

**ChinaAMC Investment Trust
(the “Trust”)**

**ChinaAMC Global Investment Grade Bond Fund
(the “Fund”)**

NOTICE TO UNITHOLDERS

This notice is important and requires your immediate attention. If you are in any doubt about the content of this notice, you should seek independent professional financial advice and/or legal advice.

China Asset Management (Hong Kong) Limited (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, opinions expressed in this Notice have been arrived at after due and careful consideration.

All capitalised terms herein contained shall have the same meaning in this Notice as in the Explanatory Memorandum of the Fund dated April 2023 (the “**Explanatory Memorandum**”).

8 March 2024

Dear Unitholders,

We, as the Manager of the Fund, are writing to inform you of the following changes with effect from 8 April 2024 (the “**Effective Date**”):

1. Removal of Geographical Investment Restriction

Currently, the Manager does not anticipate that the Fund will invest more than 30% of its NAV in any single country other than the PRC.

With effect from the Effective Date, the foregoing geographical investment restriction will be removed such that the Fund will have no particular focus in terms of geographical region in the selection of its investments and the Manager may invest significantly in any one region or country, such as the PRC, the United States and Europe from time to time, which may include emerging markets (the “**Removal of Geographical Investment Restriction**”). For the avoidance of doubt, the Fund’s aggregate exposure to the PRC will remain unchanged notwithstanding the Removal of Geographical Investment Restriction (i.e. it will be less than 60% of its NAV).

The reason for the Removal of Geographical Investment Restriction is to provide flexibility to the Fund’s selection of investments in terms of geographical region in order for the Fund to seize investment opportunities arising from market rotations and economic cycles across different regions and countries (including the United States and Europe).

Concentration risk

Although the Fund does not have a geographical focus, the Manager may invest significantly in any one region or country, such as the PRC, the United States and Europe from time to time, which may include emerging markets. If the Fund’s investments are concentrated, the value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political,

policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the relevant region(s) and/or country(ies).

2. Change in Distribution Policy

Currently, distributions will only be paid from net income after deduction of all fees and costs and no distributions will be paid out of or effectively out of capital of the Fund.

With effect from the Effective Date, the distribution policy of the Fund will be changed such that the Manager may at its discretion pay distributions out of the capital of the Fund or pay distributions out of gross income while charging/paying all or part of the Fund's fees and expenses to/out of the capital of the Fund (the "**Change in Distribution Policy**").

The reason for the Change in Distribution Policy is to provide flexibility in the distribution policy of the Units of the Fund.

Distribution out of/effectively out of capital risk

Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to such original investments. Any such distributions may result in an immediate reduction of the NAV per unit of the relevant class. This may also reduce the capital that the Fund has available for investment in future and may constrain capital growth.

Further, the distribution amount and the NAV of the hedged classes may be adversely affected by differences in the interest rates of the reference currency of the hedged classes and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes.

Please refer to the sub-section headed "Distribution policy" under the section headed "General" in the Explanatory Memorandum for further details.

3. Implication of the Removal of Geographical Investment Restriction and Change in Distribution Policy

Other than the concentration risk as a result of the Removal of Geographical Investment Restriction and the distribution out of/effectively out of capital risk as a result of the Change in Distribution Policy, there is no material change to the overall risk profile of the Fund due to the Removal of Geographical Investment Restriction and the Change in Distribution Policy.

Other than the Removal of Geographical Investment Restriction and the Change in Distribution Policy, there is no change in the operation and/or manner in which the Fund is being managed and there will be no effects on existing investors as a result thereof.

The Removal of Geographical Investment Restriction and the Change in Distribution Policy do not (i) change the fee level or cost in managing the Fund; or (ii) materially prejudice the rights or interests of the existing investors of the Fund.

The costs (including legal fees and transaction fees) and/or expenses associated with the Removal of Geographical Investment Restriction and the Change in Distribution Policy are estimated to be approximately HK\$120,000 (which amounts to approximately 0.03% of the Fund's NAV) and will be borne by the Fund. These costs are not expected to pose any material impact to the NAV of the Fund nor have any significant adverse impact to

Unitholders. The Manager does not expect a substantive change to the ongoing charges figure of the Fund. The Manager will monitor the ongoing charges figure and, if necessary, update the figures in the KFS, in accordance with the relevant SFC guidance.

The Removal of Geographical Investment Restriction and the Change in Distribution Policy do not require Unitholder's approval. The Trustee does not have any objection to the changes. Please note that Unitholders may redeem Units in the Sub-Fund without any realisation charge.

4. Change of Distribution Frequency of Existing Class A Units and Change of Names of Existing Classes

With effect from the Effective Date, the distribution frequency of the existing Class A Units and their names will be changed as follows:

<u>Current name of Class A Units</u>	<u>Current distribution frequency</u>	<u>New name of Class A Units</u>	<u>New distribution frequency</u>
Class A USD Units	Annually, subject to the Manager's discretion	Class A USD Units (mth)	Monthly, subject to the Manager's discretion
Class A HKD Hedged Units		Class A HKD Hedged Units (mth)	
Class A RMB Hedged Units		Class A RMB Hedged Units (mth)	

Furthermore, the names of the existing Class I Units will be changed as follows with effect from the Effective Date:

<u>Current name of Class I Units</u>	<u>New name of Class I Units</u>
Class I USD Units	Class I USD Units (ann)
Class I HKD Hedged Units	Class I HKD Hedged Units (ann)
Class I RMB Hedged Units	Class I RMB Hedged Units (ann)

For the avoidance of doubt, there is no change to the distribution frequency to the existing Class I Units set out above.

