



## ChinaAMC China Opportunities Fund

ARSN 607 143 573

APIR Code SLT0065AU

### Product Disclosure Statement (PDS)

Dated 1 July 2016

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#### Before you start\*

Vasco Investment Managers Limited (ABN 71 138 715 009, AFSL 344486) (**Vasco** or **Investment Manager**) is the investment manager of the ChinaAMC China Opportunities Fund (**Fund**).

China Asset Management (HK) Ltd (**ChinaAMC (HK)** or **Portfolio Manager**) is the portfolio manager of the Fund.

OneVue RE Services Limited (ACN 101 103 011) (**OneVue**, **we** or **us**) is the Responsible Entity of the Fund and the issuer of this Product Disclosure Statement (**PDS**).

The Responsible Entity has appointed Vasco as the Investment Manager of the Fund. Vasco has appointed China AMC (HK) as the Portfolio Manager or sub-manager of the Fund.

The Responsible Entity appoints the custodian. A sub-custodian or other custodians may be appointed from time to time and the custodian may transfer all assets to another custodian without your consent. No custodian or sub-custodian is responsible for the operation or investment management of the Fund and has not caused the issue of this PDS.

This PDS is a summary of significant information and contains a number of references, marked with an asterisk (\*), to important additional information contained in the Information Booklet which forms part of this PDS, available at [www.vascofm.com](http://www.vascofm.com) or free from us on request.

You should read all of that information before making any decision to invest in the Fund. The information contained in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is subject to change from time to time. If a change is not materially adverse to you, the PDS may be updated or replaced by notice at [www.vascofm.com](http://www.vascofm.com) and you can request a paper copy free of charge from us, your adviser or stockbroker.

Otherwise, this PDS will be replaced.

#### Learn more

**Investors:** contact Vasco on +61 3 8352 7120

**Email:** [info@vascofm.com](mailto:info@vascofm.com)

For General Enquiries or more information please contact Vasco on:

**Email:** [info@vascofm.com](mailto:info@vascofm.com)

**Phone:** +61 3 8352 7120

Learn more about ChinaAMC China Opportunities Fund:

[www.vascofm.com](http://www.vascofm.com)

Learn more about Vasco: [www.vascofm.com](http://www.vascofm.com)

You may request a free printed copy of this PDS and any other document or policy mentioned in or incorporated into this PDS by calling OneVue on +61 2 8252 2200 during business hours, or speak to your adviser or stockbroker.

## 1. ABOUT ONEVUE RE SERVICES LIMITED

OneVue, as the responsible entity for the Fund, is responsible for the Fund's operation in accordance with the Fund's constitution, the Corporations Act 2001 (Cth) and trust law. Founded in December 2002, OneVue is a professional responsible entity and a wholly owned subsidiary of OneVue Holdings Limited (ASX: OVH), an ASX listed company. As at 29 February 2016, the OneVue group had funds under administration of more than \$3 billion. For more information, visit [www.onevue.com.au](http://www.onevue.com.au).

#### About the Investment Manager

The role of the Investment Manager is performed by Vasco. Established in 2009 Vasco manages a broad range of investment funds on behalf of retail, and institutional investors. Vasco is the holder of AFSL 344486. As Investment Manager Vasco's role is to promote and market the Fund and also overseeing and monitoring the Portfolio Manager's investment and management of the Fund.

#### About the Portfolio Manager

Established in April 1998, China Asset Management Co., Ltd. (**ChinaAMC**) was one of the first China-wide fund management companies approved by China Securities Regulatory Commission (**CSRC**). Its head office is located in Beijing, with a subsidiary located in Hong Kong to service overseas investors – ChinaAMC (HK). ChinaAMC (HK) will be the portfolio manager of the Fund. As Portfolio Manager, ChinaAMC (HK) will be responsible for managing the investments of the Fund in accordance with the Fund's investment objectives and mandate as set out in this PDS.

## 2. HOW THE FUND WORKS

The Fund is a unit trust, registered by ASIC under the Corporations Act. When you invest your money in the Fund, your money is pooled together with other investors' money. This larger pool of money is used to buy investments on behalf of all Fund investors.

BNP Paribas Securities Services (AFSL 402467), Sydney Branch has been appointed as Custodian of the Fund (**BNPP** or **Custodian**). BNPP is a professional custodian which will hold the Fund assets for us. The Custodian is responsible for, among other tasks, arranging for settlement of sales and purchases of Fund investments. BNPP may appoint sub-custodians from time to time, but is not responsible for the investment management of the Fund nor has it caused the issue of this PDS.

