



CFund-Dynamic Income

(a Sub-Fund of CFund)

Annual Report and Financial Statements

For the period from 1 January 2025 to 31 March 2026 (date of termination)

CFund – Dynamic Income **(A Sub-Fund of CFund)**

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CFund – Dynamic Income **(A Sub-Fund of CFund)**

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Management and Administration

Manager

Pickers Capital Management Limited
Suites 1701-03, 17/F, Wharf T&T Centre,
Harbour City, 7 Canton Road,
Tsim Sha Tsui,
Hong Kong

Trustee, Administrator, and Registrar

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F,
1111 King's Road,
Taikoo Shing
Hong Kong

Directors of the Manager

Leung Kwan Yu
Lo Ho Shun

Custodian

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

PricewaterhouseCoopers
22/F, Price's Building
Central
Hong Kong

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Report of the Trustee to the Unitholders

We hereby confirm that, to the best of our knowledge the Manager of CFund – Dynamic Income (the “Sub-Fund”), a sub-fund of CFund, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 6 November 2018, as amended, the First Supplemental deeds dated 6 November 2018, the Second Supplemental Deed dated 31 December 2019, the Third Supplemental Deed dated 7 May 2020 and the Fourth Supplemental Deed dated 18 March 2022, for the period from 1 January 2025 to 31 March 2026 (date of termination).

The image shows two handwritten signatures in black ink. The signature on the left is more complex and stylized, while the signature on the right is simpler and appears to be the name 'Kend'.

BOCI-Prudential Trustee Limited
30 June 2026

CFund – Dynamic Income **(A Sub-Fund of CFund)**

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Statement of Responsibilities of the Manager and the Trustee

Manager’s Responsibilities

The Manager of the Sub-Fund is required by the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the “SFC Code”) and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to

- confirm the selection and application of accounting policies as appropriate;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Trustee’s Responsibilities

The Trustee of the Sub-Fund is required by the SFC Code and the Trust Deed to:

- ensure that the Sub-Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund in accordance with the Trust Deed.

Independent Auditor's Report

To the Unitholders of CFund – Dynamic Income
(A Sub-Fund of CFund)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of CFund – Dynamic Income (the “Sub-Fund”), a sub-fund of CFund, which are set out on pages 9 to 33, comprise:

- the statement of financial position as at 31 March 2026 (date of termination);
- the statement of comprehensive income for the period from 1 January 2025 to 31 March 2026 (date of termination);
- the statement of changes in net assets attributable to unitholders for the period from 1 January 2025 to 31 March 2026 (date of termination);
- the statement of cash flows for the period from 1 January 2025 to 31 March 2026 (date of termination); and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 March 2026 (date of termination), and of its financial transactions and its cash flows for the period from 1 January 2025 to 31 March 2026 (date of termination) in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter

We draw your attention to Notes 1 and 2 to these financial statements which state that the Manager has decided to terminate the Sub-Fund and to voluntarily seek the deauthorisation of the Sub-Fund. The Sub-Fund was deauthorised from the Securities and Futures Commission (the “SFC”) in Hong Kong effective on 2 April 2026. As a result, the financial statements of the Sub-Fund have not been prepared on a going concern basis, and are prepared in accordance with the basis set out in Note 2. Our opinion is not modified in respect of this matter.

Other Information

The Trustee and the Manager (the “Management”) of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 November 2018, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 30 June 2026

CFund – Dynamic Income (A Sub-Fund of CFund)

Statement of financial position

As at 31 March 2026 (date of termination)

	Notes	As at 31 March 2026 (date of termination) USD	As at 31 December 2024 USD
Assets			
Current assets			
Financial assets at fair value through profit or loss	3(a), 3(d)	-	15,988,036
Interest income receivable		-	221,639
Prepayments		-	370
Bank balances	3(d), 6(c)	-	101,089
Total assets		-	16,311,134
Liabilities			
Current liabilities			
Management fee payable	6(a)	-	17,937
Trustee fee payable	6(b)	-	5,167
Custodian fee payable	6(c)	-	378
Audit fee payable		-	7,500
Other payables and accruals	6(d)	-	914
Distributions payable to unitholders	7	-	56,974
Total liabilities		-	88,870
Net assets		-	16,222,264
Equity			
Net assets attributable to unitholders	5	-	16,222,264

For and on behalf of
BOCI-Prudential Trustee Limited, Trustee



Trustee

For and on behalf of
Pickers Capital Management Limited, Manager



Director

The accompanying notes are an integral part of these financial statements.

CFund – Dynamic Income (A Sub-Fund of CFund)

Statement of comprehensive income

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	Notes	For the period from 1 January 2025 to 31 March 2026 (date of termination) USD	For the year ended 31 December 2024 USD
Income			
Interest income on bank deposit	6(e)	253	407
Interest income on debt securities		588,680	713,443
Net realised gain/(loss) on financial assets at fair value through profit or loss		564,278	(54,536)
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss		61,330	(242,304)
Exchange loss		(15,085)	(3,945)
Other income		533	12
Total net income		<u>1,199,989</u>	<u>413,077</u>
Expenses			
Management fee	6(a)	240,964	179,205
Trustee fee	6(b)	71,935	60,000
Custodian fee	6(c)	5,172	4,210
Auditors' remuneration		21,300	18,800
Transaction and handling fees		5,640	2,160
Other expenses	6(d)	2,453	2,356
Total operating expenses		<u>347,464</u>	<u>266,731</u>
Increase in net assets attributable to unitholders		<u>852,525</u>	<u>146,346</u>

The accompanying notes are an integral part of these financial statements.

