

Semi-Annual Report (Unaudited)

**CHINA UNIVERSAL INTERNATIONAL SERIES –
CUAM HONG KONG DOLLAR BOND FUND**

(A Sub-Fund of China Universal International Series, an
umbrella unit trust established under the laws of Hong Kong)

For the period from 1 January 2016 to 30 June 2016



CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

CONTENTS

	Pages
ADMINISTRATION AND MANAGEMENT	1
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)	2
STATEMENT OF FINANCIAL POSITION (UNAUDITED)	3
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)	4
DISTRIBUTION DISCLOSURE (UNAUDITED)	5
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)	6 - 8
PERFORMANCE TABLE (UNAUDITED)	9
INVESTMENT PORTFOLIO (UNAUDITED)	10 - 11

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

ADMINISTRATION AND MANAGEMENT

MANAGER

China Universal Asset Management (Hong Kong)
Company Limited
3710-11, Two International Finance Centre
8 Finance Street
Central
Hong Kong

DIRECTORS OF THE MANAGER

LI Wen
WAN Qing
ZHANG Hui

SOLICITORS TO THE MANAGER

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

TRUSTEE AND REGISTRAR

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

AUDITORS

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

CUSTODIAN

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF COMPREHENSIVE INCOME

	For the period from 1 January 2016 to 30 June 2016 HK\$	For the period from 1 January 2015 to 30 June 2015 HK\$
	(Unaudited)	(Unaudited)
INCOME		
Interest income on financial assets at fair value through profit or loss	1,951,566	1,052,986
Other interest income	7,850	272
Net gains on financial assets at fair value through profit or loss	954,100	609,813
Other income	<u>13,602</u>	<u>26,374</u>
	<u>2,927,118</u>	<u>1,689,445</u>
EXPENSES		
Management fee	(369,045)	(131,925)
Trustee fee	(105,000)	(39,561)
Custodian fee	(11,225)	(4,984)
License fee	(3,480)	(3,471)
Foreign exchange differences, net	(21,719)	(5,602)
Other expenses	<u>(4,247)</u>	<u>(2,942)</u>
	<u>(514,716)</u>	<u>(188,485)</u>
OPERATING PROFIT	2,412,402	1,500,960
FINANCE COSTS		
Distributions to unitholders	<u>(1,226,536)</u>	<u>(676,678)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u><u>1,185,866</u></u>	<u><u>824,282</u></u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF FINANCIAL POSITION

	30 June 2016	31 December 2015
	HK\$ (Unaudited)	HK\$ (Audited)
ASSETS		
Financial assets at fair value through profit or loss	96,923,281	107,175,481
Cash and bank balances	8,609,550	17,186,348
Interest receivable	938,990	1,032,835
Short-term deposit	10,000,000	-
Other receivables	31,040	16,520
TOTAL ASSETS	116,502,861	125,411,184
LIABILITIES		
Management fee payable	50,344	54,912
Trustee fee payable	17,500	14,128
Other payables and accruals	1,600	1,450
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	69,444	70,490
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	116,433,417	125,340,694
NUMBER OF UNITS IN ISSUE		
- Class A units	3,503,122.16	5,066,879.56
- Class I units	7,801,861.96	7,231,556.76
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT		
- Class A units	10.144	10.069
- Class I units	10.369	10.278

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

HK\$

(Unaudited)

At 31 December 2014 and 1 January 2015	52,289,172
Subscription of redeemable units	676,678
Redemption of redeemable units	-
Increase in net assets attributable to unitholders during the period	<u>824,282</u>
At 30 June 2015	<u>53,790,132</u>

HK\$

(Unaudited)

At 31 December 2015 and 1 January 2016	125,340,694
Subscription of redeemable units	30,408,993
Redemption of redeemable units	(40,502,136)
Increase in net assets attributable to unitholders during the period	<u>1,185,866</u>
At 30 June 2016	<u>116,433,417</u>

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

DISTRIBUTION DISCLOSURE (Unaudited)

	Dividend HK\$	Distribution per unit HK\$
Distribution declared by the Manager:		
2013 final distribution distributed on 23 December 2013	345,000	0.069
2014 interim distribution distributed on 13 June 2014	498,404	0.099
2014 final distribution distributed on 15 December 2014	1,220,121	0.240
2015 interim distribution distributed on 15 June 2015	676,679	0.130
2015 final distribution distributed on 15 December 2015	1,101,028	0.090
2016 interim distribution distributed on 17 June 2016	1,226,536	0.120

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (Unaudited)