An investor's interest in the Fund is represented by a number of units, each class of which has identical rights (such as a right to any distributions, certain fees and to vote) and a value which will vary as the market value of assets in the Fund fluctuate. As a unit holder, each investor also has some obligations to us. Investors have no direct interest in the assets of the Fund but rather an undivided interest in the whole.

You can increase your investment by applying and paying for more units, and the number of units issued depends on the amount you invest and the unit price at the relevant time. You can decrease your investment by withdrawing (or redeeming), and the number of units redeemed depends on the amount you withdraw and the unit price at the relevant time.

### Investing for the first time

Simply complete a current **Application Form** – a copy accompanies this PDS, or you can download one from [www.vascofm.com](http://www.vascofm.com) or phone Vasco on +61 3 8352 7120

Post it to our Unit Registry:

ChinaAMC China Opportunities Fund  
GPO Box 804  
Melbourne VIC 3001

The minimum initial investment for direct investors – whether investing themselves or with the help of their financial adviser or stockbroker – is \$10,000. We accept cheques and EFT, but not cash.

Cheques, payable in Australian Dollars, should be crossed “Not negotiable” and made out to:

### ChinaAMC China Opportunities Fund

Direct deposits can be made directly into the following account.

Please use your investor name or number as the reference when making your transfer:

Bank: NAB  
BSB: 083-001  
Account no: 771584112  
Account name: OVFS ATF The China AMC China Opportunities Fund Application Account  
A/c Reference: [applicant(s) name]  
SWIFT: NATAAU3303M

SWIFT is only relevant for international fund transfers.

OneVue is required to maintain a trust account for the Fund into which application money is paid. The trust account held by OneVue is operated by the Fund's unit registry provider OneVue Fund Services Pty Limited (ACN 107 333 308). Any net interest earned (after fees) on this trust account is retained by OneVue and is not passed onto investors.

Application money may be held in the trust account in accordance with legislative requirements (usually up to a month) before units in the Fund are issued to investors.

### Investing more

Simply complete an **Additional Investment Form** (available at [www.vascofm.com](http://www.vascofm.com)) or contact your stockbroker if you invested through them.

You can add as much as you wish to your account, but the minimum additional investment is \$5,000.

Further investments are made on the basis of the PDS current at the time of further investment.

We accept cheques and EFT, but not cash, as set out above.

### Processing

Applications received before 2pm on a Sydney business day are generally processed on the same Sydney business day, assuming we have everything we need. Once lodged, applications cannot generally be withdrawn. Applications are almost always accepted, however OneVue has discretion to refuse any application and does not need to give a reason. Investors will receive confirmation whenever they invest.

### Withdrawing

You generally have access to your investment each day. In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw their funds within the usual period upon request – see the subsection “Delays” below for details.

To withdraw, use the **Withdrawal Form**. You can download the form from [www.vascofm.com](http://www.vascofm.com) or contact Vasco on +61 3 8352 7120. Post or scan and email it to the Unit Registry:

ChinaAMC China Opportunities Fund  
GPO Box 804  
Melbourne VIC 3001

Email: [info@vascofm.com](mailto:info@vascofm.com)

Telephone requests are not accepted.

There is a minimum withdrawal of \$5,000 and we require that you maintain a minimum balance of \$10,000.

Withdrawals are paid to your nominated account, normally within 10 Sydney business days of processing. We do not pay cash or by cheque. Withdrawals received before 2pm on a Sydney business day are generally processed on the same Sydney business day, assuming we have everything we need. Once lodged, withdrawal requests cannot generally be withdrawn. Maximum withdrawal periods that may apply are contained in the Fund's constitution, available free from us.

Deductions from withdrawal proceeds are made for any money you owe relating to your investment.

### The price of units

Unit prices are based on the Net Asset Value of the Fund and will vary as the market value of the assets of the Fund fluctuates. The unit prices for issuing and withdrawing are slightly different because of the buy-sell spread applied. The Fees and Costs section of this PDS gives more detail about the buy-sell spread.

We have a policy that sets out the guidelines and relevant factors and discretions for calculating unit prices. A copy (and records of any departures from the policy) is available from us on request.

