

CFund – China Equity

Disclaimer:

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. If you have any questions, please contact your financial advisor and seek professional advice.

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.

The Fund primarily invests in stocks listed in Hong Kong, Shanghai and/or Shenzhen. Generally, the asset allocation strategy is that at least 70% of the Fund's non cash assets will be invested in stocks listed in Hong Kong 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, and 0% to 20% of the Fund's non cash assets will be invested in stocks listed in Shanghai and/or Shenzhen (including stocks in the ChiNext market and/or stocks listed on the Small and Medium Enterprise Board ("SME Board")).

Fund Information

Investment Manager	Pickers Capital Management Limited
Fund Size	HKD 302.7 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
Bloomberg Code	CFCHIEQ HK Equity
ISIN CODE	HK0000483724
NAV	109.5089

Portfolio Performance

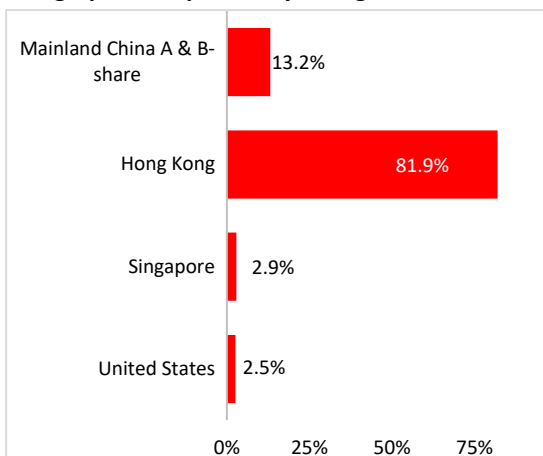
As per regulatory requirement, historical performance of the fund will be disclosed only after six months from its launch. To find out the latest fund price, please go to our website: www.pickerscapital.com



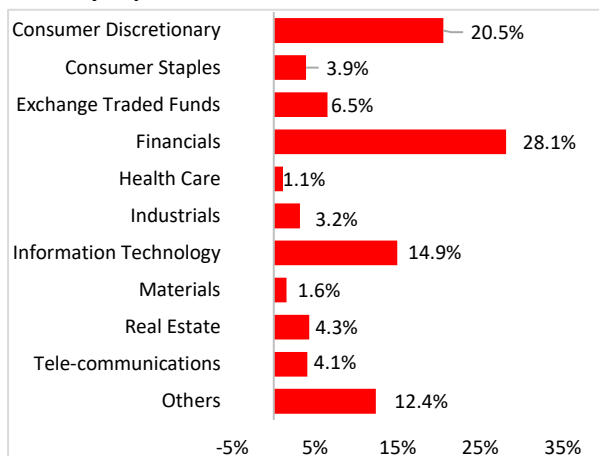
Top 10 Stock Holdings

Top 10	Stock Name	%
1	AIA GROUP LTD	4.79%
2	Ping An Insurance Group Co Ltd-H	4.65%
3	Hong Kong Exchanges & Clear	4.10%
4	Brilliance China Automotive	4.01%
5	CITIC Securities Co Ltd-H	3.76%
6	ChinaAMC CSI 300 Index ETF	3.76%
7	Tencent Holdings Ltd	3.44%
8	Kweichow Moutal (SSHK)	3.42%
9	Gree Electric Appliances Inc-A (SZHK)	3.07%
10	SPDR GOLD SHARES	2.73%

Geographical exposure by listing



Industry exposure



Fund Manager's Comment

February saw A-share markets take off, hugely outperforming Hong Kong and global markets. China's easing policies, trade war related optimism, improved onshore liquidity and expectations of increased MSCI A-share weighting all played a role, unleashing strong sentiment reversal onshore.

Foreign inflow into China recovered strongly, ahead of MSCI changes and on relaxation of foreign ownership limits. January and February combined net foreign inflow into the mainland stock market exceeded RMB100bn compared to RMB300bn in all of 2018. In February, inflow into China A-shares accounted for three quarters of all emerging market fund flow.