For the period from 1 January 2016 to 30 June 2016

<u>LISTED/QUOTED DEBT SECURITIES</u>	Movement				
	As at 1 January 2016	Additions	Corporate Action	Disposals	At 30 June 2016
<i>British Virgin Islands</i>					
Denominated in HK\$					
HLP FINANCE LTD 4.35% S/A 20JAN2021	1,000,000	-	-	-	1,000,000
HLP FINANCE LTD 4.6% S/A 16MAY2024	-	2,000,000	-	(1,000,000)	1,000,000
K WAH INTL FINANCIAL SERVICES LTD 4.35% Q 22JUL2021	1,000,000	-	-	-	1,000,000
MELCO FINANCE LTD 4.15% Q 05MAR2018	1,000,000	-	-	-	1,000,000
NWD MTN LTD 5.5% S/A 28FEB2024	-	1,000,000	-	(1,000,000)	-
NWD MTN LTD 5.9% S/A 18SEP2023	4,000,000	-	-	-	4,000,000
NWD MTN LTD 5.9% S/A 24JAN2024	-	1,000,000	-	(1,000,000)	-
TONG JIE LTD CB 0% A 18FEB2018	6,000,000	-	-	-	6,000,000
<i>Cayman Islands</i>					
Denominated in HK\$					
CAR INC 6.125% S/A 04FEB2020 REGS	-	500,000	-	(500,000)	-
CHEUNG KONG BOND FINANCE LTD 5.1% Q 07APR2016	1,000,000	-	-	(1,000,000)	-
CHEUNG KONG FINANCE MTN LTD 4.35% Q 20JAN2020	1,000,000	-	-	-	1,000,000
COUNTRY GARDEN HLDGS CO LTD 7.875% S/A 27MAY2019 REGS	500,000	-	-	(500,000)	-
EVERGRANDE REAL ESTATE GROUP LTD 8.75% S/A 30OCT2018 REGS	500,000	-	-	(500,000)	-
GREENTOWN CHINA HLDGS LTD 5.875% S/A 11AUG2020	-	500,000	-	(500,000)	-
HENGAN INTL GROUP CO LTD CB 0% A 27JUN2018	-	6,000,000	-	(2,000,000)	4,000,000
KINGSOFT CORP LTD CB 1.25% S/A 11APR2019	6,000,000	-	-	(2,000,000)	4,000,000
MTR CORP (CI) 4.95% Q 21OCT2019	1,000,000	-	-	-	1,000,000
MTR CORP (CI) LTD 2.25% Q 04DEC2025	2,000,000	-	-	-	2,000,000
SUN HUNG KAI PRO (CAP)4.67% Q 09FEB2016	1,500,000	-	-	(1,500,000)	-
SWIRE PACIFIC MTN FINANCING LTD 2.85% Q 18JUL2022	4,000,000	-	-	(2,000,000)	2,000,000

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (Unaudited) (continued)

For the period from 1 January 2016 to 30 June 2016

LISTED/QUOTED DEBT SECURITIES	Movement				
	As at 1 January 2016	Additions	Corporate Action	Disposals	At 30 June 2016
<i>Cayman Islands</i>					
Denominated in US\$					
CENTRAL CHINA REAL ESTATE LTD 8.75% S/A 23JAN2021	400,000	-	-	-	400,000
KWG PROPERTY HLDG LTD 13.25% S/A 22MAR2017	500,000	-	-	-	500,000
SUNAC CHINA HLDGS LTD 8.75% S/A 05DEC2019	-	500,000	-	-	500,000
SUNAC CHINA HLDGS LTD 9.375% S/A 05APR2018	-	500,000	-	(500,000)	-
YUZHOU PROPERTIES CO LTD 8.75% S/A 04OCT2018	445,000	-	-	-	445,000
<i>Hong Kong</i>					
Denominated in HK\$					
DAH SING BANK LTD 2.28% Q 07NOV2018 FXCD	1,000,000	-	-	-	1,000,000
DBS BANK HONG KONG LTD 3.86% Q 20JAN2020 FXCD	1,000,000	-	-	-	1,000,000
DBS BANK HONG KONG LTD 3.98% Q 04SEP2018 FXCD	-	1,000,000	-	-	1,000,000
FAR EAST HORIZON LTD 4.35% Q 14MAR2020	2,000,000	-	-	-	2,000,000
HANG SENG BANK LTD 2.25% Q 11MAY2020 FXCD	5,000,000	-	-	(3,000,000)	2,000,000
HK GOVT 1.52% S/A 25SEP2018	1,000,000	-	-	-	1,000,000
HK GOVT 3.78% S/A 06DEC2016	4,000,000	-	-	(2,000,000)	2,000,000
HONG KONG AIRPORT AUTHORITY 3.85% A 03JUL2019	5,000,000	1,000,000	-	(1,000,000)	5,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 0.34% S/A 09MAY2016	4,000,000	-	-	(4,000,000)	-
HONG KONG GOVERNMENT BOND PROGRAMME 0.61% S/A 05FEB2018	5,000,000	-	-	(5,000,000)	-
HONG KONG GOVERNMENT BOND PROGRAMME 0.97% S/A 08DEC2016	-	1,000,000	-	-	1,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 1.02% S/A 10APR2017	-	3,000,000	-	-	3,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 1.06% S/A 05FEB2020	2,000,000	-	-	-	2,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 1.1% S/A 17JAN2023	3,000,000	-	-	-	3,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 2.22% S/A 07AUG2024	3,000,000	-	-	-	3,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 2.46% S/A 04AUG2021	2,000,000	2,000,000	-	-	4,000,000
HONG KONG GOVERNMENT BOND PROGRAMME 2.93% S/A 13JAN2020	-	1,000,000	-	-	1,000,000
HONG KONG MORTGAGE CORP LTD 0% A 19SEP2016	1,000,000	-	-	-	1,000,000

