



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 226 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 78.9115	02/01/2019
A Units HKD (Dist)	HKD 52.6993	16/06/2020
A Units RMB (Acc)	HKD 59.9580	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 [^]	Record Date
A Units HKD (Dist)	4.0%	31/12/2024

Each Fund Class Unit Performance

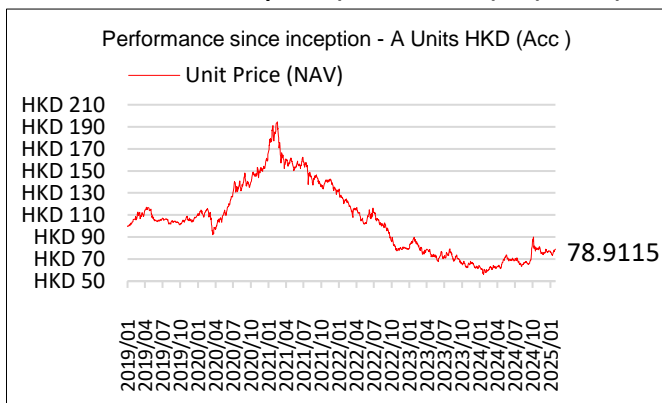
	A Units HKD (Acc)	A Units HKD (Dist)	A Units RMB (Acc)
Year-to-date	2.04%	1.52%	0.88%
One month	2.04%	1.52%	0.88%
Three months	0.63%	1.21%	2.58%
One year	36.38%	28.92%	38.57%
Total return since launch	-21.09%	-30.56%	-40.04%

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%
2025	2.04%												2.04%

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

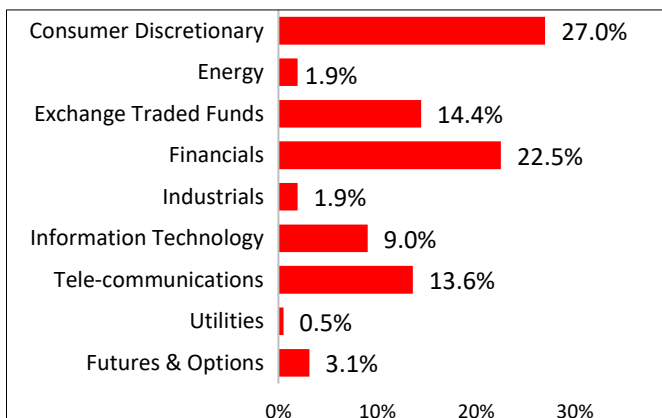


#Top 10 Stock Holdings

Top 10	Stock Name	%
1	ALIBABA GROUP HOLDING LTD	7.51%
2	TENCENT HOLDINGS LTD	7.35%
3	CHINA CONSTRUCTION BANK-H	6.91%
4	HSBC HOLDINGS PLC	6.00%
5	MEITUAN-CLASS B	5.81%
6	XIAOMI CORP-CLASS B	5.37%
7	CHINA MOBILE LTD	4.05%
8	IND & COMM BK OF CHINA-H	2.95%
9	POP MART INTERNATIONAL GROUP	2.59%
10	NETEASE INC	2.20%

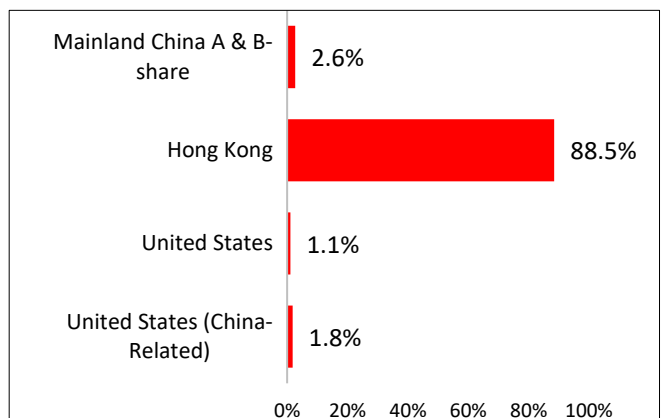
#Top 10 Holdings do not include ETF

Industry Exposure¹



1. Industry Exposure excludes non-equity futures and options

Geographical Exposure by Listing²



2. Geographical Exposure excludes non-equity futures and options

Fund Manager's Comment

The Hong Kong market lacked positive catalysts at the start of 2025, while investors grew increasingly anxious ahead of Trump's inauguration in the middle of the month. Leading up to the event, the Biden administration continued to take actions that adversely affected US-China relations, such as the Department of Defense adding Tencent and CATL to its Chinese Military Company list. Meanwhile, several property developers were engaged in restructuring activities. Additionally, consumption data, including the weekly EV run-rate, slowed sharply during the transition period for the trade-in subsidy renewal.

However, following Trump's inauguration, the market turned more optimistic about the outlook for US-China relations. Notably, TikTok was temporarily allowed to continue operating in the US, and tariffs on Chinese goods were lower than anticipated for the time being. Furthermore, Deepseek's breakthrough low-cost approach to AI model development sparked a significant revaluation of the tech sector in Hong Kong and China. The Hang Seng Index rebounded sharply ahead of the Chinese New Year holiday, supported by decent trading turnover. We view this as a positive sign for the Hong Kong market, particularly since valuations remain relatively cheaper compared to global peers, including in the tech space.

During the month, we actively sought value opportunities in the tech sector, as US-China relations temporarily improved beyond initial expectations and the Deepseek event created a good excuse for revaluation. We view EVs, the Apple supply chain, and China internet-related companies as key beneficiaries of potential re-ratings. At the time of writing, the AI rally has broadly driven re-ratings across the tech sector, with the Hang Seng Tech Index significantly outperforming global markets. Looking ahead, we remain cautiously optimistic as we approach China's Two Sessions, an important government meeting that could act as a potential market-moving event. Expectations remain low, but the meeting could provide further catalysts for the market.

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.

