

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 advice.

Haitong RMB Investment Fund Series (“Fund”)

**Haitong Global RMB Fixed Income Fund (“Haitong Fixed Income Fund”) and
Haitong China RMB Income Fund (“Haitong RMB Income Fund”), each a “Sub-Fund”**

NOTICE TO UNITHOLDERS

30 June 2015

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 advice.

Unless otherwise indicated, all undefined capitalised terms have the same meanings in this notice as in the Explanatory Memorandum for the Sub-Funds. The Manager accepts responsibility for the accuracy, as at the date of this notice, of the information contained in it.

Dear Unitholder

We are writing to inform you of the following amendments in relation to the Sub-Funds, which will be reflected in the latest Explanatory Memorandum of the Sub-Funds dated June 2015 (“**Explanatory Memorandum**”).

Unless otherwise specified, the new amendments set out in this notice will take immediate effect from the date of this notice.

1. Establishment of new classes for Haitong Fixed Income Fund and Haitong RMB Income Fund

The Manager will establish the following new classes for Haitong Fixed Income Fund and Haitong RMB Income Fund, which will be available for subscription from 30 June 2015:

Investment Fund	Class	Class Currency
Haitong Global RMB Fixed Income Fund	Class A (SGD)	Singapore Dollar
	Class I (SGD)	Singapore Dollar
	Class D (RMB)	Renminbi
	Class D (HKD)	Hong Kong Dollar
	Class D (SGD)	Singapore Dollar
Haitong China RMB Income Fund	Class A (SGD)	Singapore Dollar
	Class I (SGD)	Singapore Dollar

The Class A (SGD) and Class I (SGD) of Haitong Fixed Income Fund and Haitong RMB Income Fund are new classes of Units denominated in Singapore Dollar under the respective Class A and Class I of the Sub-Funds.

The Class D (RMB), Class D (HKD) and Class D (SGD) of Haitong Fixed Income Fund are new classes which intend to make more frequent dividend distributions as compared to the existing Class A and Class I of Haitong Fixed Income Fund. Subject to the Manager’s discretion, the Manager intends to make dividend distribution on a monthly basis to Unitholders of these Class D Units.

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 advice.

For details regarding these new classes, please refer to the updated Explanatory Memorandum and product key facts statements of the Sub-Funds.

2. Updates to the investment objective and strategy of Haitong Fixed Income Fund

The investment objective and strategy of Haitong Fixed Income Fund will be updated so that the Sub-Fund may also invest in fixed income and debt instruments that are denominated in currencies other than RMB.

The changes to the investment objective and strategy of Haitong Fixed Income Fund as set out in the Explanatory Memorandum are detailed in Annexure 1 of this notice.

As a result of the update to the investment objective and strategy of Haitong Fixed Income Fund, the Sub-Fund will be exposed to additional currency risks. In particular, since the principals and/or interests of the Sub-Fund's investment in Income Instruments may be settled in currencies other than RMB (e.g. USD or HKD) and the Sub-Fund may invest in non-RMB Income Instruments, the movements in the exchange rates between RMB and such other currencies may adversely affect the Sub-Fund's performance.

Please refer to the "Specific Risk Factors" section of the Sub-Fund in the Explanatory Memorandum and the "What are the key risks?" section of the Product Key Facts Statement for the updated risk factors in respect of the Sub-Fund.

3. Updates to the investment objective and strategy of Haitong RMB Income Fund

The investment objective and strategy of Haitong China RMB Income Fund will be updated to provide further clarity on the Sub-Fund's investment in RMB denominated and settled debt instruments, collective investment schemes and deposits issued or listed within mainland China.

Furthermore, an additional borrowing restriction has been included so that the Manager shall not borrow more than 10% of the latest available Net Asset Value of the Sub-Fund to acquire investments, to redeem Units or to pay expenses relating to the Sub-Fund.

The changes to the investment objective and strategy of Haitong China RMB Income Fund as set out in the Explanatory Memorandum are detailed in Annexure 2 of this notice.

