



## Investment Objective and Strategy

The investment objective of the Fund is to provide long-term capital appreciation by primarily investing in listed equities with a China focus. There can be no assurance that the Fund will achieve its investment objective.

The Fund seeks to achieve its objective primarily through exposure to companies established in China or those which, whilst established outside China, derive a significant proportion of their revenue or profits from business related to China. The Fund makes investments into companies that, in the Manager's opinion, have been undervalued by the market. There is no restriction on market capitalizations or industries in relation to the equity securities in which the Fund may invest.

Under normal circumstances, the asset allocation strategy is that at least 70% of the Fund's Net Asset Value will be invested in stocks of companies established in China or those which, whilst established outside China, derive a significant proportion of their revenue or profits from business related to China (including but not limited to investment in depositary receipts such as American Depositary Receipts), and, subject to an overall upper limit on onshore PRC exposure of 20% of the Fund's Net Asset Value, up to 20% of the Fund's Net Asset Value will be invested directly or indirectly in stocks listed in Shanghai (including stocks listed on the Sci-Tech Innovation Board (the "STAR Board")) and/or Shenzhen (including stocks in the ChiNext market and/or stocks listed on the Small and Medium Enterprise Board (the "SME Board")).

## Important Note:

1. CFund – China Equity (the "Fund") invests in (a) stocks listed in China (including Hong Kong, Shanghai and/or Shenzhen) or (b) equity securities listed in Hong Kong of companies established in China or its principal business is located in China or its current majority of income or earnings derived from China. This may result in a higher volatility than a broad-based fund.

2. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting Hong Kong and China markets.

3. The Fund may invest in derivatives. The use of derivatives exposes the Fund to additional risks, including volatility risk, liquidity risk and counterparty/credit risk and credit risk regarding access product issuer.

4. The Fund may invest into other funds. There will be additional costs involved.

5. The Fund can invest in China A-shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programme. These programmes are subject to regulatory risks and other risks such as quota limits, volatility risks and settlements risks.

6. The Fund does not apply any equalisation in the calculation of performance fee, therefore there may be circumstances where an investor may either be advantaged or disadvantaged as a result of the performance fee calculation methodology. Specifically, in the event of the Fund's outperformance, an investor may be subject to a performance fee regardless of whether a loss in investment capital has been suffered by the investor.

7. Investments involve risks. The Fund, like most funds, does not provide any guarantees. You have the opportunity to lose some or all of your investment. Investment decisions should not be made solely on the basis of this promotional material. Please refer to the explanatory memorandum for information before investing to understand the risk factors and other information. Past performance is not indicative of future performance. If you have any questions, please contact your financial advisor and seek professional advice.

8. The Manager currently intends to make quarterly dividend distribution for the A Units HKD (Dist) class at its discretion. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value per Unit of the Fund.

Fund Information		
Investment Manager	Pickers Capital Management Limited	
Fund Size	HKD 224 million	
Subscription fee	Up to 5% of NAV	
Management fee	1.50%	
Performance fee	15% (High-water mark)	
Redemption fee	Nil	
Dealing day	Daily	
Trustee	BOCI-Prudential Trustee Limited	
Classes	Current NAV/Unit	Launch Date
A Units HKD (Acc )	HKD 77.3362	02/01/2019
A Units HKD (Dist)	HKD 52.1793	16/06/2020
A Units RMB (Acc)	HKD 59.4327	30/09/2020
Bloomberg Codes	A Units HKD (Acc )	CFCHIEQ HK Equity
	A Units HKD (Dist)	CFCHEHI HK Equity
	A Units RMB (Acc)	CFCCECA HK Equity
ISIN CODES	A Units HKD (Acc )	HK0000483724
	A Units HKD (Dist)	HK0000563889
	A Units RMB (Acc)	HK0000563897
Classes	Estimated Annualized Yield <sup>^</sup>	Record Date
A Units HKD (Dist)	4.0%	31/12/2024