CFund – Dynamic Income (A Sub-Fund of CFund)

Statement of changes in net assets attributable to unitholders

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	Notes	For the period from 1 January 2025 to 31 March 2026 (date of termination) USD	For the year ended 31 December 2024 USD
Net assets attributable to unitholders at the beginning of the period/year		16,222,264	13,378,919
Subscription of units		1,905,165	3,277,197
Redemption of units		(17,019,800)	(3,541)
Net increase from transactions with unitholders		1,107,629	16,652,575
Income after tax and before distribution		852,525	146,346
Distributions to unitholders	7	(1,960,154)	(576,657)
Net assets attributable to unitholders at the end of the period/year		-	16,222,264
			<u>Class A HKD (Distribution) Units</u>
<u>For the period from 1 January 2025 to 31 March 2026 (date of termination)</u>			
At the beginning of the period			1,376,857.8170
Subscriptions during the period			159,824.3200
Redemptions during the period			(1,536,682.1370)
At the end of the period			-
			<u>Class A HKD (Distribution) Units</u>
<u>For the year ended 31 December 2024</u>			
At the beginning of the year			1,108,555.8381
Subscriptions during the year			268,601.9789
Redemptions during the year			(300.0000)
At the end of the year			1,376,857.8170

The accompanying notes are an integral part of these financial statements.

CFund – Dynamic Income (A Sub-Fund of CFund)

Statement of cash flows

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	Notes	For the period from 1 January 2025 to 31 March 2026 (date of termination) USD	For the year ended 31 December 2024 USD
Cash flows from operating activities			
Income before income tax		852,525	146,346
Adjustments for:			
Interest income on bank deposits	6(e)	(253)	(407)
Interest income on debt securities		(588,680)	(713,443)
Net exchange loss		15,085	3,945
Operating income before working capital changes		<u>278,677</u>	<u>(563,559)</u>
Decrease/(increase) in financial assets at fair value through profit and loss		15,988,036	(2,850,492)
Decrease/(increase) in prepayments		370	(370)
(Decrease)/increase in management fee payable		(17,937)	3,806
(Decrease)/increase in trustee fee payable		(5,167)	167
(Decrease)/increase in custodian fee payable		(378)	77
Decrease in audit fee payable		(7,500)	(12,300)
Decrease in other payables and accruals		(914)	(32,158)
Cash generated from/(used in) operating activities		<u>16,235,187</u>	<u>(3,454,829)</u>
Interest received on bank deposits		253	407
Interest income received on debt securities		810,319	654,190
Net cash generated from/(used in) from operating activities		<u>17,045,759</u>	<u>(2,800,232)</u>
Cash flows from financing activities			
Proceeds from subscription of units		1,905,165	3,277,197
Payments on redemption of units		(17,019,800)	(3,541)
Distributions paid to unitholders		(2,017,128)	(565,422)
Net cash (used in)/generated from financing activities		<u>(17,131,763)</u>	<u>2,708,234</u>
Net decrease in cash and cash equivalents		<u>(86,004)</u>	<u>(91,998)</u>
Cash and cash equivalents at the beginning of the period/year		101,089	197,032
Net exchange loss		(15,085)	(3,945)
Cash and cash equivalents at the end of the period/year		<u>-</u>	<u>101,089</u>
Analysis of balances of cash and cash equivalents:			
Cash at bank		-	101,089

The accompanying notes are an integral part of these financial statements.

CFund – Dynamic Income

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Notes to the Financial Statements

1 General

CFund – Dynamic Income (the “Sub-Fund”) is a sub-fund of CFund (the “Trust”) which is a unit trust established under the laws of Hong Kong by a trust deed dated 6 November 2018, as amended, the First Supplemental Deed dated 6 November 2018, the Second Supplemental Deed dated 31 December 2019, the Third Supplemental Deed dated 7 May 2020 and the Fourth Supplemental Deed dated 18 March 2022, made between Pickers Capital Management Limited as Manager (the “Manager”) and BOCI-Prudential Trustee Limited as Trustee (the “Trustee”). The Trust currently consists of two sub-funds, CFund – China Equity and the Sub-Fund, of which CFund – China Equity commenced its operations on 2 January 2019 and the Sub-Fund commenced its operation on 12 May 2022. The Trust and the Sub-Fund have been authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Securities and Futures Ordinance of Hong Kong and are required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC of Hong Kong (“the Code”). The Sub-Fund had issued Class A – HKD (Distribution) units.

Pursuant to Notice to Unitholders of the Sub-Fund dated 12 February 2026, the Manager proposed to terminate the Sub-Fund with effect from 31 March 2026 (the “Termination Date”) and to voluntarily seek the deauthorisation of the Sub-Fund, the Trustee does not object to such proposal. The Sub-Fund was deauthorised from the SFC in Hong Kong effective on 2 April 2026. The last valuation date and last redemption date were set at 12 March 2026 and all units of the Sub-Fund were fully redeemed by the unitholders on the same date. As a result, the financial statements of the Sub-Fund have not been prepared on a going concern basis.

Investment Objective and Investment Strategy

The Sub-Fund seeks to achieve its investment objective primarily through investing in debt securities. The Sub-Fund makes investments into debt securities that, in the Manager’s opinion, have been undervalued or mis-priced by the market. There is no restriction on the geographies, industries or credit ratings in relation to the debt securities in which the Sub-Fund may invest.

The Sub-Fund is actively managed without reference to any benchmark. The Manager will adopt a dynamic approach in asset allocation and security selection, based on a number of factors including macroeconomic analysis, issuer’s credit analysis, and security valuation.

The Sub-Fund may from time to time invest up to 100% of its Net Asset Value in emerging markets, such as mainland China, India, Indonesia, Malaysia and the Philippines, subject to an overall upper limit of 50% of the Sub-Fund’s Net Asset Value on onshore China exposure.

The Sub-Fund’s asset allocation strategy is that it will primarily invest (i.e. at least 70% of its Net Asset Value) directly and indirectly (such as through exchange traded funds and other collective investment schemes) in debt securities denominated in USD or other currencies and issued by governments, public institutions, international organisations, financial institutions and other corporations.

Types of debt securities in which the Sub-Fund may invest will include (but are not limited to) convertible or non-convertible debt securities and fixed and floating rate bonds. The Sub-Fund may invest up to 30% of its Net Asset Value in convertible debt securities.

The Sub-Fund does not impose any minimum credit rating requirement on debt securities and may invest up to 100% of its Net Asset Value in debt securities which are rated below investment grade or unrated. However, the Sub-Fund may invest no more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade.