Despite lowered economic growth expectations, January foreign direct investment into China surprised positively, up 4.8% yoy, with foreign investment into the high technology sector growing 40.9% and investment from the US surging 124.6%.

While China has been preparing to gradually increase market access to foreigners, the trade war has created greater urgency, as slower exports will erode China's current account surplus. In short, China wants foreign capital.

AIA, one of our top holdings, is a beneficiary of this trend. Historically, AIA has been limited to operating in 5 areas in China. Recent approval to expand into Tianjin and Shijiazhuang increases its addressable market in China by 20%. But more importantly, the move signals China is making good on its promise to open up the insurance sector to greater foreign participation. Other foreign insurers have started to apply for stake increases in their respective China JVs, but AIA, with its grandfathered 100% foreign ownership, has a clear head start.

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. This material is issued by Pickers Capital Management Limited.



C 基金 - 中國股票

重要事項：

1. C 基金-中國股票(「本基金」) 投資於(a)在中國(包括香港、上海及/或深圳)買賣的或(b)在中國成立的機構或其主要業務位於中國或其目前重大部分收入或盈利源自中國的機構且在香港上市所發行的股本證券。這可能導致其波動性高於包含廣泛的全球投資的組合。
2. 本基金的價值可能會更容易受到影響中國及香港市場本身的不利的經濟、政治、政策、外匯、流動性、稅務、法律或規管活動影響。
3. 本基金可使用衍生工具和連接產品，該等工具可能涉及額外風險，其中包含較高的波動性和流動性風險以及承受有關連接產品發行人的信貸風險。
4. 本基金也可投資於其他基金，投資於這些基礎基金可能涉及額外成本。
5. 本基金可通過滬港通及深港通機制投資於中國 A 股。此等機制須承受監管風險及其他風險如額度限制、波動風險及結算風險等。
6. 計算表現費的方法會產生風險，導致即使進行贖回的單位持有人的投資資本已蒙受虧損，該單位持有人仍有可能須就有關單位承受表現費。投資者應注意，概不就個別單位 持有人進行平衡信貸或平衡虧損的調整。
7. 投資基金涉及風險，本基金與大部分基金一樣，並不提供任何保證。閣下有機會損失部分或全部的投資。不應單靠此宣傳資料而作出投資決定，投資前請參閱基金說明書，了解風險因素等資料。若閣下如有疑問，謹請與閣下的財務顧問聯絡及諮詢專業意見。

投資目標及策略

本基金的投資目標是主要透過投資於聚焦中國的上市股票，以提供長期資本增值。不能保證本基金能實現其投資目標。

本基金主要透過投資於設於中國的公司或雖然設於中國境外但其相當比例的收入或利潤來自中國業務的公司，以達到其目標。本基金所投資的公司是經理人認為市場估值一直偏低的公司。本基金可投資的股本證券，就市值或行業而言均不設定限制。

本基金主要投資於在香港、上海及/或深圳上市的股票。一般而言，資產配置策略是本基金至少 70% 的非現金資產將投資於設於中國的公司或雖然設於中國境外但其相當比例的收入或利潤來自中國業務的公司在香港上市的股票，而本基金 0% 至 20% 的非現金資產將投資於在上海及/或深圳(包括在創業板市場的股票及/或在中小企業板(「中小企業板」)上市)的股票)。

基金摘要

投資經理	鵬格斯資產管理有限公司
基金資產淨值	302.7 百萬港元
首次認購費	最高為認購額的 5%
管理費	每年 1.5%
表現費	15% (高水位)
贖回費用	不適用
交易日	每日
信託人	中銀國際英國保誠信託有限公司
彭博編號	CFCHIEQ HK Equity
國際證券識別碼	HK0000483724
資產淨值	109.5089