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (Unaudited) (continued)

For the period from 1 January 2016 to 30 June 2016

	Movement				
<u>LISTED/QUOTED DEBT SECURITIES</u>	As at 1 January 2016	Additions	Corporate Action	Disposals	At 30 June 2016
<i>Hong Kong</i>					
Denominated in HK\$					
HONG KONG MORTGAGE CORP LTD 1.6% Q 04MAR2020	-	5,000,000	-	-	5,000,000
HONG KONG MORTGAGE CORP LTD 2% Q 11JAN2016	1,000,000	-	-	(1,000,000)	-
HONG KONG SAR GOVERNMENT BOND 5.125% S/A 23JUL2019	2,000,000	-	-	-	2,000,000
KOWLOON-CANTON 3.88% S/A 15JUN2021	1,000,000	-	-	-	1,000,000
OCBC WING HANG BANK LTD 2.6% Q 16JUL2018 FXCD	1,000,000	-	-	-	1,000,000
SWIRE PROPERTIES MTN FINANCING LTD 2.8% Q 26MAR2025	3,000,000	-	-	(1,000,000)	2,000,000
WHARF FINANCE LTD 2.65% Q 11JAN2018	2,000,000	-	-	-	2,000,000
WHARF FINANCE LTD 3% Q 23OCT2018	1,500,000	-	-	(1,500,000)	-
WHARF FINANCE NO 1 LTD 2.9% Q 27NOV2018	1,000,000	-	-	(1,000,000)	-
WHEELOCK FINANCE LTD 2.7% Q 18JAN2018	2,000,000	-	-	-	2,000,000
WHEELOCK FINANCE LTD 4.05% A 04MAY2017	1,000,000	-	-	(1,000,000)	-
<i>United Arab Emirates</i>					
Denominated in HK\$					
NATIONAL BANK OF ABU DHABI 4.6% Q 29JAN2021 FXCD	2,000,000	-	-	-	2,000,000

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

PERFORMANCE TABLE (Unaudited)

1. NET ASSET VALUE

	Net asset value per unit HK\$	Total net asset value HK\$
As at 30 June 2016		
- Class A units	10.144	35,534,298
- Class I units	10.369	80,899,119
As at 31 December 2015		
- Class A units	10.069	51,018,279
- Class I units	10.278	74,322,415
As at 31 December 2014 ¹		
- Class A units	N/A	N/A
- Class I units	10.046	52,289,172

¹ Inception on 2 September 2013

2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$
During the period ended 30 June 2016		
- Class A units	10.237	10.017
- Class I units	10.461	10.226
For the year ended 31 December 2015		
- Class A units	10.161	9.943
- Class I units	10.365	9.988
For the period from 2 September 2013 (date of inception) to 31 December 2014		
- Class A units	N/A	N/A
- Class I units	10.348	9.941