The unit price of the Fund is determined at least each Sydney business day, based on the information most recently available. Unit prices are calculated in 3 steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted – this gives the “Net Asset Value”,
- this is divided by the number of units on issue, and
- an adjustment is generally made for transaction costs (for more information on buy-sell spread, see the Fees and Costs section of this PDS).

The unit price that will apply when you apply for units or redeem units will be the unit price on the day they are processed.

Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

### Delays

Access to your money can be delayed in limited circumstances. Those circumstances include where:

- the Fund becomes illiquid (the law dictates this, and if this happens, at our discretion some money can be made available for withdrawals, to be allocated on a pro rata basis among those wanting to withdraw),
- there is a circumstance outside our reasonable control which we consider impacts on our ability to properly or fairly calculate the unit price, or
- withdrawal requests that would result in more than 20% of the Net Asset Value of the Fund being withdrawn (we can stagger payment over such period that we determine).

Unit prices are generally calculated at the time the delay ends.

## Compulsory redemptions

We can redeem your investment without asking if you breach your legal obligations to us, to recover money you owe us or anyone else relating to your investment, if law prohibits you from legally being an investor or if you fail to meet any minimum balance from time to time.

## Distributions

The Fund will usually pay distributions annually within 30 days of the end of each financial year. In general terms, distributions will be paid pro rata to investors out of the income of the Fund. Distributions will be automatically reinvested unless you elect otherwise on the application form.

## 3. BENEFITS OF INVESTING IN THE FUND

Significant features	
Objective	Aims to outperform the MSCI China Index in the long term with a focus on capital preservation in down markets.
Investment exposure	The Fund will primarily invest in China related listed equity securities (including those listed in Hong Kong, U.S., Singapore and China A-share and B-share markets), fixed interest securities, cash or cash equivalents and P-Notes.
Minimum initial investment	\$10,000
Minimum additional investment	\$5,000
Minimum balance	\$10,000
Minimum withdrawal	\$5,000
Management fee	1.2% pa See the Fees and Costs section for details.
Responsible Entity Fee and Usual Expense Recoveries	Estimated to be 0.3%-0.4% pa See the Fees and Costs section for details.
Performance fee	None
Distributions	The Fund pays distributions annually. Distributions are reinvested unless you elect otherwise.
Applications / withdrawals	Each Sydney business day

## 4. RISKS OF MANAGED INVESTMENT SCHEMES

All investments carry risk. Different strategies may carry different levels of risk depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Neither returns nor the money you invest in the Fund is guaranteed.

The significant risks of the Fund include the following.

### Security Specific Risk

The value of the Fund's investment may be affected by unexpected changes in the value of securities held in the Fund's portfolio. Such changes may be due to unexpected operational or economic changes applicable to relevant securities including changes in a company's management, product distribution, and its ability to pay dividends.

### Currency Risk

The Fund invests in investments in other countries. Accordingly, any change in the value of the currencies of those investments relative to the functional currency of the Fund Portfolio, being the Australian Dollar, can change the value of those investments. This could in turn adversely affect the value of the Fund portfolio's investments.

The Fund does not initially intend to hedge against currency risk. However, the Fund may hedge up to 60% of the value of the assets of the Fund against currency risk where the portfolio manager is of the opinion that this would be in the best interests of the Fund.

### International Investing Risk

The risk of international investing include foreign withholding tax or duties on income or capital gains, securities regulations, market and settlement practices, potential political and economic instability affecting overseas markets, limited liquidity and volatile prices of international investments, and investment repatriation restrictions.

### Investment and credit risk

This is the risk that the value of an individual investment in the Fund may change or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in the Government's policies, the business environment, or a change in perceptions of the risk of any investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure. The Fund is also subject to the credit risk of all of its counterparties, including the Investment Manager.

### Market risk

This is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that a country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of the currency changes (either through inflation or deflation), and/or other market-wide factors, like economic growth or the unemployment rate deteriorate, which can cause a reduction in the value of the Fund and increase its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment. The Fund may invest up to 30% of its assets in cash or cash equivalents, typically utilised during market downturn.

### Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and the policies of central banks such as the Reserve Bank of Australia or its equivalent in other countries.

### Ratings risk

The assets in which the Fund invests may or may not have been assigned credit ratings by independent ratings agencies. A ratings downgrade could significantly reduce the value of an investment and impact the value of the units of the Fund. Credit ratings do not guarantee the credit quality of a security, its underlying assets or its repayment, and may be re-assessed by ratings agencies in a range of circumstances. Ratings agencies can make mistakes. The Fund seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

### Financial instruments risk

It is also possible that from time to time derivatives may be used to manage the Fund's risks when considered appropriate.