## Each Fund Class Unit Performance

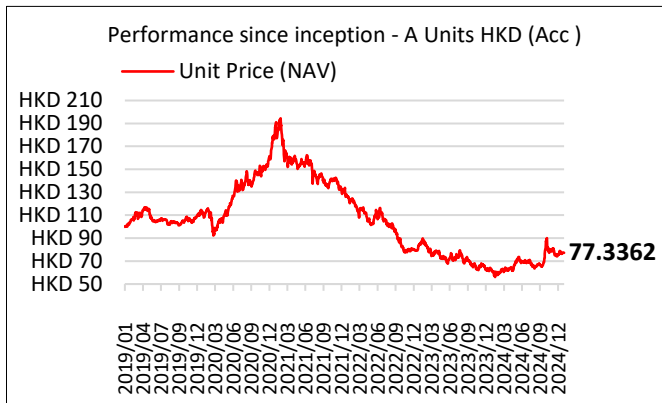
	A Units HKD (Acc)	A Units HKD (Dist)	A Units RMB (Acc)
Year-to-date	20.54%	17.43%	24.76%
One month	2.96%	3.04%	4.39%
Three months	-5.16%	-3.23%	-0.62%
One year	20.54%	17.43%	24.76%
Total return since launch	-22.66%	-31.60%	-40.57%

Fund performance is calculated on NAV to NAV basis in denominated currency of the respective share class with gross dividends re-invested. The Fund's cumulative return includes dividends distributed out during the period.

## Fund Performance (Class A HKD (Acc) Units)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	5.58%	3.72%	2.20%	2.03%	-8.52%	1.20%	-1.21%	-0.24%	-2.87%	4.87%	-2.29%	5.53%	9.43%
2020	-1.33%	0.02%	-8.48%	8.68%	4.97%	12.93%	6.44%	6.80%	-3.79%	4.21%	3.40%	10.70%	51.80%
2021	6.61%	-3.53%	-7.80%	1.30%	-1.20%	2.51%	-9.22%	-0.70%	-5.54%	2.92%	-2.34%	-4.76%	-20.70%
2022	-6.64%	-3.87%	-3.25%	-7.43%	3.25%	2.52%	-8.63%	-1.21%	-14.37%	-10.48%	4.37%	-2.27%	-39.94%
2023	8.56%	-9.39%	1.20%	-6.35%	-8.12%	5.01%	11.48%	-9.27%	-6.83%	-7.16%	5.22%	-2.07%	-18.91%
2024	-9.82%	6.86%	0.59%	7.33%	2.34%	0.29%	-3.12%	2.11%	20.29%	-3.83%	-4.21%	2.96%	20.54%

## Performance Since Inception ( Class A HKD (Acc) Units )

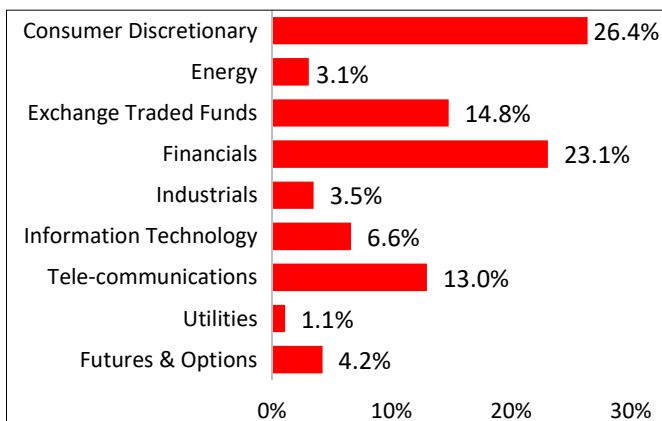


## #Top 10 Stock Holdings

Top 10	Stock Name	%
1	TENCENT HOLDINGS LTD	8.30%
2	ALIBABA GROUP HOLDING LTD	7.57%
3	MEITUAN-CLASS B	7.01%
4	CHINA CONSTRUCTION BANK-H	6.62%
5	HSBC HOLDINGS PLC	5.75%
6	XIAOMI CORP-CLASS B	5.35%
7	CHINA MOBILE LTD	4.15%
8	IND & COMM BK OF CHINA-H	2.93%
9	CNOOC LTD	2.59%
10	AIA GROUP LTD	2.48%

