PRODUCT KEY FACTS

China Universal International Series – CUAM Hong Kong Dollar Bond Fund

March 2022

CHINA UNIVERSAL ASSET MANAGEMENT (HONG KONG) COMPANY LIMITED

- ***This statement provides you with key information about CUAM Hong Kong Dollar Bond Fund (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of China Universal International Series.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	China Universal Asset Management (Hong Kong) Company Limited
Trustee:	BOCI-Prudential Trustee Limited
Ongoing charges over a year:	Class A HKD Units - 0.92%# Class A USD Units - 0.93%# Class A RMB Units - 0.93%* Class I HKD Units - 0.67%# Class I USD Units - 0.68%# Class I RMB Units - 0.67%#
Dealing frequency:	Daily (Hong Kong business day)
Base currency:	HKD
Dividend policy:	Currently on a quarterly basis (i.e. March, June, September and December each year), subject to the Manager's discretion. Distributions may be paid out of capital or effectively paid out of capital, which will result in an immediate reduction of net asset value per unit.
Financial year end of the Sub-Fund:	31 December
Minimum investment:	Class A HKD Units - HKD 10,000 initial, HKD 1,000 additional Class A RMB Units - RMB 10,000 initial, RMB 1,000 additional Class A USD Units - USD 1,000 initial, USD 1,000 additional Class I HKD Units - HKD 3,000,000 initial, HKD 500,000 additional Class I RMB Units - RMB 3,000,000 initial, RMB 500,000 additional Class I USD Units - USD 300,000 initial, USD 50,000 additional

Minimum holding:	Class A HKD Units - Units with aggregate minimum value of HKD 10,000 Class A RMB Units - Units with aggregate minimum value of RMB 10,000 Class A USD Units - Units with aggregate minimum value of USD1,000 Class I HKD Units - Units with aggregate minimum value of HKD 1,000,000 Class I RMB Units - Units with aggregate minimum value of RMB 1,000,000 Class I USD Units - Units with aggregate minimum value of USD 100,000
Minimum realisation:	Class A HKD Units - Units with aggregate minimum value of HKD 1,000 Class A RMB Units - Units with aggregate minimum value of RMB 1,000 Class A USD Units - Units with aggregate minimum value of USD 1,000 Class I HKD Units - Units with aggregate minimum value of HKD 100,000 Class I RMB Units - Units with aggregate minimum value of RMB 100,000 Class I USD Units - Units with aggregate minimum value of USD 10,000

The ongoing charges figure is based on expenses for the year ended 31 December 2021 expressed as a percentage of the Sub-Fund's average net asset value of the same period. This figure may vary from year to year.

* *The ongoing charges figure is annualized based on the actual expenses for the period from the inception date of the relevant unit class to the year ended 31 December 2021 expressed as a percentage of the Sub-Fund's average net asset value of the same period. This figure may vary from year to year.*

What is this product?

- CUAM Hong Kong Dollar Bond Fund is a sub-fund of China Universal International Series which is a Hong Kong domiciled umbrella structure unit trust established by a trust deed dated 29 December 2011. It is governed by the laws of Hong Kong.

Objective and Investment Policy

Objective

CUAM Hong Kong Dollar Bond Fund seeks to provide investors with a stable and consistent investment return over medium to long term by investing primarily in Hong Kong Dollar denominated debt securities instruments. The Sub-Fund will invest more than 70% of net asset value in Hong Kong Dollar denominated debt securities and certificates of deposits, and not more than 30% of its net asset value in other currency denominated debt securities.

Policy

CUAM Hong Kong Dollar Bond Fund mainly invests in debt securities issued or fully guaranteed by governments, government agencies, supranational and corporate. The debt securities instruments in which the Sub-Fund may invest include (but not limited to) long-term bonds, medium-term notes, bills, convertible bonds, subordinated debt, asset-backed debt securities, certificate of deposits and commercial papers.

The Sub-Fund intends to invest in debt securities for medium to long term. However, the actual holding period may vary subject to market conditions.

The Manager will adopt a "top down-bottom up" approach to manage the Sub-Fund. The Manager will utilize "top down" approach to analyze economy and capital market conditions to determine the portfolio duration, average yield, rating allocations, sector allocations, cash weighting and other investment decisions. The Manager will then utilize "bottom up" approach to select individual debt securities, analysis will be conducted on the fundamentals of debt securities' issuers and/or guarantors, the structure and terms of the debt securities, valuation of the debt securities, and other factors which may affect the Manager's investment view.