Using sophisticated financial instruments has certain risks.

Derivatives are not used with the intention to gear the Fund (or cause it to be leveraged). If using a financial instrument brings with it the obligation for the Fund to pay more money under certain circumstances, the Investment Manager makes sure that the Fund has the money or assets set aside to meet this requirement.

However, various risks remain, including the value of a derivative failing to move in line with the underlying asset, potential illiquidity of a derivative, the Fund (or the underlying investment) not being able to meet payment obligations as they arise, potential leverage (or gearing) resulting from the position and counterparty risk (counterparty risk is where the other party to the derivative cannot meet its obligations).

Specialist professionals are employed to help manage the Fund and have a thorough understanding of the financial instruments it



invests in. The Portfolio Manager deals with issuers and counterparties it considers to be reputable.

Unfortunately, using derivatives to reduce the Fund's risks is not always successful, is not always used to offset all relevant Fund risk, and is sometimes not cost effective or practical to use.

### Volatility risk

Markets can be volatile. Investing in volatile conditions usually implies a greater level of risk for investors than an investment in a more stable market. The Fund is expected to have higher volatility than bank deposits.

### Valuation risk

The value of the Fund's underlying investments, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments. The Fund seeks to reduce this risk by seeking that all the assets of the Fund are valued independently on a daily basis and wherever possible using market prices.

### Liquidity risk

This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw investments of the Fund may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.

This is one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal request. The law sometimes restricts withdrawals.

Although you may sell your units privately, you may not find a buyer or a buyer at the price you want.

### Structure risk

This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include that it could be closed and your money returned to you at the prevailing valuations at that time; there can be a change in the responsible entity or at the investment manager or at the portfolio manager (for example if key individuals were no longer involved in managing the Fund); someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail or insurance may be inadequate.

Investment decisions by portfolio managers such as ChinaAMC (HK), although taken carefully, are not always successful.

Investing through an administration platform or through your stockbroker also brings some risks that the operator of the administration platform or your stockbroker may not perform its obligations properly. For instance, the stockbroker may make mistakes. Although unlikely, stockbroker systems could fail or there could be errors, anomalies or irregularities.

Investing in the Fund may give inferior results compared to investing directly (where for example you avoid the impact of others coming and going and may be able to manage your tax situation better).

### Information risk

We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. We use the Internet in operating the Fund, and may store records in a cloud system. If stored overseas, different privacy and other standards may apply there.

The internet does not however always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

### Managing risk

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable.

Whenever investments are made, the potential for returns in light

of the likely risks involved are assessed.

Risk is considered throughout the investment process and at each level of the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond our and the Investment Manager's control altogether.

### Risk generally

The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary, the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed and investors may lose some or all of their money, and
- laws affecting registered managed investment schemes may change in the future.

The level of risk for you particularly will vary depending on a range of factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a financial adviser. If you have questions about the Fund, feel free to call Vasco.

Further information about the risks of investing in managed investment schemes can be found on ASIC's MoneySmart website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

## 5. HOW WE INVEST YOUR MONEY

**Warning: you should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund.**

### Investment objective

The ChinaAMC China Opportunities Fund aims to outperform the MSCI China Index in the long term with a focus on capital preservation in down markets.

Recent performance of the Fund is available at [www.vascofm.com](http://www.vascofm.com). Your adviser or stockbroker can also provide information. Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed.

### What the Fund invests in

The Fund is actively managed by the Portfolio Manager and will primarily invest in China related listed equity securities (including those listed in Hong Kong, U.S., Singapore and China A-share and B-share markets), fixed interest securities, cash or cash equivalents and P-Notes. Investments in China A-shares may be made through the ChinaAMC (HK)'s ChinaAMC China A Share Opportunities Fund.

Through specialized fundamental research, solid investment process, and prudent risk management, ChinaAMC are able to convert investment research findings into discretionary investment decisions and aim to deliver consistent performance for investors. ChinaAMC has a team of equity research analysts covering different sectors in China and Hong Kong markets. For each sector, they not only cover large-cap but also small-/midcap companies. The investment team conducts on-the-ground research and carries out 360-degree interview with the suppliers, distributors and competitors of the listed companies to obtain full-dimension information. Through extensive and in-depth fundamental research, ChinaAMC believe their alpha source is sustainable and repeatable.