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Notes to the Financial Statements

1 General (Continued)

Investment Objective and Investment Strategy (Continued)

The Sub-Fund may invest up to 30% of its Net Asset Value in debt instruments with loss-absorption features (e.g. contingent convertible securities, senior non-preferred debt, and subordinated debt issued by financial institutions).

The Sub-Fund may invest up to 20% of its Net Asset Value in collateralised and/or securitised products (such as asset backed securities, mortgage backed securities and asset backed commercial papers).

The Sub-Fund may invest in onshore China debt securities via the Bond Connect and/or the Foreign Access Regime, subject to the overall limit on onshore China exposure of 50% of the Sub-Fund's Net Asset Value as described above.

The Sub-Fund may invest up to 20% of its Net Asset Value in aggregate in onshore and/or offshore urban investment bonds (i.e. bonds issued by mainland Chinese local government financing vehicles) in the PRC listed bond and interbank bond market and offshore bond markets.

The Sub-Fund may invest up to 20% of its Net Asset in "Dim Sum" bonds (i.e. bonds issued outside of mainland China but denominated in RMB).

The Sub-Fund may invest up to 30% of its Net Asset Value in aggregate in assets other than debt securities, including (i) equity securities directly or indirectly (such as through exchange traded funds and other collective investment schemes) and (ii) real estate investment trusts ("REITs"). For the avoidance of doubt, any investment in A-shares will be made via Stock Connect and be subject to the overall upper limit of 50% of the Sub-Fund's Net Asset Value on onshore China exposure as described above.

The Sub-Fund may invest up to 30% of its Net Asset Value in aggregate in other collective investment schemes, provided it is consistent with the Sub-Fund's investment objective and strategy.

The Sub-Fund may use derivatives for hedging and/or investment purposes.

The Sub-Fund's net derivative exposure may be up to 50% of its Net Asset Value.

These financial statements are prepared for the Sub-Fund only.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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Notes to the Financial Statements

2 Summary of material accounting policies (Continued)

(a) Basis of preparation (Continued)

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss. The financial statements are presented in US Dollar (“USD”).

As explained in note 1 of the financial statements, all units of the Sub-Fund were fully redeemed on 12 March 2026 and the Manager decided to terminate the Sub-Fund on the Termination Date. As a result, the financial statements have not been prepared on a going concern basis. The Manager has assessed that the values of all assets and liabilities at the reporting date approximate their net realisable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that the Sub-Fund will be able to realise its assets or to extinguish its liabilities in the normal course of business.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (together, the “Management”) to exercise their judgment in the process of applying the Sub-Fund’s accounting policies.

Standards and amendments to existing standards effective 1 January 2025

There are no amendment to standards and interpretations listed above is expected to have a material effect on the financial statements of the Sub-Fund.

New and amended standards not yet adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for periods beginning after 1 January 2025, and have not been early adopted in preparing these financial statements. The Sub-Fund’s assessment of the impact of these new standards and amendments is set out below:

- (i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- (ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The Sub-Fund is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Sub-Fund.

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Notes to the Financial Statements

2 Summary of material accounting policies (Continued)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in USD. The Manager considers USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “Net exchange loss”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss” and “Net realised loss on financial assets at fair value through profit or loss”.

(c) Financial assets at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Sub-Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis – the date on which the Sub-Fund commits to purchase or sell the investments. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

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Notes to the Financial Statements

2 Summary of material accounting policies (Continued)

(c) Financial assets at fair value through profit or loss (Continued)

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the year in which they arise.

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques.

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

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Notes to the Financial Statements

2 Summary of significant accounting policies (Continued)

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, demand deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(f) Other payables

Other payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(g) Income and expenses

Interest income is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents and investment in debt securities.

The effective interest method is a method of calculating the amortised cost of an interest bearing asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Other income is accounted for on an accrual basis.

Expenses are accounted for on an accrual basis.

CFund – Dynamic Income

(A Sub-Fund of CFund)

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Notes to the Financial Statements

2 Summary of significant accounting policies (Continued)

(h) Redeemable units

The Sub-Fund's redeemable units, which are redeemable at the holder's option, represents puttable financial instruments. Puttable financial instruments are classified as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" if they meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the Sub-Fund.

Otherwise, puttable financial instruments are classified as financial liability.

As of 31 March 2026 (date of termination), the Sub-Fund does not issue any units. As of year ended 31 December 2024, the Sub-Fund only has Class A HKD (Distribution) issued, which was subject to the terms as disclosed herein. The redeemable units have been classified as equity in accordance with IAS 32.

The redeemable units of the Sub-Fund are issued or redeemed at the holder's option at prices based on the Sub-Funds' net asset value per unit as at the close of business on the relevant dealing day. The Sub-Fund net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units.

(i) Distributions to unitholders

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends in respect of the Sub-Fund. The distribution on the redeemable shares is recognised when it is declared to the unitholders and recognised in the statement of comprehensive income.

(j) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

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3 Financial risk management

The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price, interest rate and currency), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

As at 31 March 2026 (date of termination), the Sub-Fund did not hold any investment. As at 31 December 2024, the Sub-Fund primarily invests in debt securities and the following table discloses these debt securities by geographical locations of the issuers:

	31 December 2024	
	USD	% of NAV
Listed debt securities		
Australia	1,584,528	9.77
Cayman Islands	1,921,382	11.84
Hong Kong	1,334,566	8.22
India	1,151,598	7.10
Japan	4,135,938	25.50
Korea	402,680	2.48
Netherlands	523,464	3.23
Singapore	984,205	6.07
Thailand	297,051	1.83
United Kingdom	699,238	4.31
United States	2,146,100	13.23
British Virgin Islands	807,286	4.98
Total	15,988,036	98.56

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Notes to the Financial Statements

3 Financial risk management (Continued)

(a) Market price risk (Continued)

The following table discloses the financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors:

	<u>31 December 2024</u>	
	USD	% of NAV
Listed debt securities		
Communications	2,554,551	15.75
Consumer, cyclical	2,663,370	16.42
Consumer, non-cyclical	811,842	5.00
Energy	783,220	4.83
Financial	6,415,190	39.55
Government	483,750	2.98
Industrial	365,026	2.25
Real Estate	578,007	3.56
Technology	564,454	3.48
Utilities	768,626	4.74
	<u>15,988,036</u>	<u>98.56</u>

There is no exposure to individual investments/issuers representing over 10% of the Sub-Fund's net asset value at the reporting date.

