PRODUCT KEY FACTS

China Universal International Series –
CUAM Select US Dollar Bond Fund

March 2022

CHINA UNIVERSAL ASSET MANAGEMENT (HONG KONG) COMPANY LIMITED

- ***This statement provides you with key information about CUAM Select US 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
Custodian:	Bank of China (Hong Kong) Limited
Ongoing charges over a year:	Class A HKD Units - 0.88%# Class A RMB Units - 1.08%# Class A USD Units - 0.87%# Class M USD Units - 0.87%^ Class I HKD Units - 0.82%# Class I RMB Units - 0.81%# Class I USD Units - 0.62%#
Dealing frequency:	Daily (HK Business Day)
Base currency:	USD
Dividend policy:	Except Class M USD Units - Currently on a quarterly basis (i.e. March, June, September and December each year), subject to the Manager's discretion. For Class M USD Units - Currently on a monthly basis, 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 8,000 initial, HKD 8,000 additional Class A RMB Units - RMB 8,000 initial, RMB 8,000 additional Class A USD Units - USD 1,000 initial, USD 1,000 additional Class M USD Units - USD 1,000 initial, USD 1,000 additional Class I HKD Units - HKD 4,000,000 initial, HKD 4,000,000 additional Class I RMB Units - RMB 4,000,000 initial, RMB 4,000,000 additional Class I USD Units - USD 500,000 initial, USD 500,000 additional	
Minimum holding:	Class A -	Units with aggregate minimum value of HKD 8,000 or RMB 8,000 or USD 1,000
	Class M -	Units with aggregate minimum value of USD 1,000
	Class I -	Units with aggregate minimum value of HKD 4,000,000 or RMB 4,000,000 or USD 500,000
Minimum realisation:	Class A -	Units with aggregate minimum value of HKD 8,000 or RMB 8,000 or USD 1,000
	Class M -	Units with aggregate minimum value of USD 1,000
	Class I -	Units with aggregate minimum value of HKD 4,000,000 or RMB 4,000,000 or USD 500,000

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 Select US 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

The Sub-Fund seeks to provide investors with a stable and consistent investment return over medium to long term by investing primarily in US Dollar denominated debt securities instruments.

Policy

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, contingent convertible bonds, subordinated debt, Dim Sum bonds, asset-backed debt securities, mortgage-backed securities, asset-backed commercial paper, certificate of deposits and commercial papers.

The Sub-Fund will primarily invest at least 70% of its net asset value in US Dollar denominated debt securities instruments. The Sub-Fund may invest less than 30% of its net asset value in other debt securities instruments which are denominated in non-USD currencies.

The Sub-Fund may invest in debt securities instruments which are rated investment grade or below investment grade as well as unrated (which in the opinion of the Manager are suitable for achieving the investment objective of the Sub-Fund). The Sub-Fund may at times invest up to 100% of its net asset value in below investment grade or unrated debt securities instruments. “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 is not subject to any limitation on the portion of its net asset value that may be invested in any one country or region, and the weight in one country may go up to 100% of the Sub-Fund’s net asset value. The countries and regions in which the Sub-Fund may invest include, but are not limited to: US and European countries. The Sub-Fund may invest up to 20% of its net asset value in onshore mainland China debt securities market (including urban investment bonds) (via the China Interbank Bond Market or using the QFI status of the Manager (as QFI holder) or through investment in other collective investment schemes or such other means as may be permitted under applicable laws and regulations from time to time). The Sub-Fund will not focus its investment in any specific industries or sectors although the allocation in certain industry or sector may be relatively significant, depending on the Manager’s assessment at different times.

The Sub-Fund may invest up to 100% of its net asset value in asset-backed debt securities, mortgage-backed securities and asset-backed commercial papers.

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 will not invest more than 10% of its net asset value in securities issued by and/or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade or unrated.

The Sub-Fund will not buy equity securities. However, depending on the market conditions, there may be a 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 taking into account the market conditions at that time. The Sub-Fund’s aggregate exposure to such equities will be less than 30% of the Sub-Fund’s net asset value.

The Sub-Fund may invest up to 30% of its net asset value in other collective investment schemes which are authorized by the SFC or recognized jurisdiction schemes (except that not more than 10% of the Sub-Fund's net asset value may be invested in other collective investment schemes which are non-recognized jurisdiction schemes and not authorized by the SFC). The Sub-Fund will not invest in exchange-traded funds ("ETFs") and/or real estate investment trusts ("REITS").

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 or reverse repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund.

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 due to any of the key risk factors below 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. There is no guarantee of the repayment of principal.

2. Concentration risk

- The Sub-Fund may invest only in a specific country/region. The value of the Sub-Fund is likely to be more volatile than that of a broad-based fund as they are more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the respective countries/regions.

3. Emerging market risk

- The Sub-Fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

4. Eurozone risk

- In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

5. Risks relating to debt securities

Risk of investing in asset-backed securities, mortgage-backed securities and asset- backed commercial papers

- The Sub-Fund may invest up to 100% in asset-backed securities, mortgage-backed securities and asset-backed commercial papers which may be highly illiquid and prone to substantial price volatility. The liquidity, credit and interest rate risks of these instruments can be higher than a regular bond or debt instrument. They are often exposed to extension and prepayment risk and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

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/default risk of issuers of the debt securities it invests in.

Risks relating to credit rating

- Credit ratings assigned by a rating agency are subject to limitations and are not absolute standards of credit quality and do not evaluate market risks and do not guarantee the creditworthiness of the security and/or issuer at all times.