4. Haitong RMB Income Fund - Change in RQFII Quota Administration Policy

The Manager wishes to inform you that, in light of a recent change to the RQFII quota administration policy as promulgated by SAFE, Haitong International Holdings Limited (i.e. the holding company of the Manager) (the "RQFII Holder") now has the flexibility to allocate its RQFII quota across different public fund products under the management of the Manager, or, subject to SAFE's approval, to products and/or accounts that are not public fund products. This means that there will no longer be any specific RQFII quota dedicated to a particular product, such as the Haitong RMB Income 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 advice.

As a result, investors should also note that the Haitong RMB Income Fund will no longer have exclusive use of specified RQFII quota granted by SAFE to the RQFII Holder. The RQFII Holder may therefore allocate additional RQFII quota to the Sub-Fund, or allocate RQFII quota which may otherwise be available to the Sub-Fund to other products and/or accounts.

5. FATCA

With effect from 1 July 2014, sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended (commonly known as the Foreign Account Tax Compliance Act or "**FATCA**") provides that a 30% withholding tax will be imposed on certain payments to foreign financial institutions, such as the Sub-Funds, unless the Sub-Funds satisfy certain due diligence and tax information sharing requirements.

The Hong Kong government has entered into a Model 2 Intergovernmental Agreement ("**IGA**") for the implementation of FATCA. Under the terms of the IGA, the Sub-Funds, as "Foreign Financial Institutions" ("**FFI**"), would be required to enter into an FFI Agreement with the US Internal Revenue Service ("**IRS**"), register with the US IRS and comply with the terms of an FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments and other "withholdable payments" paid to them.

FFIs in Hong Kong (such as the Sub-Funds) complying with the terms of an FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will not be required to withhold tax on payments to "nonconsenting US accounts" (i.e. certain accounts of which the Unitholders do not consent to FATCA reporting and disclosure to the US IRS), but may be required to withhold tax on withholdable payments made to non-compliant FFIs.

Impact to the Sub-Funds and Unitholders

Unitholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Manager or its agents may from time to time request. Each Unitholder shall also be required to: (a) inform the Fund, the Sub-Funds, the Manager or its agents as soon as possible of any change in any information provided in relation to its US or non-US tax status (including any circumstances that would result in a change in the taxpayer status of such Unitholder); and (b) subject to the Unitholder's express consent, waive any and all rights of such Unitholder under any relevant law or regulation in any applicable jurisdiction that would prevent the Fund, the Sub-Funds, the Manager or its agents from meeting applicable regulatory and legal requirements.

In the event a Unitholder does not provide the requested information and/or documentation, the Fund, the Sub-Funds, the Manager or its agents may, and acting in good faith and on reasonable grounds as permitted under applicable laws and regulations (i) report the relevant information of such Unitholder to the US IRS (subject to applicable laws or regulations in Hong Kong); (ii) withhold such amount from any redemption and/or distributions moneys which would otherwise be payable to a Unitholder; (iii) exercise its right to request a transfer of Units to another person or to compulsorily redeem the Units held by such Unitholder; and/or (iv) bring legal action against such Unitholder for losses suffered by the Fund or

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 advice.

the relevant Sub-Fund, if such Unitholder is certified with respect to its US tax status or fails to provide any information requested.

New disclosures on the FATCA regime will be inserted into the “Risk Factors” section and the “Taxation” section of the Explanatory Memorandum to provide the latest FATCA developments and explain the measures that the Fund may take to ensure its compliance with FATCA.

6. Appointment of additional director of the Manager

Mr Yang Jianxin has been appointed as a new director of the Manager with effect from 19 June 2014. The Explanatory Memorandum has been amended to update the list of the Directors of the Manager and to include the biography of Mr Yang Jianxin.

7. Notices to Unitholders in relation to distribution of dividends

The Manager wishes to clarify that notices in relation to distribution of dividends to each Unitholder will be available on the website of the Manager at <http://www.htisec.com/asm> (this website has not been reviewed by the SFC).