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3 Financial risk management (Continued)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The tables below summarise the Sub-Fund's exposure to interest rate risks at the reporting date. Included in the table are the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

As at 31 March 2026 (date of termination), the Sub-Fund does not have any assets and liabilities.

As at 31 December 2024

	Maturity up to 1 year USD	Maturity 1-5 years USD	Maturity over 5 years USD	Non- interest bearing USD	Total USD
Assets					
Financial assets at fair value through profit or loss					
- Listed debt securities	-	9,234,300	6,753,736	-	15,988,036
Interest income receivable	-	-	-	221,639	221,639
Prepayments	-	-	-	370	370
Bank balances	101,089	-	-	-	101,089
Total assets	101,089	9,234,300	6,753,736	222,009	16,311,134
Liabilities					
Management fee payable	-	-	-	17,937	17,937
Trustee fee payable	-	-	-	5,167	5,167
Custodian fee payable	-	-	-	378	378
Audit fee payable	-	-	-	7,500	7,500
Other payables and accruals	-	-	-	914	914
Distributions payable to unitholders	-	-	-	56,974	56,974
Total liabilities	-	-	-	88,870	88,870
Total interest sensitivity gap	101,089	9,234,300	6,753,736	-	-

At 31 March 2026 (date of termination), the Sub-Fund has bank balances of USD Nil (2024: USD101,089) which is short-term in nature. The Manager considers that fluctuations of interest rates would have minimal impact on the Sub-Fund's financial assets and no interest rate sensitivity analysis on bank balances has to be disclosed.

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

3 Financial risk management (Continued)

(b) Interest rate risk (Continued)

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in modified duration terms. As at 31 December 2024, the Sub-Fund has invested in interest-bearing securities of USD15,988,036 and the portfolio weighted average modified duration of the Sub-Fund 3.15.

As at 31 December 2024, should the relevant interest rates have risen/lowered by 50 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately USD249,273, arising substantially from the increase/decrease in market values of debt securities. In practice, the actual trading results may differ from the sensitivity analysis and the difference could be material.

(c) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as its assets and liabilities are mainly denominated in USD, the Sub-Fund's functional and presentation currency. As the HKD is pegged to the USD, accordingly, the Sub-Fund does not expect any significant movements in the USD/HKD exchange rate. As a result, Management considers sensitivity analysis of currency risk is not necessary to be presented.

(d) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of debt securities sold is made only when the custodian has received payment. Payment is made on a purchase when the debt securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at 31 March 2026 (date of termination), the Sub-Fund had no assets and liabilities.

The table below summarises the exposures to the Sub-Fund's counterparty as at 31 December 2024 together with its credit rating:

At 31 December 2024	USD	Credit rating	Source of credit rating
Financial assets at fair value through profit or loss			
Bank of China (Hong Kong) Limited	15,988,036	A+	Standard & Poor's
Cash and cash equivalents			
Bank of China (Hong Kong) Limited	101,089	A+	Standard & Poor's

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

3 Financial risk management (Continued)

(d) Credit and counterparty risk (Continued)

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit rating of the debt securities issued by credit rating agencies:

Portfolio by rating category of debt securities:

As at 31 December 2024

Credit rating agency	Rating	USD	% of NAV
Fitch	AA- - CCC	6,551,664	40.39%
Moody's	Aaa – B2	5,562,988	34.29%
S&P	AA - B	2,663,303	16.42%
Not Rated	-	1,210,081	7.46%
		<u>15,988,036</u>	<u>98.56%</u>

The Manager has assessed the credit quality of the debt securities based on the nature of the issuers, the historical information about the issuers' financials and default rates, and on-going business performance of the issuers. The Sub-Fund is also exposed to credit and counterparty risk on cash and cash equivalents.

The maximum exposure to credit risk as at 31 December 2024 is the carrying amount of the financial assets as shown on the statement of financial position.

The Manager considers that none of these assets are impaired nor past due as at 31 December 2024.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2024, interest income receivables and bank balances are held with counterparties with a credit rating of A+ and are due to be settled within 1 month. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Sub-Fund and, as such, no expected credit loss has been recognised within the financial statements.

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

3 Financial risk management (Continued)

(e) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in securities that are traded in an active market which can be readily disposed of.

As at 31 March 2026 (date of termination), the Sub-Fund does not have any assets and liabilities.

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at 31 December 2024 to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	As at 31 December 2024
	Less than 3 months
	USD
Total assets	16,311,134
Total financial assets	16,311,134
Management fee payable	17,937
Trustee fee payable	5,167
Custodian fee payable	378
Audit fee payable	7,500
Other payables and accruals	914
Distributions payable to unitholders	56,974
Total financial liabilities	88,870

Units are redeemed on demand at the unitholder's option. With a view to protecting the interests of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units in issue. As at 31 March 2026 (date of termination), there were no outstanding units held by unitholders. As at 31 December 2024, one unitholder held 91.9% of the Sub-Fund's units on nominee basis.

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

3 Financial risk management (Continued)

(f) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 31 March 2026 (date of termination), the Sub-Fund did not hold any investment.

The following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and liabilities measured at fair value at 31 December 2024:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2024				
Assets				
Financial assets at fair value through profit or loss				
- Listed debt securities	15,988,036	-	-	15,988,036
Total assets	15,988,036	-	-	15,988,036

CFund – Dynamic Income **(A Sub-Fund of CFund)**

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Notes to the Financial Statements

3 Financial risk management (Continued)

(f) Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed debt securities. As at 31 March 2026 (date of termination), the Sub-Fund did not hold any investment. As at 31 December 2024, all investments in the Sub-Fund are classified in level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, include primarily USD denominated debt securities. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. As at 31 December 2024, there was no level 2 investment held by the Sub-Fund.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2024, there was no level 3 investment held by the Sub-Fund.