The Fund does not initially intend to hedge against currency risk. However, the Fund may hedge up to 60% of the value of the assets of the Fund against currency risk where the portfolio manager is of the opinion that this would be in the best interests of the Fund.

It is also possible that from time to time derivatives may be used to manage the Fund's risks when considered appropriate.

The Fund may invest up to 30% of its assets in cash or cash equivalents, typically utilised during market downturn.

No labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of investments relating to the Fund.

### Investment considerations

<b>Risk</b>	Active market risk management.
<b>Suitability</b>	Those investors with a medium to high risk tolerance seeking returns above the MSCI China Index.
<b>Investment timeframe</b>	None, but suggested investment timeframe is greater than 3-5 years.

## 6. FEES AND COSTS\*

You should read the important information about Fees and costs in the Information Booklet before making a decision. Go to the corresponding heading of the Information Booklet, available at [www.vascofm.com](http://www.vascofm.com) or free from us on request. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The information in the following table can be used to compare fees and costs between different simple managed investment schemes. These fees and other costs may be deducted from your account balance, from the returns on your investment, or from the Fund's assets as a whole.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund:</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
<b>Management costs<sup>1</sup> the fees and costs for managing your investment</b>	
Management Fee	1.2% pa of the Net Asset Value of the Fund, including net GST
Responsible Entity Fee and Usual Expense Recoveries	Estimated to be 0.3% - 0.4%p.a. of the Net Asset Value of the Fund, including net GST <sup>2</sup>
Performance Fee <sup>3</sup>	Nil

<sup>1</sup>Management fees payable to China AMC in relation to investments through the ChinaAMC (HK)'s ChinaAMC China A Share Opportunities Fund are rebated and expenses are included in the expense recoveries.

<sup>2</sup>The Responsible Entity Fee is a scaled fee which varies depending on the amount of funds under management (**FUM**). The estimate is based on the Fund not exceeding \$100million FUM. Actual usual expenses may be higher or lower than the estimated usual expense recoveries.

<sup>3</sup>Please note that the constitution of the Fund allows for OneVue to charge a performance fee. OneVue does not intend to charge performance fees, but may choose to do so in the future. Where it does so decide, investors will be notified as set out in subsection "Changes" below.

## Additional explanation of fees and costs

### Management Fee

The Management Fee accrues daily, calculated monthly in arrears as at the last day of the month and payable as soon as practicable after the month's end. The Management Fee is paid to OneVue, which then pays the full amount of the Management Fee to Vasco.

### Responsible Entity Fee and Usual Expense Recoveries

The Responsible Entity Fee is a scaled fee which varies depending on the amount of fund under management. The estimate in the fee table above is based on the Fund not exceeding \$100million FUM. If the FUM level is higher than \$100million, assuming the actual usual expenses of the Fund are the same, the Responsible Entity Fee and Usual Expense Recoveries will be a lesser percentage of the NAV. The Responsible Entity Fee accrues daily, calculated monthly in arrears as at the last day of the month and payable as soon as practicable after the month's end.

The Fund's constitution allows for all expenses in relation to the proper performance of its duties in respect of the trust to be paid by OneVue and be recovered from the Fund. The estimate in the fee table relates to an estimate of the usual expenses of the Fund. The actual usual Fund expenses may be higher or lower than the estimate. The actual Fund expenses will be recovered from the Fund.

Unusual expenses such as investor meetings, Fund termination costs or expenses arising from any dispute may also be paid from the Fund where incurred.

### Other fees and costs

Investors accessing the Fund through an investment platform are likely to also be paying fees for using that platform. Ask your platform operator.

Government fees, duties and bank charges may also apply to investments and withdrawals and these would be paid by the Fund or you.

**Warning: Fees may also be paid to your financial adviser. Ask your adviser or broker, and refer to any Statement of Advice they may provide you for details of those fees.**

### Changes

We may change the fees and costs without your consent. You will receive at least 30 days' notice of any increase. In any case, you cannot be charged more than the constitution of the Fund allows. A change to fees in the constitution that adversely affects investors requires approval of investors.

### Buy-sell spread

You pay for transaction costs associated with the buying and selling of the Fund's investments through the Buy and Sell Spreads. Money is not actually deducted from your investment or withdrawal amount. Instead, the entry price is made 0.5% higher and the exit price is made 0.5% lower. For example, if you invested \$50,000 in the Fund, then a buy spread of \$250 would apply. Buy Spreads do not apply to reinvested distributions.