5. Addition of New Classes

The following new Classes of Units will be available for subscription in respect of the Fund with effect from the Effective Date:

- Class A USD Units (acc)
- Class A HKD Units (acc)
- Class A HKD Hedged Units (acc)
- Class A RMB Units (acc)
- Class A RMB Hedged Units (acc)
- Class A HKD Units (mth)

- Class A RMB Units (mth)
- Class I USD Units (mth)
- Class I HKD Hedged Units (mth)
- Class I RMB Units (ann)
- Class I RMB Units (mth)
- Class I RMB Hedged Units (mth)

For the accumulation Classes, namely, Class A USD Units (acc), Class A HKD Units (acc), Class A HKD Hedged Units (acc), Class A RMB Units (acc) and Class A RMB Hedged Units (acc), no distribution will be made to Unitholders.

For the distribution Classes, namely, Class A HKD Units (mth), Class A RMB Units (mth), Class I USD Units (mth), Class I HKD Hedged Units (mth), Class I RMB Units (mth) and Class I RMB Hedged Units (mth), dividends will be distributed on a monthly basis, subject to the Manager's discretion.

For Class I RMB Units (ann), dividends will be distributed annually, subject to the Manager's discretion.

The minimum subscription and holding amount of the new Classes of Units are set out below:

<u>Class</u>	<u>Minimum initial investment</u>	<u>Minimum subsequent investment</u>	<u>Minimum holding</u>
Class A USD Units (acc)	USD2,000	USD2,000	USD2,000
Class A HKD Units (acc)	HKD10,000	HKD10,000	HKD10,000
Class A HKD Hedged Units (acc)	HKD10,000	HKD10,000	HKD10,000
Class A RMB Units (acc)	RMB10,000	RMB10,000	RMB10,000
Class A RMB Hedged Units (acc)	RMB10,000	RMB10,000	RMB10,000
Class A HKD Units (mth)	HKD10,000	HKD10,000	HKD10,000
Class A RMB Units (mth)	RMB10,000	RMB10,000	RMB10,000
Class I USD Units (mth)	USD1,000,000	USD1,000,000	USD1,000,000
Class I HKD Hedged Units (mth)	HKD5,000,000	HKD5,000,000	HKD5,000,000
Class I RMB Units (ann)	RMB5,000,000	RMB5,000,000	RMB5,000,000
Class I RMB Units (mth)	RMB5,000,000	RMB5,000,000	RMB5,000,000
Class I RMB Hedged Units (mth)	RMB5,000,000	RMB5,000,000	RMB5,000,000

For further details of the new Classes of Units, please refer to the updated Explanatory Memorandum and the updated product key facts statement of the Fund (the "KFS"), which will be available on or around the Effective Date.

6. Other Changes and Clarificatory Updates to the Fund's Investment Strategy

With effect from the Effective Date, in addition to the changes set out above,

- (i) In relation to the Fund's investment in collective investment schemes, the strategy will be changed such that:
 - (a) the Fund may invest up to 30% of its NAV in collective investment schemes (including money market funds) managed by the Manager or its connected persons; and

- (b) the Fund may invest up to 10% of its NAV in collective investment schemes (including money market funds) which are non-recognised jurisdiction schemes and not authorised by the SFC,

in each case, in accordance with the requirements of the Code, as amended by the SFC from time to time. For the avoidance of doubt, there is no change to the maximum percentage which the Fund may invest in collective investment schemes (i.e. 30%). The Explanatory Memorandum and the KFS will be updated to reflect the above.

- (ii) The Explanatory Memorandum and the KFS will be updated to clarify that, in relation to the Fund's investment in fixed income instruments with an investment grade rating, where the instrument does not have a credit rating, then the investment grade rating of the issuers or guarantors will be considered. In other words, at least 70% of the Fund's NAV will be invested globally in fixed income instruments with an investment grade rating (i.e. having a credit rating of Baa3 or BBB- or above by Standard & Poor's, Fitch, Moody's or another recognised credit rating agency) or fixed income instruments with issuers or guarantors of investment grade rating if the instrument does not have a credit rating.

In relation to the changes in sections 4 – 6, the Manager confirms that:

- (1) the changes do not amount to a material change to the Fund;
- (2) there will be no material change or increase in the overall risk profile of the Fund following the changes;
- (3) there will be no material adverse impact on Unitholders' rights or interests (including changes that may limit Unitholders' ability in exercising their rights).

7. General

The Explanatory Memorandum and the KFS will be updated to reflect the abovementioned changes as well as other miscellaneous, editorial and administrative changes. The updated Explanatory Memorandum and the updated KFS will be available on the Manager's website www.chinaamc.com.hk (this website has not been reviewed by the SFC) on or around the Effective Date.

Investors who have any enquiries regarding the above may contact the Manager at 37th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or our enquiry hotline at (852) 3406 8686 during office hours.

Yours faithfully,

China Asset Management (Hong Kong) Limited