8. English Annual Reports and Audited Accounts

With effect from the issue date of the first annual report or semi-annual report, as the case may be after the date of this notice, the Manager will prepare annual reports and audited accounts in English only. Notice will be given to Unitholders to notify them where the financial reports can be obtained, and in any event will be available on the website of the Manager at <http://www.htisec.com/asm> (this website has not been reviewed by the SFC).

9. Other amendments

The Explanatory Memorandum will also be amended for other cosmetic amendments, including enhanced risk disclosures, additional flexibility to investors relating to switching between classes, disclosures to clarify that the Manager may, from time to time, establish additional sub-funds which are not included in the Explanatory Memorandum and updated biographies of the directors. The ongoing charges and past performance information as disclosed in the Product Key Facts Statement of Haitong RMB Income Fund have also been updated.

The Explanatory Memorandum of the Fund and the respective Product Key Facts Statements for Haitong Fixed Income Fund and Haitong RMB Income Fund will be revised to reflect the relevant changes above and will be available at the office of the Manager at 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 6:00p.m.) or online at <http://www.htisec.com/asm>.

Copies of the Explanatory Memorandum, Trust Deed and other material agreements as disclosed in the Explanatory Memorandum of the Fund will be available for inspection at the Manager's place of business in Hong Kong during normal business hours free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee.

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 advice.

Should you have any queries relating to the above, please do not hesitate to contact our Customer Services Hotline at (852) 3588 7699 during our office (Monday to Friday (excluding public holidays), from 9:00am to 6:00pm) or email us at htiam@htisec.com.

Yours faithfully,

For and on behalf of
Hai Tong Asset Management (HK) Limited
as Manager of the Haitong Global RMB Fixed Income Fund
and Haitong China RMB Income Fund

A handwritten signature in black ink, appearing to read 'YANG Jianxin', with a long, sweeping horizontal stroke extending to the right.

YANG Jianxin

Chief Investment Officer and Managing Director - Asset Management

Annexure 1 – Changes to the investment objective and strategy of Haitong Fixed Income Fund

Current Investment Objective and Strategy	New Investment Objective and Strategy
<p>Investment Objective and Policy</p> <p>Haitong Global RMB Fixed Income Fund seeks long term capital growth in RMB terms through investment in a portfolio consisting of: (i) primarily RMB denominated fixed rate or floating rate debt instruments; (ii) RMB denominated deposits instruments issued outside mainland China; and (iii) RMB denominated collective investment schemes that primarily invest in RMB denominated debt or deposit instruments, all of which will generate a steady flow of income for the Sub-Fund.</p> <p>The Sub-Fund seeks to invest primarily in RMB denominated debt instruments issued or distributed outside mainland China by:</p> <p>Governments, quasi-government organisations; or Multinational organisations, financial institutions and other corporations.</p> <p>The Sub-Fund may also invest in RMB denominated deposits instruments issued outside mainland China, such as bank certificates of deposit, bank deposits and negotiated term deposits with authorised financial institutions, and the following instruments (also issued outside mainland China):</p> <ul style="list-style-type: none"> • convertible bonds; • commercial papers; • short-term bills and notes, etc. <p>The above instruments are collectively referred to as “RMB Income Instruments”, which may be settled in RMB or in other currencies such as USD or HKD (i.e. payments due under such instrument are made in a currency other than RMB at the time of settlement at the prevailing exchange rate). The Sub-Fund may invest in RMB Income Instruments available in the primary and secondary markets. Some of these RMB Income Instruments may be offered on a private placement basis. The issuers of RMB Income Instruments may or may not be established or incorporated in mainland China.</p>	<p>Investment Objective</p> <p>Haitong Global RMB Fixed Income Fund seeks long term capital growth and income in RMB terms by investing primarily in (i) fixed income and debt instruments; (ii) deposits; and (iii) collective investment schemes (hereinafter collectively referred to in this Appendix as “Income Instruments”) The majority of the Income Instruments are (subject to the investment strategy below) denominated in RMB.</p> <p>The Sub-Fund seeks to invest in Income Instruments issued or distributed outside mainland China in the primary and secondary markets, some of which may be offered on a private placement basis.</p> <p>The Income Instruments that the Sub-Fund may invest in include, but are not limited to, bills, notes, bonds, floating rate notes, deposits, negotiated deposits, money market instruments, certificates of deposit, commercial paper, exchangeable bonds and convertible bonds issued by issuers such as governments, government agencies, supranational entities, corporations, financial institutions and banks. The issuers may or may not be domiciled in mainland China. For the avoidance of doubt, the Sub-Fund will not invest in any Income Instruments issued or distributed in mainland China through Qualified Foreign Institutional Investor quotas, RMB Qualified Foreign Institutional Investor quotas or other available channels and mechanisms.</p> <p>Subject to the Investment Strategy below, the Sub-Fund may invest in collective investment schemes which primarily invest in Income Instruments, provided that the investments in (i) non-SFC-authorized collective investment schemes shall not in aggregate exceed 10% of the Sub-Fund's total Net Asset Value; and (ii) those that are recognized jurisdiction schemes (being UCITS III schemes domiciled in the United Kingdom, Ireland and Luxembourg) or SFC-authorized collective investment schemes shall</p>

