UNIVERSAL INVESTMENT FUND ANNOUNCES CHANGES IN THE INVESTMENT POLICIES AND RISK FACTORS OF ITS STRATEGIC ASIA FUND

22 May 2018

UNIVERSAL INVESTMENT FUND (the "Trust")

State Street Cayman Trust Company, Ltd. (the "**Trustee**") has submitted an updated copy of the prospectus of the Trust dated 14 May 2018 to the Cayman Islands Stock Exchange and wishes to announce the following changes in respect of the Trust:

Amendment to Investment Policies of the Strategic Asia Fund

The investment policies of the Strategic Asia Fund has been amended to include the following:

> "The Sub-Fund's assets may include, but are not limited to, shares ("China A-Shares") issued by PRC companies and which are listed and traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange and denominated in the currency of the PRC ("RMB") and shares issued by PRC companies and which are listed and traded on the Hong Kong Stock Exchange and denominated in the currency of Hong Kong SAR."

Amendment to the Risk Factors of the Strategic Asia Fund

The risk factors of the Strategic Asia Fund have been amended to include the following:

> "Specific Risks associated with investments in China
>
> General
>
> A Sub-Fund investing in China is typically subject to a higher level of risks than investments in a developed country. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, repatriation risk, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in developed markets. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Unitholders should also be aware that changes in mainland China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments in the Sub-Fund.
>
> RMB Currency and associated Exchange Rate Risk
>
> Unitholders should be aware of the fact that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in mainland China, and one outside mainland China (primarily in Hong Kong). The RMB traded in mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of mainland China. The RMB traded outside mainland China, on the other hand, is freely accessible to any person or entity for any purpose. The rate of the RMB traded outside mainland China may be at a premium or discount

to the exchange rate for RMB traded in mainland China and there may be significant bid and offer spreads.

In addition, there may be liquidity risk associated with instruments denominated in RMB, especially if such investments do not have an active secondary market and their prices may be subject to significant bid and offer spread.

Stock Connect Risk

The Sub-Fund may invest and have direct access to certain China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connect"). The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited. The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked programme developed by Hong Kong Exchanges and Clearing Limited, Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

Investments through the Stock Connect are subject to additional risks, namely, restrictions on foreign investments, trading venues risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, settlement risk, custody risk, nominee arrangements in holding China A-Shares, tax and regulatory risks."