Downgrading risk

- Investment grade securities or the credit rating of the issuer may be subject to the risk of being downgraded to below investment grade or unrated . In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Below investment grade and unrated securities risk

- The Sub-Fund may invest up to 100% of its net asset value 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, volatility risk, liquidity risk and greater risk of loss of principal and interest than higher rated, lower yielding securities.

Sovereign debt risk

- The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

Liquidity and volatility risk

- Some of the debt securities in which a Sub-Fund invests may be illiquid and more volatile, and may be difficult or impossible to sell. The prices of securities traded in emerging markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

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.

6. Risk relating to convertible bonds

- This Sub-Fund may invest up to 100% 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 will be exposed to equity movement and greater volatility than straight bond investments. Investment in convertible bonds are subject to the same credit, interest rate, liquidity and prepayment risks associated with comparable straight bond investments and market risks with both debt securities and equity securities and any risk specific to convertible bonds.

7. 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.

8. RMB currency and conversion risks and RMB classes related risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

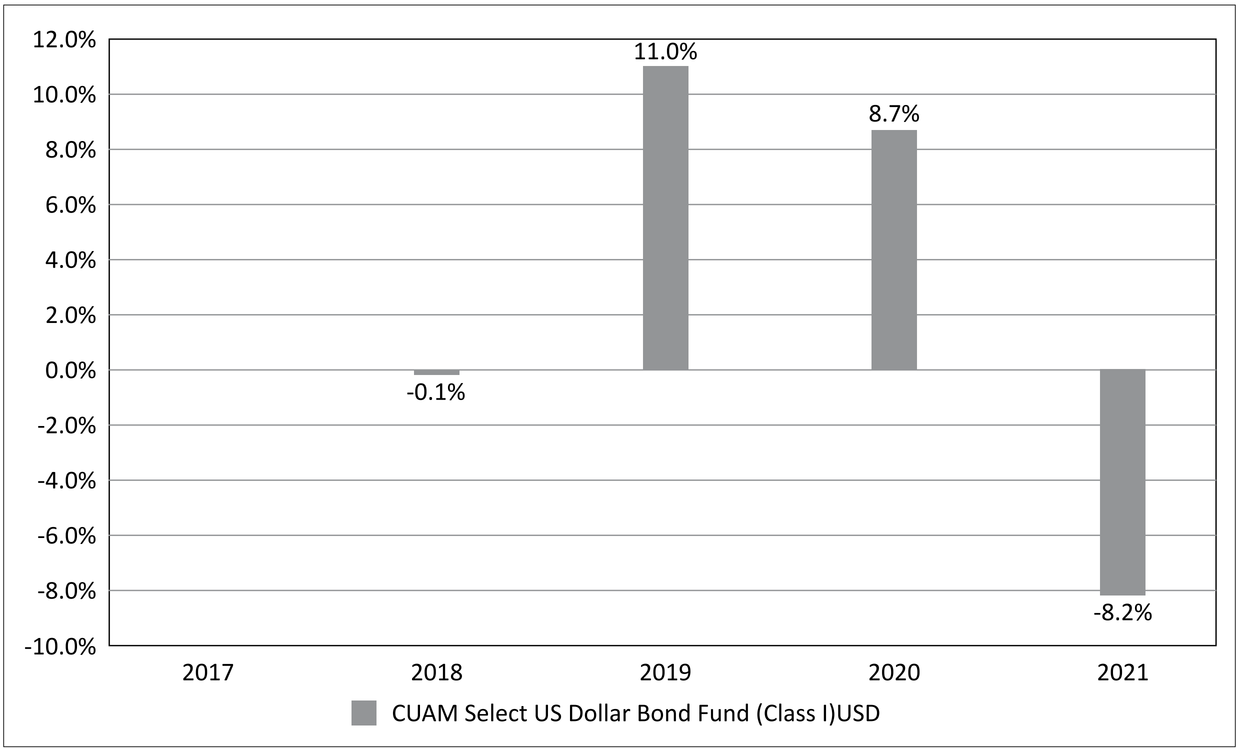
9. Risk associated with distributions out of / effectively out of capital

- 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.

10. Currency risk

- The Sub-Fund may invest in part in assets quoted in currencies other than its base currency. Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The performance and the net asset value of the Sub-Fund will therefore be affected unfavourably by movements in the exchange rate between the currencies in which the assets are held and the base currency of the Sub-Fund and by changes in exchange rate controls.

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 USD Units of the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- The Manager views Class I USD, being the unit class denominated in the Sub-Fund's base currency, 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: 2017
- Class I USD launch date: 2017
- 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 M*	*Class I*
Subscription fee (Preliminary Charge) (% of the Issue Price)	Up to 5%	Up to 5%	Up to 5%
Redemption fee (Realisation Charge) (% of the Realisation Price)	Nil	Nil	Nil
Switching fee (Conversion Charge) (% of the Issue Price of the units of the new sub-fund)	Up to 1%	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 M's current rate being 0.75% p.a.* Class I's current rate being 0.50% p.a.*
Trustee Fee	Class A, Class M & Class I: Currently up to 0.15% p.a.*, subject to a minimum monthly fee (up to USD 5,000)
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 units, Class M units & Class I 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, realisation 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 HK Business Day immediately following the Dealing Day, and the price of units is published on each HK 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.
- 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.
- Please note that this website has not been reviewed 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.