For the avoidance of doubt, the Sub-Fund may also invest up to 10% of its Net Asset Value in RMB denominated collective investment schemes that primarily invest in RMB denominated debt or deposits instruments which may be settled in RMB or in other currencies.

The Sub-Fund currently may only invest in RMB denominated fixed rate or floating rate debt instruments issued or distributed outside mainland China. When regulations in the mainland China allow the Sub-Fund to directly invest in RMB denominated fixed rate or floating rate debt instruments issued within mainland China, the Sub-Fund may in future make such investment. Not less than one month's prior notice will be given to investors if the Manager intends to make such investment.

Notwithstanding the above, the Sub-Fund will:-

- invest at least 70% of its Net Asset Value in RMB Income Instruments that are denominated and settled in RMB;
- limit any RMB Income Instruments that are settled in non-RMB currencies that are not hedged back to RMB to be up to 10% of its Net Asset Value; and
- invest the remaining portion of its Net Asset Value in RMB Income Instruments that are settled in non-RMB currencies that are hedged back to RMB (including debt or deposits instruments or collective investment schemes denominated in RMB but settled in other currencies such as USD or HKD).

For RMB Income Instruments that are settled in other currencies, the Manager may dynamically perform currency hedging to hedge the non-RMB currency exposure back to RMB, subject to the allocation of investments above. The Manager may also actively hedge against interest rate risks for any RMB Income Instruments. For the purpose of currency and interest rate hedging, the Manager will make use of derivative instruments such as swaps, futures and deliverable and non-deliverable currency forwards. The Sub-Fund will not invest in derivative instruments for investment purposes. The Sub-Fund will not invest in any

not in aggregate exceed 30% of the Sub-Fund's total Net Asset Value, unless the underlying collective investment scheme is SFC-authorized and the name and key investment information of the underlying collective investment scheme is disclosed in the Explanatory Memorandum. Where the Sub-Fund invests in any underlying collective investment scheme managed by the Manager or its connected persons, all initial charges on the underlying collective investment scheme will be waived. Further, the Manager will not obtain a rebate on any fees or charges levied by the underlying collective investment scheme or its manager.

Investment Strategy

The Sub-Fund seeks to invest primarily in Income Instruments denominated and settled in RMB ("RMB Income Instruments") which are issued or distributed outside mainland China, but may invest in (i) Income Instruments denominated in RMB but settled in currencies other than RMB (e.g. USD and HKD) and (ii) Income Instruments denominated in currencies other than RMB ("Non-RMB Income Instruments").

Notwithstanding the above, the Sub-Fund will:-

- (a) invest at least 70% of its Net Asset Value in RMB Income Instruments;
- (b) limit any Non-RMB Income Instruments that are not hedged back to RMB to be up to 10% of its Net Asset Value; and
- (c) invest the remaining portion of its Net Asset Value in Non-RMB Income Instruments that are hedged back to RMB.