For the period from 1 January 2025 to 31 March 2026 (date of termination) and year ended 31 December 2024, there was no transfer between levels.

The assets and liabilities included in the statement of financial position, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost; their carrying value are approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(g) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. The Management may:

- a. Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- b. Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4 Financial instruments by category

Financial assets

Apart from financial assets at fair value through profit or loss as disclosed in the statement of financial position which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including interest income receivable and cash and cash equivalents, are categorised and carried at amortised cost.

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including management fee payable, trustee fee payable, amount due to broker and accrued expenses and other payables, are categorised and carried at amortised cost.

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

5 Number of units in issue and net assets attributable to unitholders per unit

The Sub-Fund has issued one class of units. The number of units in issue of the Sub-Fund is classified as financial. All issued redeemable units are fully paid. As at 31 March 2026 (date of termination), there were no outstanding units issued. As at 31 December 2024, the Sub-Fund has launched Class A HKD (Distribution) units.

For Class A HKD (Distribution) units, it is the current intention of the Manager that distributions will be made on a monthly basis. Distributions can be paid out of capital or effectively out of capital of the Sub-Fund. There is no guarantee that any distributions will be made and there is no target level of distribution payout. Any distributions payable (if any) will be automatically reinvested unless otherwise elected by the Unitholder. Refer to Note 7 for the distribution made during the period from 1 January 2025 to 31 March 2026 (date of termination) and year ended 31 December 2024.

2024

Class A HKD
(Distribution) Units

At the end of the year

1,376,857.8170

Unitholders who wish to subscribe or redeem their units in the Sub-Fund may do on and dealing day which is (a) any business day, except any business day, determined at the Manager's discretion, on which any exchange or market on which a substantial portion of the Sub-Fund's investments is traded is closed or on which dealings are restricted or suspended; or (b) such other day as the Manager may determine from time to time with the approval of the Trustee.

In addition, each class of units is subjected to HKD100 minimum initial and subsequent subscription amounts and holding amounts, and minimum redemption and switching amounts.

As at 31 December 2024
HKD

Net assets attributable to unitholders per unit (per
statement of financial position)
Class A HKD (Distribution) Units

91.5304

CFund – Dynamic Income (A Sub-Fund of CFund)

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Notes to the Financial Statements

5 Number of units in issue and net assets attributable to unitholders per unit (Continued)

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Explanatory Memorandum, establishment costs will be amortised over the first five accounting periods. Upon the termination of the Sub-Fund, all remaining unamortised establishment costs will be amortised in the last reporting period. As at 31 March 2026 (date of termination), there were no unamortised establishment costs for the Sub-Fund (2024: USD27,455). The accounting policy of the Fund for the purpose of financial statements preparation in compliance with IFRS Accounting Standards is to expense formation costs in the statement of comprehensive income as incurred. The differences between expensing the formation costs as incurred in accordance with IFRS Accounting Standards and capitalisation and amortisation of the formation costs indicated in the Explanatory Memorandum of the Sub-Fund resulted in adjustments in the net asset value.

The tables below summarise the net asset value per unit at the reporting date:

	Net asset value
	USD
<u>At 31 December 2024</u>	
Net assets attributable to unitholders as reported in the statement of financial position	16,222,264
Add: Adjustments for unamortised establishment costs	27,455
Adjustments for other differences (Note a)	56,974
	<hr/>
Dealing net asset value	16,306,693
	<hr/> <hr/>
Dealing net assets attributable to unitholders per unit	
- Class A HKD (Distribution) Units	HKD 92.0067
	<hr/> <hr/>

Note a: According to the Explanatory Memorandum, the last dealing day of the Sub-Fund should be the last business day of the Sub-Fund, which was 31 December 2024 for the year ended 31 December 2024. The adjustments represent distributions to unitholders of USD56,974 which have been recognized in the net assets attributable to unitholders (in accordance with IFRS Accounting Standards).

6 Transactions with the related parties and connected persons

The Sub-Fund had the following related parties transactions with the Trustee and the Manager and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All transactions with related parties, Trustee, Manager and their connected persons were entered into in the ordinary course of business and on normal commercial terms.

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6 Transactions with the related parties and connected persons (Continued)

(a) Management fee

The Manager is entitled to receive a management fee of up to 1.25% per annum of the net asset value of the Sub-Fund, calculated and accrued on each dealing day and payable monthly in arrears.

Pursuant to the Notice to Unitholders dated 12 February 2026, the Manager will continue to charge the management fee from the date of notice until the last redemption date, and the Manager will waive the management fee thereafter. The Manager waived the management fee starting from 24 February 2026 after the full disposal of investments on 23 February 2026. Management fee charged for the period from 1 January 2025 to 31 March 2026 (date of termination) was USD240,964 (2024: USD179,205) of which USD nil (2024: USD17,937) was outstanding as at 31 March 2026 (date of termination).

(b) Trustee fee

The Trustee is entitled to receive a fee of 0.15% per annum of the net asset value of each class of the Sub-Fund. The fee is calculated and accrued on each dealing day and payable monthly in arrears.

For the period from 1 January 2025 to 31 March 2026 (date of termination), the Trustee charged trustee fee till 12 March 2026 which was the last redemption date and the total trustee fee charged by the Trustee for the period was USD71,935 (2024: USD60,000) of which USD nil (2024: USD5,167) was outstanding as at 31 March 2026 (date of termination).

(c) Custodian fee

For the period from 1 January 2025 to 31 March 2026 (date of termination), custodian fee amounted to USD5,172 (2024: USD4,210) was charged by the custodian with outstanding payable of USD nil (2024: USD378) as at 31 March 2026 (date of termination).

(d) Other fees

The Sub-Fund had the following fees paid to the Trustee for the period from 1 January 2025 to 31 March 2026 (date of termination) and year ended 31 December 2024 with outstanding payables of USD nil (2024: USD250) as at 31 March 2026 (date of termination). The below fee was included in "other expenses" in the statement of comprehensive income.

