

CFund – China Equity

Fund Monthly Report | June 2021

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.

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")).

Fund Information					
Investment Manager	Pickers Capital Management Limited				
Fund Size	HKD 1,079 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	ISIN CODES	Bloomberg Codes	Launch Date	
A Units HKD (Acc)	HKD 161.6077	HK0000483724	CFCHIEQ HK Equity	02/01/2019	
A Units HKD (Dist)	HKD 125.4256	HK0000563889	CFCHEHI HK Equity	16/06/2020	
A Units RMB (Acc)	RMB 109.5355	HK0000563897	CFCCECA HK Equity	30/09/2020	
Classes	Estimated Annualized Yield^	Record Date			
A Units HKD (Dist)	4.0%	30/06/2021			



Each Fund Class Unit Performance

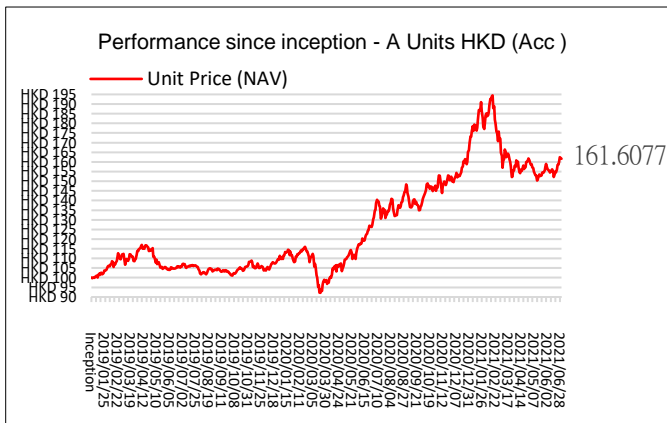
	A Units HKD (Acc)	A Units HKD (Dist)	A Units RMB (Acc)
Year-to-date	-2.71%	-4.99%	-4.23%
One month	+2.51%	+2.45%	+4.00%
Three months	+2.60%	+2.20%	+1.23%
One year	+26.92%	+20.73%	N/A
Total return since launch	+61.61%	+26.48%	+9.54%

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%							-2.71%

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

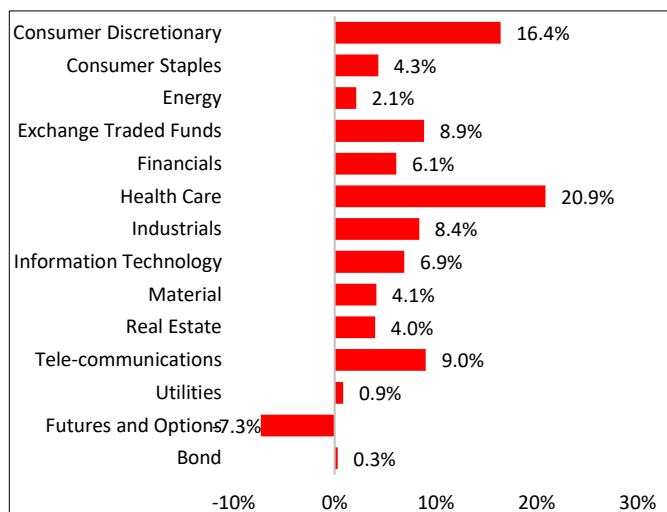


#Top 10 Stock Holdings

Top 10	Stock Name	%
1	ANTA SPORTS PRODUCTS LTD	3.55%
2	NB: AMPEREX TECH (SZHK)	3.45%
3	COUNTRY GARDEN SERVICES HOLD	3.30%
4	WUXI BIOLOGICS CAYMAN INC	2.96%
5	LI NING CO LTD	2.84%
6	TENCENT HOLDINGS LTD	2.79%
7	KWEICHOW MOUTAI CO LTD-A (SSHK)	2.72%
8	BILIBILI INC-SPONSORED ADR	2.69%
9	HSBC HOLDINGS PLC	2.56%
10	MICROPORT SCIENTIFIC CORP	2.53%

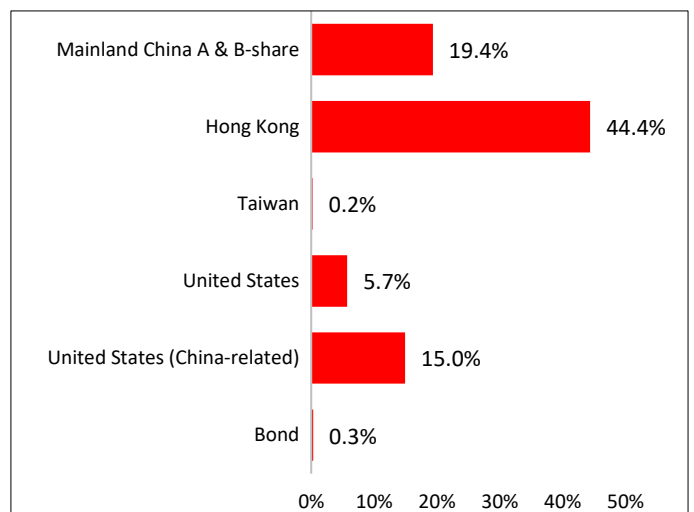
#Top 10 Holdings do not include ETF.

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

US Treasury yields continued to correct on tamer inflation expectations and discussions around peak growth. Pockets of Covid case resurgence globally and in China also dampened sentiment on economic recovery plays while technology stocks recovered strongly in the US and China-onshore. This contrasted with continued selloff in offshore-listed Chinese technology service platform plays, which are still mired in regulatory risk. At the time of writing, data security and new offshore listing rules have been added to the regulatory bucket list, which had previously focused on fintech, antitrust and social equality.

In an unexpected easing move, China cut the reserve requirement ratio for banks, which should help release RMB1 trillion liquidity. While improved market liquidity is positive, the move should be viewed in conjunction with upcoming events which have tightening effects (e.g. maturing MLF, tax season, hike in banks' capital requirement, etc.).

In terms of portfolio movements, we trimmed exposure to the healthcare sector after exceptionally strong performance and on the back of proposed regulatory changes which could affect oncology drug players. We also took the opportunity to cover index hedges on market weakness. While we believe the Hong Kong market will remain range-bound, we will closely watch management guidance in upcoming results season, which may be the catalyst for a change in sector leadership in the second half of the year.

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.