The Sub-Fund will not buy equity securities. However, depending on the market conditions, there may be possibility that the Manager will convert the invested convertible bonds to equities to realize the profits. In this case, the equities will be sold as soon as possible considering the market conditions. The Sub-Fund will not invest in exchange-traded funds ("ETFs") and/or real estate investment trusts ("REITS").

There is no minimum credit rating requirement for the Sub-Fund.

The Sub-Fund will not invest more than 10% of its net asset value 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 or are unrated debt securities. "Investment grade" means a rating of BBB- or above from Standard & Poor's and Fitch, Baa3 or above from Moody's or an equivalent rating from any internationally recognized credit rating agency, or AA+ or above as rated by PRC local rating agencies. For this purpose, if the relevant security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of the security. "Unrated debt securities" means a debt security which neither the security itself nor its issuer has a credit rating.

The Sub-Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features (i.e. debt instruments issued by a holding company of a financial institution with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (i) when a financial institution is near or at the point of non-viability, or (ii) when the capital ratio of a financial institution falls to a specified level). These include contingent convertible bonds, non-preferred senior debt instruments and Additional Tier 1 and Tier 2 capital instruments. The Sub-Fund will dispose of the foregoing ordinary shares as soon as possible taking into account the market conditions at that time.

The Sub-Fund may hold less than 30% of its net asset value in cash and cash equivalents, which may include cash, deposits and money market instruments for liquidity and cash management purposes. The Sub-Fund may hold temporarily up to 100% of its net asset value in cash or cash equivalents under exceptional circumstances, such as (i) market crash, or major crisis, (ii) attempts to mitigate the risk of potential sharp reversals and fall in the equity or bond markets, (iii) attempts to mitigate downside risks during uncertainties or (iv) maintain liquidity for the Sub-Fund.

The Sub-Fund may employ financial derivative instruments such as future and forwards for hedging purposes only and will not invest in financial derivative instruments for investment purposes. The Sub-Fund will not invest in any structured deposits or structured products.

The Sub-Fund will not engage in securities lending transactions or repurchase and reverse repurchase transactions. Prior approval will be sought from the SFC and at least one month prior notice will be given to Unitholders should there be a change in such intention. The Explanatory Memorandum will be updated accordingly.

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its net asset value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Investment risk

- The instruments invested by the Sub-Fund may fall in value and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of dividend or distribution payments during the period an investor holds units in the Sub-Fund.

2. Risks relating to debt securities

The Sub-Fund mainly invests in debt securities which may fall in value. Investors may suffer losses as a result. Investment in the Sub-Fund is subject to risks that apply to debt securities as follows:

Interest rates risk

- Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Credit risk of issuers or counterparties

- The Sub-Fund is exposed to the credit/insolvency risk of issuers of the debt securities it invests in. Such issuers may be unable or unwilling to make timely payments on principal and/or interest.

Risks relating to credit rating

- Credit ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks.

Downgrading risk

- Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. If the Sub-Fund continues to hold such securities, it will be subject to additional risk of loss.

Below investment grade and unrated securities risk

- The Sub-Fund may invest in securities which are below investment grade or which are unrated. Such securities would generally be considered to have a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities. If the issuer of such securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses.

Liquidity risk

- Some of the debt securities in which a Sub-Fund invests may be illiquid, and may be difficult or impossible to sell. This would affect the Sub-Fund’s ability to acquire or dispose of such securities at their intrinsic value.

Valuation risk

- Valuation of the Sub-Fund's investment may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the Sub-Fund may be adversely affected. The value of fixed income instruments may be affected by changing market conditions or other significant market events affecting valuation.

3. Risk relating to convertible bonds

- This Sub-Fund may invest in convertible bonds, which shares similar characteristics and nature of debt and equity, permitting holders to convert into shares in the company issuing the bond at a specific future date. Convertible bonds are subject to the credit, interest rate and market risks with both debt securities and equity securities and any risk specific to convertible bonds. Convertible bonds may also be subject to lower liquidity than the underlying equities. Therefore, investors should be prepared for greater volatility than normal bond investments, with an increased risk of capital loss.

4. Risk associated with investment in instruments with non-viability / loss absorption convertible features

Trigger level risk / conversion risk

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Trigger levels differ and determine exposure to conversion risk. They are complex, and it might be difficult for the Manager to anticipate the triggering events that would require the conversion. These instruments may be converted into shares potentially at a discounted price and the principal amount invested may be lost. In case of conversion, the Manager might be forced to sell these new equity shares and such forced sale may result in the Sub-Fund experiencing losses.