For Non-RMB Income Instruments, the Manager may dynamically perform currency hedging to hedge the non-RMB currency exposure back to RMB, subject to the allocation of investments above. The Manager may also actively hedge against interest rate risks for any Income Instruments. For the purpose of currency and interest rate hedging, the Manager will make use of derivative instruments such as swaps, futures and deliverable and non-deliverable currency forwards. The Sub-Fund does not currently intend to invest in any derivative instruments for

<p>structured deposits or products for any purposes.</p> <p>The Manager currently does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund. Prior approval will be sought from the SFC and at least one month's prior notice will be given to Unitholders should there be a change in such intention.</p> <p>The following is an indicative investment allocation of the Sub-Fund. Investors should note that the Manager may at any time adjust the allocation having regard to prevailing market conditions in future.</p> <table border="0"> <tr> <td>Type of instrument</td> <td>Indicative percentage (of Sub-Fund's Net Asset Value)</td> </tr> <tr> <td>Government securities and quasi-government organisation securities</td> <td>Up to 100%</td> </tr> <tr> <td>Debts issued by authorised financial institutions and corporate entities</td> <td>Up to 100%</td> </tr> </table> <p>In the absence of available RMB Income Instruments, the Sub-Fund may invest a significant portion of its portfolio in RMB negotiated deposits with authorised financial institutions.</p>	Type of instrument	Indicative percentage (of Sub-Fund's Net Asset Value)	Government securities and quasi-government organisation securities	Up to 100%	Debts issued by authorised financial institutions and corporate entities	Up to 100%	<p>investment purposes or in any structured deposits or products. The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to Unitholders before the Manager changes such investment strategy.</p> <p>The Sub-Fund will not invest more than 10% of its Net Asset Value in non-investment grade securities issued and/or guaranteed by a single sovereign issuer.</p> <p>The Manager currently does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund. Prior approval will be sought from the SFC and at least one month's prior notice will be given to Unitholders should there be a change in such intention.</p> <p>The following is an indicative investment allocation of the Sub-Fund. Investors should note that the Manager may at any time adjust the allocation having regard to prevailing market conditions in future.</p> <table border="0"> <tr> <td>Type of instrument</td> <td>Indicative percentage (of Sub-Fund's Net Asset Value)</td> </tr> <tr> <td>Government securities and quasi-government organisation securities</td> <td>Up to 100%</td> </tr> <tr> <td>Debts issued by authorised financial institutions and corporate entities</td> <td>Up to 100%</td> </tr> </table> <p>In the absence of available RMB Income Instruments, the Sub-Fund may invest a significant portion of its portfolio in RMB negotiated deposits with authorised financial institutions.</p>	Type of instrument	Indicative percentage (of Sub-Fund's Net Asset Value)	Government securities and quasi-government organisation securities	Up to 100%	Debts issued by authorised financial institutions and corporate entities	Up to 100%
Type of instrument	Indicative percentage (of Sub-Fund's Net Asset Value)												
Government securities and quasi-government organisation securities	Up to 100%												
Debts issued by authorised financial institutions and corporate entities	Up to 100%												
Type of instrument	Indicative percentage (of Sub-Fund's Net Asset Value)												
Government securities and quasi-government organisation securities	Up to 100%												
Debts issued by authorised financial institutions and corporate entities	Up to 100%												

Annexure 2 – Changes to the investment objective and strategy of Haitong RMB Income Fund