### We look after our employees and others

We can choose not to charge persons associated with the Fund reduced or no management and/or other fees on their investments, as permitted by law or ASIC policy. This may include money the Investment Manager or the Portfolio Manager from time to time invests, together with members of either of their corporate groups and investment vehicles they manage, as well as their officers and employees and their investment vehicles. We may do this by way of rebate or issuing units with different classes in the Fund, but always in compliance with laws.

### Large investments

Very large investors are important to any investment management business. Large amounts provide buying power, for example, from which all investors benefit. Vasco and OneVue can choose not to charge large investors some or all fees on their investments, or may

pay them some of its own fees. ASIC generally regulates how this can be done. We can also do this by way of issuing different classes of units in the Fund. We are not permitted to enter into individual fee arrangements with investors who are not wholesale clients as the Corporations Act defines this.

### Examples of annual fees and costs

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare the Fund with other managed investment products.

This example is for a retail investor.

Example		Balance of \$50,000 including a contribution of \$10,000 during the year <sup>1</sup>
Contribution Fee	0%	For every additional \$10,000 you put in, you will not be charged any contribution fee.
<b>PLUS Management Costs consisting of:</b>		
Management Fee	1.2% p.a.	And, for every \$50,000 you have in the Fund you will be charged between \$750 - \$800 each year.
Responsible Entity Fee and Usual Expense Recoveries	0.3% - 0.4% p.a.	
<b>EQUALS</b>		
Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during that year then you would be charged fees of \$750 - \$800. <b>What it costs you may depend on the fees you negotiate.</b>

<sup>1</sup>This example assumes that the \$10,000 contribution is made at the beginning of the year.

ASIC provides a calculator on its website [www.moneysmart.gov.au](http://www.moneysmart.gov.au). The calculator can be used to calculate the effect of fees and costs on account balances.

You should go to the corresponding heading of the Information Booklet to understand these and other important matters.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

**Warning: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.**

The taxation information below provides a guide for Australian resident members only who hold their investments on capital account and who are not subject to the Taxation of Financial Arrangements regime in the tax law.

The Government has recently announced that it will proceed with the implementation of a new tax system for managed investment trusts which, once enacted, are proposed to apply from 1 July 2016. The Fund may be subject to this new tax regime.

Registered managed investment schemes generally do not pay tax on behalf of members. You may need to pay tax in relation to your investment in the Fund, generally income or capital gains tax, but you might be able to claim some tax credits or offsets or have the benefit of some concessions. Members are assessed for tax on any income and capital gains generated by the registered managed investment scheme that is distributed to members. Your tax liability depends on your circumstances and it is recommended that you seek professional advice before you invest or deal with your investment.

We will send you information each year to help you complete your tax return.

You may have a tax liability when you receive distributions from the Fund even if the distribution is reinvested in additional units in the Fund or the actual distribution differs from the taxable amount. The amount of your tax liability depends on what makes up the distributions, and on your personal financial circumstances. Distributions could comprise:

- Income, including foreign sourced income (for example, dividends and interest and gains on disposal of Fund investments that are held on revenue account),
- net capital gains (from the sale of Fund investments),
- tax credits and tax offsets (for example, franking credits attached to dividend income and tax offsets relating to tax paid on foreign income), and
- tax deferred income.

You may also have a tax liability when you withdraw from the Fund. Australian residents are generally subject to capital gains tax on gains when they withdraw any money for themselves or to invest in another fund or transfer units to someone. Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains tax concession which can reduce the liability by up to one half.

The Government has implemented the OECD Common Reporting Standard which requires us to report information in relation to non-resident members to the Australian Taxation Office (**ATO**), who in turn can provide this information to foreign tax authorities.

Australia and the US have also signed an intergovernmental agreement that requires us to provide the account information of US tax resident members to the ATO which is then passed on to the US Internal Revenue Service (**IRS**). Those US tax residents who fall within the regime may be subject to withholding tax on part or all of the payments they receive from US sources.

You do not have to tell us your TFN or ABN, but most people do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare and Budget Repair levies, before paying any distribution to you. We may also be required to withhold tax in relation to distributions made to non-resident members.

If you are registered for GST you should consider whether you are entitled to claim input tax credits for GST included in third party costs incurred in entering or exiting the Fund.

