instruments for any purposes.