	For the period from 1 January 2025 to 31 March 2026 (date of termination)	For the year ended 31 December 2024
	USD	USD
Service fee	391	500

CFund – Dynamic Income (A Sub-Fund of CFund)

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6 Transactions with the related parties and connected persons (Continued)

(e) Investments and Bank balances

As at 31 March 2026 (date of termination), the Sub-Fund does not have any investments and bank balances held with related parties of the Trustee.

The investments and bank balances of the Sub-Fund with related parties of the Trustee as at 31 December 2024 are:

	<u>2024</u> USD
Investments	
Bank of China (Hong Kong) Limited	15,988,036
	<u><u> </u></u>
Bank balances	
Bank of China (Hong Kong) Limited	101,089
	<u><u> </u></u>

Interest income amounted to USD253 (2024: USD407) has been earned on the bank balances in Bank of China (Hong Kong) Limited for the period from 1 January 2025 to 31 March 2026 (date of termination).

(f) Holding in the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund.

As at 31 March 2026 (date of termination) and 31 December 2024, the holdings in the Sub-Fund by the connected persons of the Manager was as follow:

For the period from 1 January 2025 to 31 March 2026 (date of termination)	Number of Class A HKD (Distribution) Units
Connected persons of the Manager	
As at 1 January 2025	1,371,477.3431
Units subscribed during the period	159,721.4093
Units redeemed during the period	(1,531,198.7524)
	<u><u> </u></u>
As at 31 March 2026 (date of termination)	-
	<u><u> </u></u>

CFund – Dynamic Income (A Sub-Fund of CFund)

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6 Transactions with the related parties and connected persons (Continued)

(f) Holding in the Sub-Fund (Continued)

For the year ended 31 December 2024	Number of Class A HKD (Distribution) Units
Connected persons of the Manager	
As at 1 January 2024*	1,102,875.3642
Units subscribed during the year	268,601.9789
	<hr/>
As at 31 December 2024	1,371,477.3431
	<hr/> <hr/>

* There is one party that held 20,582.0585 Class A HKD (Distribution) units during the year ended 31 December 2024, which had become the connected person of the Manager since 5 December 2024.

7 Distributions payable to unitholders

	For the period from 1 January 2025 to 31 March 2026 (date of termination) USD
Undistributed income at the beginning for the period	-
	<hr/>
Total income after tax and before distribution	852,525
	<hr/>
Distributions to unitholders	(1,960,154)
	<hr/>
Undistributed income carried forward at the ending of the period	-
	<hr/> <hr/>
	For the year ended
	31 December 2024 USD
Undistributed income at the beginning for the year	-
	<hr/>
Total income after tax and before distribution	146,346
	<hr/>
Distributions to unitholders	(576,657)
	<hr/>
Undistributed income carried forward at the ending of the year	-
	<hr/> <hr/>

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Notes to the Financial Statements

7 Distributions payable to unitholders (Continued)

As at 31 March 2026 (date of termination), distributions payable to unitholders amounted to USD nil (2024: USD56,974).

Subject to the Manager's discretion, the dividends will be declared on a monthly basis on such date which is the end of every month of each year. Dividends can be paid out of capital or effectively out of capital of the relevant Class and may result in immediate reduction of net asset value per unit of the Sub-Fund.

Distribution per unit - Class A HKD (Distribution) unit

	For the period from 1 January 2025 to 31 March 2026 (date of termination)		For the year ended 31 December 2024	
Declaration date	HKD per unit	Declaration date	HKD per unit	
3 February 2025	0.2816	1 February 2024	0.3210	
3 March 2025	0.3138	1 March 2024	0.3003	
1 April 2025	0.3116	2 April 2024	0.2891	
2 May 2025	0.2984	2 May 2024	0.3326	
2 June 2025	0.3022	3 June 2024	0.3148	
2 July 2025	0.3155	2 July 2024	0.2848	
1 August 2025	0.3154	1 August 2024	0.3410	
1 September 2025	0.2957	2 September 2024	0.3126	
2 October 2025	0.3274	2 October 2024	0.3245	
3 November 2025	0.3172	1 November 2024	0.3178	
1 December 2025	0.2868	2 December 2024	0.2970	
2 January 2026	0.3366	2 January 2025	0.3218	
2 February 2026	6.5165			

8 Taxation

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Overseas withholding tax was charged on certain investment income received during the period from 1 January 2025 to 31 March 2026 (date of termination) and year ended 31 December 2024.

9 Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the year in relation to directing transactions of the Sub-Fund through a broker or dealer.

10 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 30 June 2026.

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Annual Report and Financial Statements

Investment Portfolio (Unaudited)

As at 31 March 2026 (date of termination)

As at 31 March 2026 (date of termination), the Sub-Fund did not hold any investments.

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Annual Report and Financial Statements

Statement of Movements in Investment Portfolio (Unaudited)

