

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 Sub-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 and the Sub-Fund dated January 2020 (the “Explanatory Memorandum”).

Dear Investor,

We are writing to inform you that the following amendments have been made to the Explanatory Memorandum and the Product Key Facts Statement of the Sub-Fund.

Change of investment policy of the Sub-Fund

The Sub-Fund seeks to achieve medium to long-term capital growth through investing primarily in securities of companies which are established in Greater China or having their income, revenue, assets, economic activities, business or operations associated with Greater China. In particular, it is disclosed that the Sub-Fund may invest less than 30% of its net asset value in the onshore mainland China market through various means, including but without limitation, using RQFII status of the Manager (as RQFII holder), or through investment in other collective investment schemes, or through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (collectively the “**Stock Connects**”) or such other means as may be permitted under applicable laws and regulations from time to time.

In light of the Manager’s views of the current and prospective economic and market conditions in the onshore mainland China market, the Manager proposes to place greater focus on such market. From 15 June 2020, the investment policy of the Sub-Fund is amended such that:

- (i) the equity securities invested by the Sub-Fund may be issued within Mainland China, and may be invested through various means, including the RQFII status of the Manager (as RQFII holder) or through the Stock Connects or such other means as may be permitted under applicable laws and regulations from time to time;
- (ii) less than 30% of the Sub-Fund’s net asset value may be invested in debt securities issued within Mainland China; and
- (iii) for the avoidance of doubt, investment using the RQFII status of the Manager (as RQFII holder) will be less than 30% of the Sub-Fund’s net asset value.

Implication of Changes

Based on the Sub-Fund's current investments to securities issued within Mainland China, the Sub-Fund is subject to, amongst others, the following:

Risk associated with high volatility of the equity market in Mainland China – High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

Risk associated with exchanges requirements of the equity market in Mainland China – Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

RQFII risk - The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

The Sub-Fund may suffer substantial losses if the approval of the RQFII is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the fund's monies, or if any of the key operators or parties (including RQFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

Stock Connects risk - The relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in China A-shares or access the Mainland China market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

Risk relating to credit rating of onshore Mainland China securities - The rating criteria and methodology used by Chinese local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

Mainland China tax risk - There are risks and uncertainties associated with changes in the current PRC tax law, regulations and practice in respect of capital gains derived by RQFIIs, or through the Stock Connects or other means, on its investment in the PRC, which may have retrospective effect and may adversely affect the Sub-Fund. Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.

As a result of the foregoing amendment, the Sub-Fund's exposure to the above risk factors may be increased. For further details on such risk factors, please refer to the Explanatory Memorandum.

Other than the foregoing amendment, there will be no change in the operation and/or manner in which the Sub-Fund is being managed and there will be no material impact on Unitholders

as a result of the amendment. This amendment will not materially prejudice the existing Unitholders' rights or interests.

The costs of implementing the above amendment will be borne by the Manager. There will be no change in the fee level of the Sub-Fund following the implementation of such amendment.

If the amendment set out in this notice does not align with your investment requirements, you may redeem your investment free of charge at any time since the Sub-Fund is not currently subject to any redemption fee.

Availability of Documents

The Explanatory Memorandum and the Product Key Facts Statement of the Sub-Fund will be updated in due course and will be 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
13 May 2020

¹ This website has not been reviewed by the SFC.