Current Investment Objective	New Investment Objective
<p>Investment Objective</p> <p>Haitong China RMB Income Fund seeks capital growth and income in RMB terms through investing in a diversified portfolio consisting primarily of RMB denominated and settled debt instruments (including but not limited to bonds, convertible bonds and commercial papers) issued or distributed by:</p> <ul style="list-style-type: none"> - Chinese governments (including state, municipal and local governments), Chinese quasi-government organisations; or - Multinational organisations, financial institutions and other corporations. <p>The above debt instruments will be issued or listed in the PRC. Some of these instruments may be listed or traded on the Shenzhen Stock Exchange or the Shanghai Stock Exchange or traded in the mainland interbank bond market.</p> <p>The Sub-Fund will also invest in equity securities issued or listed in the PRC.</p> <p>Investment in equity securities and debt instruments issued or listed within mainland China will be made through the RQFII quota of the RQFII Holder, which is the holding company of the Manager. The RQFII Holder has authorised the Manager to exclusively use the RQFII quota for the purposes of investments in equity securities and RMB denominated and settled debt instruments issued or listed within mainland China for the Sub-Fund. The Sub-Fund will not invest in any debt instruments or equity securities issued outside mainland China.</p> <p>The Sub-Fund will invest not less than 80% of its Net Asset Value in (i) debt instruments; and (ii) collective investment schemes which primarily invest in fixed income securities and are authorised by the China Securities Regulatory Commission (“CSRC”) for offer to the retail public in the PRC (“Bond Fund”). The Sub-Fund may invest up to 70% of its Net Asset Value in Urban Investment Bonds (城投債).</p> <p>The Sub-Fund does not have explicit restrictions</p>	<p>Investment Objective</p> <p>Haitong China RMB Income Fund seeks capital growth and income in RMB terms through investing in a diversified portfolio consisting primarily of RMB denominated and settled debt instruments (including but not limited to bonds, convertible bonds and commercial papers) issued or distributed by:</p> <ul style="list-style-type: none"> - Chinese governments (including state, municipal and local governments), Chinese quasi-government organisations; or - Multinational organisations, financial institutions and other corporations. <p>The above debt instruments will be issued or listed in the PRC. Some of these instruments may be listed or traded on the Shenzhen Stock Exchange or the Shanghai Stock Exchange or traded in the mainland interbank bond market.</p> <p>Subject to the investment restrictions below, the Sub-Fund may also invest in deposits (including but not limited to bank certificates of deposit, bank deposits and negotiated term deposits with banks) and collective investment schemes issued or listed within mainland China.</p> <p>Investment in RMB denominated and settled debt instruments, collective investment schemes and deposits issued or listed within mainland China (collectively the “PRC Financial Instruments”, or each as “PRC Debt Instruments”, “PRC CIS” and “PRC Deposits”) will be made through the RQFII quota of the RQFII Holder, which is the holding company of the Manager. The RQFII Holder has authorised the Manager to use the RQFII quota for the purposes of investments in PRC Debt Instruments for the Sub-Fund. The Sub-Fund will not invest in any debt instruments or collective investment schemes issued outside mainland China.</p> <p>The Sub-Fund will invest not less than 80% of its Net Asset Value in (i) the PRC Debt Instruments; and (ii) PRC CIS which primarily invest in PRC Debt Instruments. The Sub-Fund may invest up to 70% of its Net Asset Value in Urban</p>