- In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class.

Coupon cancellation risk

- Coupon payments are entirely discretionary and may be cancelled by the issuer. As a result, these instruments may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

Sector concentration risk

- These instruments are issued by banking and insurance institutions. The performance of the Sub-Fund may depend to a greater extent on the overall condition of the financial services industry than for funds following a more diversified strategy.

Novelty and untested nature

- The structure of these instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

Valuation and liquidity risk

- Debt instruments with loss-absorption features may also be exposed to valuation and liquidity risk.

Contingent convertible debt securities

- The Sub-Fund may invest in contingent convertible debt securities, which are highly complex and are of high risk. Upon the occurrence of the trigger event, contingent convertible debt securities may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on contingent convertible debt securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Non-preferred senior debt securities

- The Sub-Fund may invest in non-preferred senior debt securities. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

5. Risks relating to equity securities

- The Sub-Fund may hold equities in the event that the Manager converts the invested convertible bonds to equities. The value of such investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. In falling equity markets there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time, and can be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons.

6. Risk of using financial derivative instruments

- The use of financial derivative instruments may expose the Sub-Fund to risks including market volatility risk, credit risk, counterparty risk, liquidity risk, non-redeemable risk and issuer's defaults risk. In adverse situation, the use of financial derivative instruments for hedging purposes may become ineffective and the Sub-Fund may suffer significant losses.

7. RMB currency risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions imposed by the Mainland authorities. Investors may be adversely affected by movements of the exchange rates between RMB and other currencies.

8. RMB classes related risk

- The prices of unit in the RMB classes are denominated in RMB, but the Sub-Fund may have limited RMB-denominated underlying investments and its base currency is HKD. As such, even if the prices of underlying investments and/or value of the base currency rise or remain stable, investors may still incur losses if RMB appreciates against the currencies of the underlying investments and/or the base currency more than the increase in the value of the underlying investments and/or the base currency. Furthermore, if RMB appreciates against the currencies of the underlying investments and/or the base currency, and the value of the underlying investments decreased, the value of investors' investments in RMB classes may suffer additional losses.

- Investors investing in RMB classes must subscribe for units and will normally receive redemption proceeds in RMB. Due to the exchange controls and restrictions applicable to RMB, the Sub-Fund may not be able to get sufficient amounts of RMB in a timely manner to meet redemption requests of RMB classes and/or pay dividends (if any) if all or a substantial portion of its underlying investments are non-RMB denominated. Therefore, even if the Sub-Fund aims to pay redemption proceeds and/or dividends to investors of RMB classes in RMB, investors may not receive RMB upon redemption of investments or receive dividend payments (if any) in RMB. There is also a risk that payment of investors' redemption proceeds in RMB may be delayed when there is not sufficient RMB for currency conversion for settlement of the redemption proceeds.

- When calculating the value of the RMB classes, reference will be made to the offshore RMB in Hong Kong (the "**CNH**"). The CNH rate may be at a premium or discount to the exchange rate for onshore RMB in China (the "**CNY**") and there may be significant bid and offer spreads. While CNH and CNY represent the same currency, they are traded in different and separate markets which operate independently. As such, CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY.