表現分析

根據監管規定，以上資料須於投資基金成立滿六個月後方予提供。

要了解最新的基金價格，歡迎瀏覽我們的網站：www.pickerscapital.com

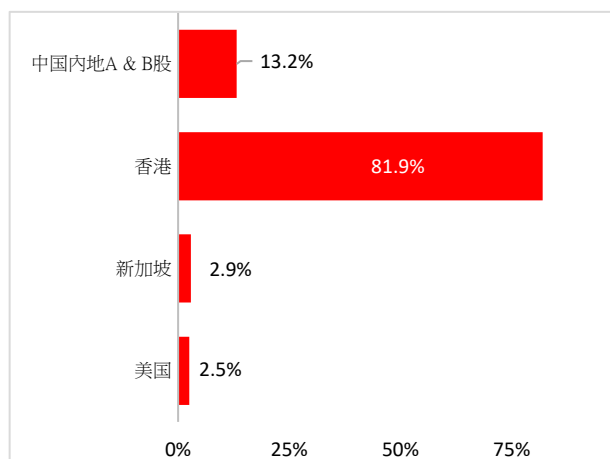
基金分佈數據



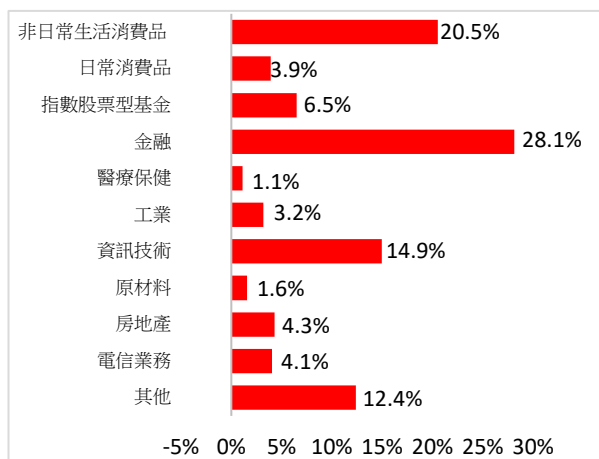
十大持股

十大持股	股票名稱	%
1	友邦保險	4.79%
2	中國平安 'H'	4.65%
3	香港交易所	4.10%
4	華晨中國汽車	4.01%
5	中信証券 'H'	3.76%
6	華夏基金 ETF 系列 - 華夏滬深 300	3.76%
7	騰訊控股	3.44%
8	貴州茅台 'A' (SSHK)	3.42%
9	格力電器 'A' (SZHK)	3.07%
10	S P D R 金 E T F	2.73%

組合地區分佈



組合行業分佈



基金經理人評論

2 月份 A 股市場開始大漲，上漲幅度超越了香港和全球市場。中國的寬鬆政策制定、貿易戰相關的樂觀情緒，資金流動性的改善和摩根士丹利資本國際公司 (MSCI) 如期增加 A 股權重等各大因素都發揮了作用，逆轉了內地投資情緒。

在 MSCI 改變比重和中國放寬外資持股限制之前，境外資本流入內地市場的勢頭恢復強勁。對比 2018 年全年外資淨流入內地股市為 3000 億人民幣，2019 年首兩個月的外資規模已超過 1000 億。其中，2 月份流入中國 A 股的資金佔所有新興市場資金流的四分之三。

儘管中國經濟增速預期下降，但 1 月份外資對華直接投資數據卻出人意料：投資金額同比增長 4.8%，外資投資高新技術產業增長 40.9%，其中美國資金投資量增長 124.6%。

中國一直準備逐步放寬外資進入中國市場的准入準則，但貿易戰的發生加速了整個進程。中國出口放緩使得中國經常項目盈餘下降。簡而言之，中國需要外國資本。

友邦保險 (1299.HK) 是我們最大持股之一，也是外資准入門檻放寬的受益者。之前，友邦保險只能在內地 5 個地區開展業務。最近中國政府批准友邦保險可以擴大版圖進入天津和石家莊，這使得其在中國的潛在市場增加 20%。更重要的是，此舉表明中國正在兌現開放保險業給更多外資參與的承諾。其他外國保險公司已經開始申請增加各自在中國合資企業所佔股權，但友邦保險憑藉其 100% 的外資持股，佔有得天獨厚的先機。

以上基金經理人評論中刊發的評論、意見或預測是鵬格斯資產管理有限公司截至這個日期的判斷，如有更改恕不另行通知。本文件由鵬格斯資產管理有限公司刊發