## 8. HOW TO APPLY

### Three steps

1. Read this PDS, including the Information Booklet available at [www.vascofm.com](http://www.vascofm.com) or from us free on request.
2. Complete the Application Form and send it to:  
ChinaAMC China Opportunities Fund  
GPO Box 840  
Melbourne VIC 3001
3. Once the Unit Registry has received your application, any required identification material and your payment, you will be sent confirmation of your investment, generally within 7 Sydney business days.

### Cooling off

Once lodged, applications cannot generally be withdrawn. However the law provides you can change your mind: you have 14 days, starting on the earlier of when your confirmation that you are invested is received by you, or the end of the 5<sup>th</sup> day after the day on which your units are issued. Speak to Vasco. In this case, your money will be repaid, although adjustments are made for changes in the unit price, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$50,000 and the value of the units falls by 1% between the time you invest and the time your request to withdraw your investment is received, you would be paid \$49,500 for redeeming your units, less any reasonable transaction or administration costs.

### Complaints

If you wish to lodge a complaint please contact us. We will attempt to resolve your concerns within 45 days. If you remain unhappy we will always tell you other steps you can take. One of these is to take your complaint to:

The Financial Ombudsman Service  
GPO Box 3  
Melbourne, Victoria, 3001  
T: 1300 78 08 08 | E: [info@fos.org.au](mailto:info@fos.org.au)



FOS is independent of OneVue, Vasco, and China AMC (HK).

FOS has some rules which may change from time to time, including that the claim involved must generally be under \$500,000.

Current details can be obtained from [www.fos.org.au](http://www.fos.org.au)

If investing through an administration platform then complaints should be directed to the operator of your administration platform, not to us.

## 9. ADDITIONAL INFORMATION\*

You should read the important information about privacy, related parties, Anti-Money Laundering and Counter Terrorism Financing and the U.S. Foreign Account Tax Compliance Act in the Information Booklet before making a decision. Go to the corresponding heading of the Information Booklet, available at [www.vascofm.com](http://www.vascofm.com) or free from us on request. The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

### Keeping you informed

As an investor in the Fund you will receive regular reports, including:

- a transaction statement each time you make any additional investment or withdrawal,
- an income distribution statement after each distribution,
- half yearly holding statement,
- annual taxation statement, and
- annual report.

Each September, the Fund's accounts will be made available on-line at [www.vascofm.com](http://www.vascofm.com) (we will also email or mail them to you if you wish).

The Fund will become a disclosing entity under the Corporations Act if it has 100 or more unitholders and the Fund will be subject to regular reporting and disclosure obligations. Copies of documents we may lodge with ASIC (such as any annual financial report most recently lodged with ASIC by the Fund, any half-year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of the PDS and any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of the PDS) may be obtained from or inspected at an ASIC office. We will send you copies of any document which we lodge, if you request.

We will make information required to be disclosed under continuous disclosure obligations available at [www.vascofm.com](http://www.vascofm.com) and you can request a paper copy free of charge from us anytime.

Information that is not materially adverse information is subject to change from time to time. Where this occurs, a website notice will be created at [www.vascofm.com](http://www.vascofm.com). A paper copy of any updated information will be given to any person without charge on request.

### Information about you

It's important to keep your details with us up to date – please contact us to correct them if required. You must provide in a timely way all information regarding you and your investment which law requires, for example, regarding your identity or the source or use of invested moneys.

### Your rights and other important issues

Our legal relationship with direct investors is governed by the Fund's constitution together with this PDS, the Information Booklet and certain financial services laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of the Fund (we can issue classes of units with such rights we determine),
- our powers (and how and when we can exercise them),
- when the Fund terminates (we can terminate the Fund at any time and the relevant investors share the net proceeds on a pro-rata basis),
- when we can retire and what happens if we do (usually another responsible entity will be appointed), and

- changing the constitution (we need investors' approval for any changes which are adverse to unit holders' rights).

The investments of the Fund can be combined with other assets but never our own assets. We will send you a copy of the constitution free of charge if you ask.

### Transferring your units

Direct investors wishing to transfer your units (including recording change of trustees) should contact us. You often need to pay stamp duty.

### Holding assets

BNPP has been appointed as custodian of the Fund's assets. Custodians and sub-custodians may change from time to time. No custodian or sub-custodian is responsible for the operation or management of the Fund, and none of them have caused the issue of this PDS. OneVue has entered into a custody agreement with BNPP which will have certain limits on the liability of BNPP. OneVue periodically reviews BNPP's services.