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	At 1 January 2025	Movement in holdings		At 31 March 2026 (date of termination)
		Additions	Disposals	
Listed Debt Securities				
ADANI GREEN ENERGY UP LTD/PRAYATNA DEVELOPERS PVT LTD/PARAMPUJYA SOLAR 6.7% S/A 12DEC2042 REGS	-	600,000	(600,000)	-
ADANI PORTS & SPECIAL ECONOMIC ZONE LTD 4.2% S/A 04AUG2027 REGS	-	400,000	(400,000)	-
ADANI TRANSMISSION LTD 4% S/A 03AUG2026 REGS	400,000	200,000	(600,000)	-
AIA GROUP LTD 3.2% S/A 16SEP2040 REGS	-	800,000	(800,000)	-
AIRPORT AUTHORITY HONG KONG 2.1% S/A PERP	500,000	-	(500,000)	-
APA INFRASTRUCTURE LTD 5.125% S/A 16SEP2034 REGS	-	400,000	(400,000)	-
APPLE INC 4.45% S/A 6MAY2044	200,000	-	(200,000)	-
ASAHI MUTUAL LIFE INSURANCE CO 6.9% S/A PERP	500,000	-	(500,000)	-
BAIDU INC 3.425% S/A 07APR2030	400,000	-	(400,000)	-
BANGKOK BANK PCL 3.466% S/A 23SEP2036 REGS	-	400,000	(400,000)	-
BANGKOK BANK PLC/HONG KONG 5% S/A PERP REGS	300,000	-	(300,000)	-
BANK OF AMERICA CORP 2.015% S/A 13FEB2026	400,000	-	(400,000)	-
BANK OF NEW ZEALAND 5.698% S/A 28JAN2035 REGS	-	300,000	(300,000)	-
BERKSHIRE HATHAWAY FINANCE CORP 4.2% S/A 15AUG2048	200,000	-	(200,000)	-
BIOCON BIOLOGICS GLOBAL PLC 6.67% S/A 9OCT2029 REGS	300,000	300,000	(600,000)	-
CASTLE PEAK POWER FINANCE CO LTD 2.125% S/A 03MAR2031	-	500,000	(500,000)	-
CATHAY PACIFIC MTN FINANCING HK LTD 4.875 S/A 17AUG2026	500,000	-	(500,000)	-
CLP POWER HK FINANCE LTD 3.55% S/A PERP	200,000	-	(200,000)	-
CMT MTN PTE LTD 3.609% S/A 04APR2029	-	400,000	(400,000)	-
COMMONWEALTH BANK OF AUSTRALIA 2.85% S/A 18MAY2026 REGS	400,000	-	(400,000)	-
CSL FINANCE PLC 5.417% S/A 03APR2054	-	400,000	(400,000)	-
DBS GROUP HLDGS LTD 3.3% S/A PERP	500,000	-	(500,000)	-
FOXCONN FAR EAST LTD 2.5% S/A 28OCT2030	200,000	-	(200,000)	-
FUKOKU MUTUAL LIFE INSURANCE CO 6.8% S/A PERP	200,000	-	(200,000)	-
FWD GROUP LTD 5.252% S/A 22SEP2030	-	400,000	(400,000)	-
GMR HYDERABAD INTL AIRPORT LTD 4.25% S/A 27OCT2027 REGS	200,000	300,000	(500,000)	-

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Statement of Movements in Investment Portfolio (Unaudited)

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	At 1	Movement in holdings		At 31 March
	January 2025	Additions	Disposals	2026 (date of termination)
Listed Debt Securities (Continued)				
GOLDMAN SACHS GROUP INC 6.75% S/A 01OCT2037	400,000	-	(400,000)	-
GOLDMAN SACHS GROUP INC S+1.08% Q 28JAN2031	-	600,000	(600,000)	-
GREENKO WIND PROJECTS MAURITIUS LTD 5.5% S/A 06APR2025 REGS	-	400,000	(400,000)	-
GREENKO WIND PROJECTS MAURITIUS LTD 7.25% S/A 27SEP2028 REGS	-	400,000	(400,000)	-
GS CALTEX CORP 5.375% S/A 7AUG2028	200,000	-	(200,000)	-
HANA BANK 3.5% S/A PERP REGS	-	800,000	(800,000)	-
HPCL-MITTAL ENERGY LTD 5.25% S/A 28APR2027	200,000	300,000	(500,000)	-
HSBC HLDGS PLC 5.45% S/A 03MAR2036	-	600,000	(600,000)	-
HSBC HLDGS PLC 6.161% S/A 9MAR2029	400,000	-	(400,000)	-
IIFL FINANCE LTD 8.75% S/A 24JUL2028	-	200,000	(200,000)	-
JT INTL FINANCIAL SERVICES BV 3.3% S/A 14SEP2051	800,000	-	(800,000)	-
KIOXIA HOLDINGS CORP 6.625% S/A 24JUL2033	-	400,000	(400,000)	-
KOOKMIN BANK 2.5% S/A 04NOV2030 REGS	-	600,000	(600,000)	-
KOREA ELECTRIC POWER CORP 3.75% S/A 31JUL2026 REGS	200,000	-	(200,000)	-
KOREA HOUSING FINANCE CORP 4.625% S/A 24FEB2033 REGS	-	500,000	(500,000)	-
LG CHEM LTD 2.375% S/A 07JUL2031 REGS	-	600,000	(600,000)	-
MACQUARIE BANK LTD 5.208% S/A 15JUN2026 REGS	400,000	-	(400,000)	-
MACQUARIE BANK LTD 5.642% S/A 13AUG2036 REGS	-	200,000	(200,000)	-
META PLATFORMS INC 4.95% S/A 15MAY2033	400,000	-	(400,000)	-
MGM CHINA HLDGS LTD 5.25% S/A 18JUN2025 REGS	400,000	-	(400,000)	-
MITSUBISHI UFJ FINANCIAL GROUP INC 2.559% S/A 25FEB2030	200,000	-	(200,000)	-
MITSUMI & CO LTD 2.194% S/A 19JAN2027	300,000	-	(300,000)	-
MIZUHO FINANCIAL GROUP INC 5.778% S/A 6JUL2029	400,000	-	(400,000)	-
MIZUHO FINANCIAL GROUP INC S+1.08% Q 13MAY2031	-	400,000	(400,000)	-
MTR CORP (CI) LTD 5.625% S/A PERPETUAL	-	400,000	(400,000)	-
NOMURA HLDGS INC 5.386% S/A 06JUL2027	200,000	-	(200,000)	-
NTT FINANCE CORP 1.162% S/A 03APR2026 REGS	300,000	-	(300,000)	-

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Statement of Movements in Investment Portfolio (Unaudited) (Continued)