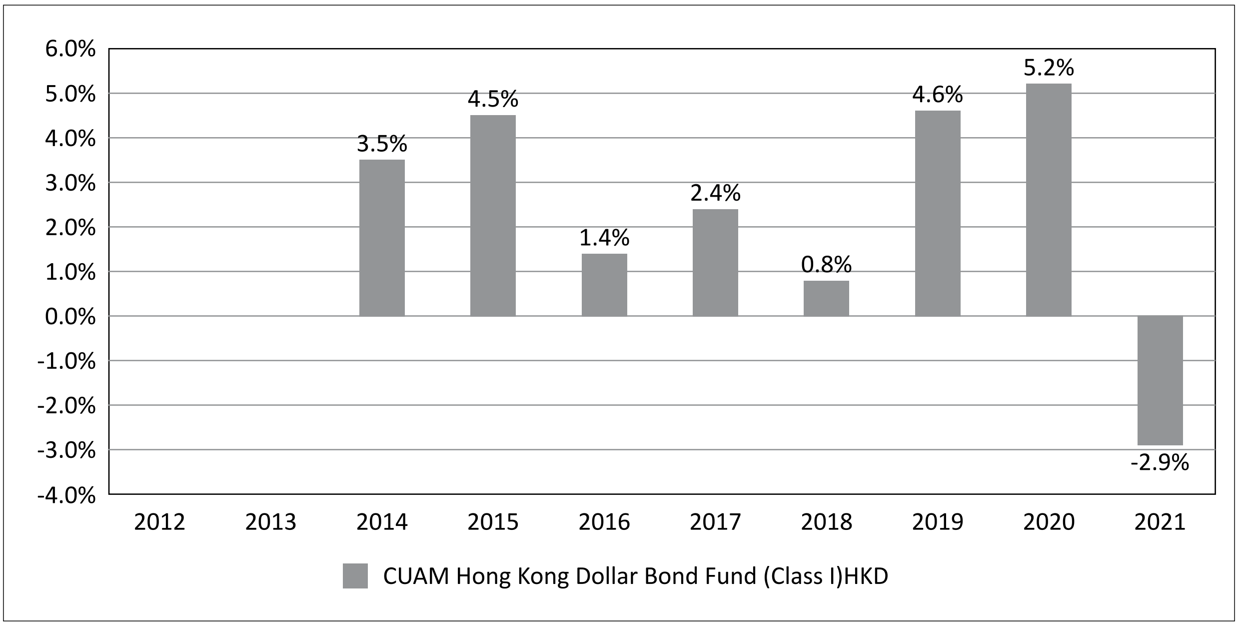
- The value of the RMB classes thus calculated will be subject to fluctuation. The exchange rate of RMB may rise or fall. There can be no assurance that RMB will not be subject to devaluation. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB classes of the Sub-Fund. Non-RMB based (e.g. Hong Kong) investors may have to convert HKD or other currencies into RMB when investing in the RMB classes. Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the units) back to HKD or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against HKD or such other currencies upon receipt of the RMB redemption proceeds.

9. Risks associated with distributions out of / effectively out of capital

- Payment of distributions out of the Sub-Fund's capital and/or effectively out of the Sub-Fund's capital amounts to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment. Any such distributions will result in an immediate reduction of the net asset value per unit.

- The approval of the SFC will be sought (where necessary) and at least one month's prior notice will be given to unitholders should there be a change in distribution policy.

How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class I HKD Units of the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- The Manager views Class I HKD, being the unit class denominated in the Sub-Fund's base currency and having the longest track record, as the most appropriate representative unit class.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 2013
- Class I HKD launch date: 2013
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from the website of the Manager at http://www.99fund.com.hk.[1]

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

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	**What you pay**	
	Class A	*Class I*
Subscription fee (Preliminary Charge) (% of the Issue Price)	Up to 5%	Up to 5%
Redemption fee (Realisation Charge) (% of the Realisation Price)	Nil	Nil
Switching fee (Conversion Charge) (% of the Issue Price of the units of the new sub-fund)	Up to 1%	Up to 1%

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

Annual rate (as a % of the Sub-Fund's net asset value)

Management Fee	Up to 3% p.a., Class A's current rate being 0.75% p.a.* Class I's current rate being 0.50% p.a.*
Trustee Fee	Class A & Class I: Currently up to 0.15% p.a., subject to a minimum monthly fee (up to HKD 35,000)*
Custody Fee	Up to 0.1% p.a.
Performance Fee	Not applicable

Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum.

* *The current annual rate may be increased up to the specified permitted maximum level as set out in the Explanatory Memorandum by giving not less than one month's prior notice to the investors.*

Additional Information

- **Currently Class A HKD units, Class A RMB units, Class A USD units, Class I HKD units, Class I RMB units and Class I USD units of the Sub-Fund are available for subscription.**
- You generally buy and realise units at the Sub-Fund's next-determined net asset value (NAV) after the authorised distributor or the Manager has received your request in good order on or before 4:00p. m. (Hong Kong time) on the relevant Dealing Day. The authorised distributors may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investor should pay attention to the arrangements of the authorised distributor concerned.
- The net asset value of this Sub-Fund is calculated on the Business Day immediately following the Dealing Day, and the price of units is published on each Business Day. The net asset value per unit of the Sub-Fund at each Dealing Day will be published on a daily basis in the Manager's website at www.99fund.com.hk[1].
- Compositions of the distributions (if any) (i.e. the relative amounts/percentages paid out of (i) net distributable income; and (ii) capital) for the last 12 months are available by the Manager on request and also in the Manager's website at www.99fund.com.hk[1].
- Please note that the Manager's website cited in this document has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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