

**ChinaAMC Select Fund**  
**(the “Fund”)**  
**ChinaAMC Select Hong Kong China Equity Fund**  
**(the “Sub-Fund”)**

**NOTICE TO UNITHOLDERS**

**This notice is important and requires your immediate attention. It contains information regarding changes to the Explanatory Memorandum of the Fund dated March 2016 in respect of the Sub-Fund, as amended from time to time (the “Explanatory Memorandum”). If you are in any doubt about the content of this notice, you should seek independent professional financial advice and/or legal advice.**

All capitalized terms herein contained shall have the same meaning in this notice as in the Explanatory Memorandum. China Asset Management (Hong Kong) Limited, the manager of the Fund (the “**Manager**”), accepts full responsibility for the accuracy of the information contained in this notice at the date of publication.

29 July 2016

Dear Unitholder,

We are writing to inform you of the following changes concerning the Sub-Fund.

1. Change of the Name of the Sub-Fund

With effect from 1 September 2016 (the “Effective Date”), the name of the Sub-Fund shall be changed from “ChinaAMC Select Hong Kong China Equity Fund” to “ChinaAMC Select China New Economy Fund” as a result of the change of investment objective of the Sub-Fund, details of which are set out below. The Trust Deed of the Fund has been amended by the eleventh supplemental deed to reflect the change of the name of the Sub-Fund.

2. Change of Investment Objective of the Sub-Fund

With effect from the Effective Date, the investment objective of the Sub-Fund shall be amended as follows:

- (a) the Sub-Fund will focus its investments on equities of companies which, in the opinion of the Manager, will likely benefit from innovations, use of new technologies or offering products and services that meet the demands of the new and evolving China economy (“**China-Related Companies**”)

For the purpose of the Sub-Fund, the term “new and evolving China economy” describes a new economic growth model in the PRC which features the growth of industries and sectors that benefit from

technological innovations, economic reforms or social structural reforms and the transition from an export-oriented and industrial economy to an economy which relies on domestic consumption and high value-added services;

- (b) the Sub-Fund may invest in such sectors that the Manager considers appropriate. The Sub-Fund may also invest in companies of any market capitalization including but not limited to large state-owned enterprises, blue chips or companies with small or medium market capitalization. In particular, the Sub-Fund may invest more than 30% of its Net Asset Value in companies with small or medium market capitalization;
- (c) the Sub-Fund will reduce its ancillary investment from up to 30% to 20% of its net assets in (i) equities of companies listed on other stock exchanges around the world (excluding stock exchanges in the PRC) and/or (ii) funds that are authorized and/or not authorized by the SFC and invest directly in the PRC securities (including but not limited to China A-Shares, bonds and such other financial instruments permitted under applicable PRC regulations);
- (d) the Sub-Fund will no longer invest in other collective investment schemes except for the collective investment schemes that invest directly in the PRC securities; and
- (e) the Sub-Fund will reduce its investments in cash or cash equivalents for defensive purposes from up to 40% to 30% of the Sub-Fund's assets.

Investing in China-Related Companies may expose the Sub-Fund to concentration risk. Such investment will increase the Sub-Fund's vulnerability to the economic, political or regulatory or tax developments of a single country such as China. Also, the Sub-Fund is likely to be more volatile than a fund having a more diverse portfolio of investments, as the Sub-Fund is more susceptible to fluctuations in value resulting from unfavourable performance of China-Related Companies that the Sub-Fund invests in.

### 3. Establishment of RMB Classes of Units in respect of the Sub-Fund

With effect from 1 September 2016, Class A RMB Units and Class I RMB Units shall be established. Please refer to the updated Explanatory Memorandum for information regarding the details of the new RMB classes of Units and the relevant risk factors.

Copies of the Trust Deed, together with all supplemental deeds are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the Manager's office at 37/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

The Explanatory Memorandum (by way of an addendum) and the Key Fact Statement of the Sub-Fund will be amended to reflect the above changes. The updated

Explanatory Memorandum and Key Fact Statement of the Sub-Fund will be published on the Manager's website at [www.chinaamc.com.hk](http://www.chinaamc.com.hk) as soon as practicable.

Unitholders who have any enquiries regarding the above may contact the Manager at 37/F, 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**