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	At 1 January 2025	Movement in holdings		At 31 March 2026 (date of termination)
		Additions	Disposals	
Listed Debt Securities (Continued)				
NWD FINANCE BVI LTD 4.125% S/A PERP	300,000	-	(300,000)	-
NWD FINANCE BVI LTD 6.15% S/A PERP	200,000	-	(200,000)	-
ORIX CORP 5.4% S/A 25FEB2035	-	400,000	(400,000)	-
PETRONAS ENERGY CANADA LTD 2.112% S/A 23MAR2028 REGS	-	500,000	(500,000)	-
PSA TREASURY PTE LTD 2.125% S/A 09MAY2029	-	400,000	(400,000)	-
QBE INSURANCE GROUP LTD 5.25% S/A PERP	400,000	-	(400,000)	-
RAKUTEN GROUP INC 5.125% S/A PERP REGS	300,000	-	(300,000)	-
RAKUTEN GROUP INC 9.75% S/A 15APR2029	200,000	-	(200,000)	-
RELIANCE INDUSTRIES LTD 2.875% S/A 12JAN2032 REGS	-	600,000	(600,000)	-
SCENTRE GROUP TRUST 2 5.125% S/A 24SEP2080 REGS	400,000	-	(400,000)	-
SHRIRAM TRANSPORT FINANCE CO LTD 4.15% S/A 18JUL2025 REGS	400,000	-	(400,000)	-
SINGAPORE AIRLINES LTD 3% S/A 20JUL2026	500,000	-	(500,000)	-
SINGTEL GROUP TREASURY PTE LTD 1.875% S/A 10JUN2030	-	600,000	(600,000)	-
SK BATTERY AMERICA INC 2.125% S/A 26JAN2026	400,000	-	(400,000)	-
SK HYNIX INC 2.375% S/A 19JAN2031 REGS	-	400,000	(400,000)	-
SOFTBANK GROUP CORP 6.75% S/A 08JUL2029	300,000	200,000	(500,000)	-
SOFTBANK GROUP CORP 6.875% S/A PERP	300,000	-	(300,000)	-
SOFTBANK GROUP CORP 8.25% S/A 29OCT2065	-	600,000	(600,000)	-
ST ENGINEERING RHQ LTD 3.75% S/A 05MAY2025	-	400,000	(400,000)	-
STANDARD CHARTERED PLC 5.4% S/A 12AUG2036 REGS	-	400,000	(400,000)	-
STANDARD CHARTERED PLC 7.625% S/A PERP REGS	-	200,000	(200,000)	-
SUMITOMO CORP 5.05% S/A 3JUL2029	400,000	-	(400,000)	-
SUMITOMO MITSUI FINANCE & LEASING CO LTD 5.109% S/A 23JAN2029	200,000	-	(200,000)	-
SUMITOMO MITSUI FINANCIAL GROUP INC 1.71% S/A 12JAN2031	400,000	-	(400,000)	-
SUMITOMO MITSUI FINANCIAL GROUP INC 6.45% S/A PERP REGS	-	400,000	(400,000)	-

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Statement of Movements in Investment Portfolio (Unaudited) (Continued)

For the period from 1 January 2025 to 31 March 2026 (date of termination)

	At 1 January 2025	<u>Movement in holdings</u>		At 31 March 2026 (date of termination)
		Additions	Disposals	
Listed Debt Securities (Continued)				
SUMITOMO MITSUI FINANCIAL GROUP INC S+1.05% Q 15APR2030	-	400,000	(400,000)	-
SWIRE PACIFIC MTN FINANCING LTD 5.125% S/A 05JUL2029	200,000	-	(200,000)	-
TEMASEK FINANCIAL I LTD 1% S/A 06OCT2030 REGS	-	600,000	(600,000)	-
TEMASEK FINANCIAL I LTD 2.5% S/A 06OCT2070 REGS	-	600,000	(600,000)	-
TEMASEK FINANCIAL I LTD 3.625% S/A 01AUG2028 REGS	-	600,000	(600,000)	-
TENCENT HLDGS LTD 3.975% S/A 11APR2029 REGS	400,000	-	(400,000)	-
THAIOIL TREASURY CENTER CO LTD 5.375% S/A 20NOV2048 REGS	-	800,000	(800,000)	-
TSMC GLOBAL LTD 1.25% S/A 23APR2026 REGS	400,000	-	(400,000)	-
UBS GROUP AG 7.125% S/A PERP	-	600,000	(600,000)	-
VANKE REAL ESTATE HONG KONG CO LTD 3.975% S/A 09NOV2027	300,000	-	(300,000)	-
VEDANTA RESOURCES FINANCE II PLC 9.25% S/A 23APR2026 REGS	-	200,000	(200,000)	-
VEDANTA RESOURCES FINANCE II PLC 9.475% S/A 24JUL2030 REGS	-	335,000	(335,000)	-
VISA INC 4.15% S/A 14DEC2035	200,000	-	(200,000)	-
WYNN MACAU LTD 5.5% S/A 15JAN2026 REGS	200,000	-	(200,000)	-
ZHONGSHENG GROUP HLDGS LTD 5.98% S/A 30JAN2028	400,000	-	(400,000)	-

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Performance Table (Unaudited)
As at 31 March 2026 (date of termination)

Net Asset Value

	Dealing net asset value	Dealing net asset value per Units
At 31 March 2026 (date of termination)		
Class A HKD (Distribution) Units	-	-
At 31 December 2024		
Class A HKD (Distribution) Units	HKD 126,680,180	HKD 92.0067
At 29 December 2023 (Note 1)		
Class A HKD (Distribution) Units	HKD 105,172,797	HKD 94.8737 (Note 2)

Note1: This is the last dealing day for the year/period ended 31 December 2023.

Note2: This is the last published dealing net asset value per unit for the year ended 31 December 2023.

Highest and Lowest Net Asset Value per Unit

	Highest net asset value per unit HKD	Lowest net asset value per unit HKD
For the period from 1 January 2025 to 31 March 2026 (date of termination)		
Class A HKD (Distribution) Units	95.39	77.40
For the year ended 31 December 2024		
Class A HKD (Distribution) Units	96.27	91.77
For the year ended 31 December 2023		
Class A HKD (Distribution) Units	95.02	88.70
For the period from 12 May 2022 (date of commencement of operations) to 31 December 2022		
Class A HKD (Distribution) Units	100.00	92.44

* The highest and lowest net asset value per unit shown above were based on the class subscription/redemption currency.