<p>on the minimum credit ratings of the debt instruments it holds and may invest in unrated debt instruments. The Sub-Fund may invest up to 20% of its Net Asset Value in debt instruments which are below investment grade or which are unrated by a local credit rating agency recognised by the relevant authorities in the PRC. For the purpose of the Sub-Fund, “Investment grade” is defined as a credit rating of at least BBB- or equivalent as rated by a local credit rating agency recognised by the relevant authorities in the PRC. The Manager will firstly consider the crediting rating of the debt instrument and if it is not rated by a PRC local credit rating agency but its issuer has a credit rating, the issuer’s credit rating will be adopted as the debt instrument’s implied rating. If neither the debt instrument nor its issuer has a credit rating, the debt instrument is classified as “unrated”.</p> <p>The Sub-Fund may also invest up to 20% of its Net Asset Value in (i) equity securities issued or listed in the PRC including China A-Shares and exchange traded funds that are listed on the Shenzhen Stock Exchange or the Shanghai Stock Exchange; and (ii) other collective investment schemes which primarily invest in equity securities and are authorised by the CSRC for offer to the retail public in the PRC (“Equity Fund”).</p> <p>Notwithstanding the above, the Sub-Fund’s investment in exchange traded funds, Bond Funds and Equity Funds will not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund.</p> <p>The Sub-Fund may also invest in RMB denominated deposits issued within and/or outside the mainland China such as bank certificates of deposit, bank deposits and negotiated term deposits with banks. The Sub-Fund may also keep cash for ancillary purposes such as meeting redemption requests.</p> <p>The Sub-Fund currently will not invest in derivative instruments, structured products, structured deposit or asset-back securities (including asset-backed commercial papers) for hedging or non-hedging purposes. Prior approval will be sought from the SFC and at least one month’s prior notice will be given to Unitholders if the Sub-Fund and/or the Manager intend(s) to make such investment in the future.</p>	<p>Investment Bonds (城投債), which are debt instruments issued by local government financing vehicles (“LGVFs”) in the PRC listed bond markets and interbank bond market. These LGVFs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects in the PRC.</p> <p>The Sub-Fund does not have explicit restrictions on the minimum credit ratings of the PRC Debt Instruments it holds and may invest in unrated PRC Debt Instruments. The Sub-Fund may invest up to 20% of its Net Asset Value in PRC Debt Instruments which are below investment grade or which are unrated by a local credit rating agency recognised by the relevant authorities in the PRC. For the purpose of the Sub-Fund, “Investment grade” is defined as a credit rating of at least BBB- or equivalent as rated by a local credit rating agency recognised by the relevant authorities in the PRC. The Manager will firstly consider the crediting rating of the PRC Debt Instrument and if it is not rated by a PRC local credit rating agency but its issuer has a credit rating, the issuer’s credit rating will be adopted as the debt instrument’s implied rating. If neither the PRC Debt Instrument nor its issuer has a credit rating, the PRC Debt Instrument is classified as “unrated”.</p> <p>The Sub-Fund may also invest up to 20% of its Net Asset Value in (i) RMB denominated PRC Deposits; and (ii) PRC CIS which primarily invest in RMB denominated PRC Deposits. The Sub-Fund may also keep cash or invest in RMB denominated deposits issued outside mainland China for ancillary purposes such as meeting redemption requests.</p> <p>Notwithstanding the above, the PRC CIS issued or listed within mainland China invested by the Sub-Fund are authorised by the China Securities Regulatory Commission (“CSRC”) for offer to the retail public in the PRC. The Sub-Fund’s investment in the PRC CIS will not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund.</p> <p>The Sub-Fund currently will not invest in physical commodities (including gold, silver, platinum or other bullion), any derivative instruments, structured products, structured deposit or asset-</p>
--	---

<p>The Manager currently does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund. Prior approval will be sought from the SFC and at least one month's prior notice will be given to Unitholders should there be a change in such intention.</p> <p>Investment Strategy</p> <p>The Manager seeks to achieve investment returns through dynamic asset allocation among debt instruments, equity securities and cash holdings.</p> <p><u>Debt instruments</u></p> <p>The Manager will actively manage the major risks associated with RMB denominated debt instruments: duration, asset allocation and active credit selection.</p> <ul style="list-style-type: none">● Duration strategy The Sub-Fund will adjust the duration risk of the investment portfolio based on expectations of global and China's macroeconomic cycle and monetary policy. If RMB interest rate is expected to fall, the Sub-Fund will increase the average duration of the investment portfolio to better benefit from the capital gains from lower yield, and vice versa. The Sub Fund may adopt bullet type, barbell type, ladder type or other strategy based on expected changes in the shape of the RMB bond yield curve. The Sub Fund will then adjust the allocation of duration accordingly.● Asset allocation strategy The Sub-Fund will adjust the allocation of investment among risk free asset, credit, and alternative investment instruments that bear risk to seek better tax-adjusted and risk-adjusted returns among various investment instruments.● Active Credit strategy Through extensive research on the fundamentals of different issuers among different industries, the Sub-Fund seeks to invest in issues that offer excess return with reference to credit risk and fundamentals of the issuers or the issues among different industries. The Sub-Fund, however, does	<p>backed securities (including asset-backed commercial papers) for hedging or non-hedging purposes. Prior approval will be sought from the SFC and at least one month's prior notice will be given to Unitholders if the Sub-Fund and/or the Manager intend(s) to make such investment in the future.</p> <p>The Manager currently does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund. Prior approval will be sought from the SFC and at least one month's prior notice will be given to Unitholders should there be a change in such intention.</p> <p>Investment Strategy</p> <p>The Manager seeks to achieve investment returns through dynamic asset allocation among various debt instruments and cash holdings.</p> <p><u>Debt instruments</u></p> <p>The Manager will actively manage the major risks associated with RMB denominated debt instruments: duration, asset allocation and active credit selection.</p> <ul style="list-style-type: none">● Duration strategy The Sub-Fund will adjust the duration risk of the investment portfolio based on expectations of global and China's macroeconomic cycle and monetary policy. If RMB interest rate is expected to fall, the Sub-Fund will increase the average duration of the investment portfolio to better benefit from the capital gains from lower yield, and vice versa. The Sub Fund may adopt bullet type, barbell type, ladder type or other strategy based on expected changes in the shape of the RMB bond yield curve. The Sub Fund will then adjust the allocation of duration accordingly.● Asset allocation strategy The Sub-Fund will adjust the allocation of investment among risk free asset, credit, and alternative investment instruments that bear risk to seek better tax-adjusted and risk-adjusted returns among various investment instruments.
---	---