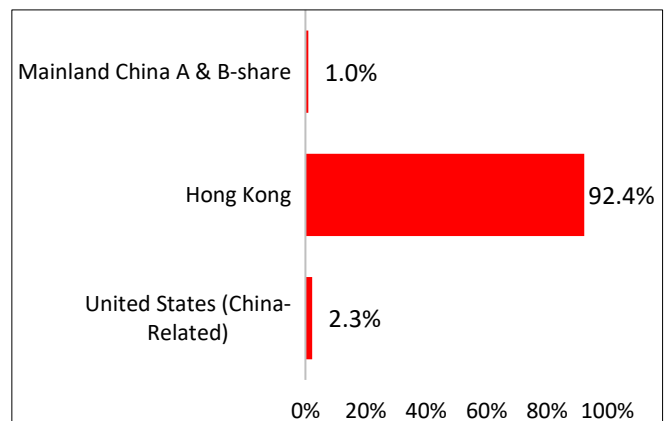
#Top 10 Holdings do not include ETF

## Industry Exposure<sup>1</sup>



1. Industry Exposure excludes non-equity futures and options

## Geographical Exposure by Listing<sup>2</sup>



2. Geographical Exposure excludes non-equity futures and options

## Fund Manager's Comment

After two consecutive months of decline, the Hong Kong market rebounded in December, driven by sector rotations. Heading into the year-end and looking ahead to 2025, while the overall performance of the Hong Kong market was satisfactory, we observed profit-taking in consumer names following the lack of surprises from the Central Economic Work Conference (CEWC). Additionally, amid shifting expectations toward the upcoming Two Sessions in March, the market appeared more cautious ahead of Trump's inauguration. Concerns over U.S.-China relations and lingering tariff risks continued to weigh on sentiment. Defensive yield plays, such as Chinese banks and the energy sector, outperformed. We maintained a barbell approach as we prepared for the new year.

2024 was a year full of possibilities. Both the Hong Kong and China markets performed better than expected. Relatively low valuations remained a key selling point throughout the year and will likely continue attracting investors moving forward. During 2024, we identified several prominent themes, including cost-saving efforts by internet giants, yield opportunities in state-owned enterprises (SOEs), and the emergence of strong brands such as Popmart and Xiaomi. Additionally, we effectively managed portfolio beta, leveraging high-beta names such as brokers during the beta rally in the third quarter.

Looking ahead to 2025, we believe there will continue to be opportunities within the Hong Kong and China markets. However, at the time of writing, expectations for China's economic outlook remain low. Continued capital outflows from China are being observed ahead of potentially volatile events. The A-share market began the first week of 2025 with a decline of more than 5%. We see these developments as opportunities to adjust our portfolio and explore new investments. In the meantime, we will maintain our barbell approach, anticipating greater clarity on China's outlook following Trump's inauguration.

All comments, opinions or estimates contained in this Fund Manager's Comment are entirely fund manager's judgement as of the date of this report and are subject to change without notice.

Top 10 Stock Holding, Industry Exposure and Geographical Exposure by Listing are calculated by NAV after performance fee accruals.

Futures and Equity swaps in Industry Exposure and Geographical Exposure are calculated by Notional Exposure.

^ Subject to the Manager's discretion, the dividends will be declared on a quarterly basis on such date which is the end of March, June, September and December of each year. Dividends can be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of Net Asset Value per Unit of the Fund. There is no target level of dividend payout. Estimated annualized dividend (%) = (Dividend per unit x 4) / NAV on Record Date. The Dividends information is for reference only.

This material is issued by Pickers Capital Management Limited and has not been reviewed by the Securities and Futures Commission.