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2016

	Holdings/ Nominal Value	Fair Value HK\$	% of net asset value
Listed/quoted debt securities			
<i>British Virgin Islands</i>			
Dominated in HK\$			
HLP FINANCE LTD 4.35% S/A 20JAN2021	1,000,000	1,069,906	0.92
HLP FINANCE LTD 4.6% S/A 16MAY2024	1,000,000	1,105,372	0.95
K WAH INTL FINANCIAL SERVICES LTD 4.35% Q 22JUL2021	1,000,000	1,054,360	0.91
MELCO FINANCE LTD 4.15% Q 05MAR2018	1,000,000	1,002,500	0.86
NWD MTN LTD 5.9% S/A 18SEP2023	4,000,000	4,540,452	3.90
TONG JIE LTD CB 0% A 18FEB2018	6,000,000	6,154,739	5.30
<i>Cayman Islands</i>			
Dominated in HK\$			
CHEUNG KONG FINANCE MTN LTD 4.35% Q 20JAN2020	1,000,000	1,082,950	0.93
HENGAN INTL GROUP CO LTD CB 0% A 27JUN2018	4,000,000	4,240,480	3.64
KINGSOFT CORP LTD CB 1.25% S/A 11APR2019	4,000,000	3,917,520	3.36
MTR CORP (CI) 4.95% Q 21OCT2019	1,000,000	1,117,410	0.96
MTR CORP (CI) LTD 2.25% Q 04DEC2025	2,000,000	2,061,940	1.77
SWIRE PACIFIC MTN FINANCING LTD 2.85% Q 18JUL2022	2,000,000	2,035,680	1.75
Dominated in US\$			
CENTRAL CHINA REAL ESTATE LTD 8.75% S/A 23JAN2021	400,000	3,280,595	2.82
KWG PROPERTY HLDG LTD 13.25% S/A 22MAR2017	500,000	4,146,990	3.56
SUNAC CHINA HLDGS LTD 8.75% S/A 05DEC2019	500,000	4,253,449	3.65
YUZHOU PROPERTIES CO LTD 8.75% S/A 04OCT2018	445,000	3,649,869	3.13
<i>Hong Kong</i>			
Dominated in HK\$			
DAH SING BANK LTD 2.28% Q 07NOV2018 FXCD	1,000,000	1,016,623	0.87
DBS BANK HONG KONG LTD 3.86% Q 20JAN2020 FXCD	1,000,000	1,062,740	0.91
DBS BANK HONG KONG LTD 3.98% Q 04SEP2018 FXCD	1,000,000	1,056,520	0.91
FAR EAST HORIZON LTD 4.35% Q 14MAR2020	2,000,000	2,027,818	1.74
HANG SENG BANK LTD 2.25% Q 11MAY2020 FXCD	2,000,000	2,006,220	1.72
HK GOVT 1.52% S/A 25SEP2018	1,000,000	1,023,940	0.88
HK GOVT 3.78% S/A 06DEC2016	2,000,000	2,030,200	1.74
HONG KONG AIRPORT AUTHORITY 3.85% A 03JUL2019	5,000,000	5,375,550	4.62
HONG KONG GOVERNMENT BOND PROGRAMME 0.97% S/A 08DEC2016	1,000,000	1,003,360	0.86
HONG KONG GOVERNMENT BOND PROGRAMME 1.02% S/A 10APR2017	3,000,000	3,018,600	2.59

CHINA UNIVERSAL INTERNATIONAL SERIES – CUAM HONG KONG DOLLAR BOND FUND
(A Sub-Fund of China Universal International Series)

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2016

	Holdings/ Nominal Value	Fair Value HK\$	% of net asset value
Listed/quoted debt securities			
<i>Hong Kong</i>			
Dominated in HK\$			
HONG KONG GOVERNMENT BOND PROGRAMME 1.06% S/A 05FEB2020	2,000,000	2,039,040	1.75
HONG KONG GOVERNMENT BOND PROGRAMME 1.1% S/A 17JAN2023	3,000,000	3,068,520	2.64
HONG KONG GOVERNMENT BOND PROGRAMME 2.22% S/A 07AUG2024	3,000,000	3,293,790	2.83
HONG KONG GOVERNMENT BOND PROGRAMME 2.46% S/A 04AUG2021	4,000,000	4,364,520	3.75
HONG KONG GOVERNMENT BOND PROGRAMME 2.93% S/A 13JAN2020	1,000,000	1,085,840	0.93
HONG KONG MORTGAGE CORP LTD 0% A 19SEP2016	1,000,000	999,040	0.86
HONG KONG MORTGAGE CORP LTD 1.6% Q 04MAR2020	5,000,000	5,067,450	4.35
HONG KONG SAR GOVERNMENT BOND 5.125% S/A 23JUL2019	2,000,000	2,250,260	1.93
KOWLOON-CANTON 3.88% S/A 15JUN2021	1,000,000	1,094,660	0.94
OCBC WING HANG BANK LTD 2.6% Q 16JUL2018 FXCD	1,000,000	1,023,740	0.88
SWIRE PROPERTIES MTN FINANCING LTD 2.8% Q 26MAR2025	2,000,000	2,024,260	1.74
WHARF FINANCE LTD 2.65% Q 11JAN2018	2,000,000	2,019,280	1.73
WHEELOK FINANCE LTD 2.7% Q 18JAN2018	2,000,000	2,021,778	1.74
<i>United Arab Emirates</i>			
Dominated in HK\$			
NATIONAL BANK OF ABU DHABI 4.6% Q 29JAN2021 FXCD	2,000,000	2,235,320	1.92
TOTAL INVESTMENTS, AT FAIR VALUE		96,923,281	83.24
TOTAL INVESTMENTS, AT COST		95,047,436	
<u>TOTAL NET ASSETS</u>			
Total investment		96,923,281	83.24
Other net assets		19,510,136	16.76
Total net assets		116,433,417	100.00