### Meetings and changes of the responsible entity

Investor meetings are uncommon. Direct investors can generally attend and vote, and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 direct investors present in person or by proxy together holding at least 10% of all units in the relevant class.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Direct investors can requisition a meeting. The quorum for a meeting where there is any proposal to remove the responsible entity is at least 2 direct investors present in person or by proxy together holding at least 50% of all units in the Fund.

### Terminating the Fund

We can decide to terminate the Fund anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to relevant investors as soon as we consider practicable. It can take some time to finalise this process.

### Responsibility

The constitution has some limits on when we are liable to direct investors for example, when we rely in good faith on professional advice. Subject always to any liability which the Corporations Act might impose on us, if we act in good faith and without gross negligence, we are not liable to direct investors for any loss suffered in any way relating to an investment in the Fund.

The constitution also contains a provision that, subject to any liability which the Corporations Act may impose on the responsible entity which cannot be excluded, all obligations of the responsible entity which might otherwise be implied or imposed by law or equity are expressly excluded to the extent permitted by law.

We have included provisions in the constitution designed to protect direct investors. The constitution limits each investor's liability to the unpaid part of the issue price for their units and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the responsible entity and/or any creditor in the event that the liabilities of the Fund exceed the assets of the Fund. However an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

### Legal

Vasco and ChinaAMC (HK) have given and not withdrawn before the date of this PDS their consent to be named in this PDS (and the Information Booklet where applicable) and to inclusion of the statements describing them and their roles and intentions in relation to the Fund, in the form and context in which those references appear. They make no other statements or representations in this PDS or Information Booklet. Neither ASX nor ASIC takes any responsibility for the contents of this PDS or the issuing or redeeming of units by us.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). If you received this PDS electronically, you can request a paper copy free of charge from us during the life of this PDS. Unless otherwise stated, all figures are in Australian dollars and include the net impact of GST.

### Investing through an administration platform

An investor through an administration platform is not a direct investor in the Fund, rather they are an “indirect investor”, and some things are different for them. Indirect investors:

- are not investors in the Fund (the administration platform operator is the investor),
- do not acquire the rights of an investor (the administration platform operator has these rights),
- do not receive distributions or reports directly from us (we send these to the administration platform operator),
- do not directly participate in investor meetings or directly in any winding up of the Fund (the administration platform operator can participate if it chooses),
- need not complete the application form or investor identification forms accompanying this PDS, and
- withdrawal procedures may be different, including that processing times may be longer overall.

The minimum amounts to invest and withdraw depend on your administration platform, as do the overall times to invest and withdraw and the costs you pay. Please read your administration platform guide carefully. Neither OneVue, Vasco or ChinaAMC (HK) is responsible for the operation of any administration platform, but investors who wish to access the Fund through an administration platform are authorised to use this PDS for that purpose.

### Your promises when you invest

When you apply to invest, whether through us or through an administration platform, you (the applicant) are telling us:

- you have received, read and understood the current PDS and Information Booklet,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing (nor will monies received from your account have any such association), and
- you agree to be bound by the constitution of the Fund and the PDS (as supplemented, replaced or re-issued from time to time).

## 10. MORE INFORMATION

### Investors

#### Vasco Investment Managers Limited

Level 5, 488 Bourke Street

Melbourne VIC 3000

T: +61 3 8352 7120

E: [info@vascofm.com](mailto:info@vascofm.com)

If you are investing or have invested in the Fund through an investment platform, please contact your platform provider in the first instance.

### General Enquiries

T: +61 3 8352 7120

E: [info@vascofm.com](mailto:info@vascofm.com)

### Distributed by

#### Vasco Investment Managers Limited

Level 5, 488 Bourke Street

Melbourne VIC 3000

### Issued by

#### OneVue RE Services Limited AFSL 223271

Level 5, 10 Spring Street

Sydney NSW 2000

T: +61 2 8252 2200

E: [reservices@onevue.com.au](mailto:reservices@onevue.com.au)

### Portfolio Manager

#### China Asset Management (Hong Kong) Limited

37/F, Bank of China Tower

1 Garden Road, Hong Kong

### Custodian and Administrator

#### BNP Paribas Securities Services

60 Castlereagh Street

Sydney NSW 2000

### Auditor and tax adviser

#### Ernst & Young

Ernst & Young Centre

680 George Street

Sydney NSW 2000

### Legal advisers

#### Hall & Wilcox

11, Rialto South Tower,

525 Collins Street,

Melbourne VIC 3000