<p>not have explicit restrictions on the minimum credit ratings of the instruments it holds.</p> <p><u>Equity securities</u></p> <p>The Manager will construct the equity portion of portfolio based on thorough fundamental research. The strategy uses fundamental and quantitative analysis, which involves assessment of a company including its financial strength, earnings growth potential and outlook, profit generating capability, corporate strategy, management credibility, industry position and valuations.</p> <ul style="list-style-type: none"> ● Stock selection strategies The equity portion of portfolio will be actively managed and each stock is selected based on its individual merits and in all market capitalisation ranges. Analysts who specialise in Chinese stocks will carry out rigorous fundamental research and analysis, including on-site visits, management interviews and external research report. The research output will be summarised with key financial forecasts of each stock for the portfolio managers' consideration in the portfolio construction process. ● Sector allocation strategy The Manager will identify investment opportunities that may drive performance in different sectors that may include sectors such as the consumer sector, the financial services sector and the infrastructure sector. The Manager may move into the prevailing investment and sectoral themes in the market from time to time without being constrained by any specific theme. The Manager will actively monitor the sector allocation of the investment portfolio on a continuous basis and make adjustments as and when the Manager deems necessary. <p><u>Collective Investment Schemes</u></p> <p>The Manager will examine the management capabilities, track records and risk management practices of various collective investment schemes, including exchange traded funds.</p> <p>The Sub-Fund will aim to generate return without reference to any predefined benchmark</p>	<ul style="list-style-type: none"> ● Active Credit strategy Through extensive research on the fundamentals of different issuers among different industries, the Sub-Fund seeks to invest in issues that offer excess return with reference to credit risk and fundamentals of the issuers or the issues among different industries. The Sub-Fund, however, does not have explicit restrictions on the minimum credit ratings of the instruments it holds. <p><u>Collective Investment Schemes</u></p> <p>The Manager will examine the management capabilities, track records and risk management practices of various collective investment schemes, including exchange traded funds.</p> <p>The Sub-Fund will aim to generate return without reference to any predefined benchmark and there will be no fixed sector weightings or stock weightings.</p> <p>The Manager intends to receive subscription moneys and effect payments for redemption in Renminbi only. Further, investments of the Sub-Fund will be purchased and liquidated in Renminbi and accordingly there is no conversion into other currencies normally.</p> <p>Additional Borrowing Restrictions</p> <p>The Manager shall not borrow more than 10% of the latest available Net Asset Value of the Sub-Fund to acquire investments, to redeem Units or to pay expenses relating to the Sub-Fund.</p>
---	--

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 advice.

<p>and there will be no fixed sector weightings or stock weightings.</p>	
--	--

<p>The Manager intends to receive subscription moneys and effect payments for redemption in Renminbi only. Further, investments of the Sub-Fund will be purchased and liquidated in Renminbi and accordingly there is no conversion into other currencies normally.</p>	
---	--