



QUARTERLY NEWSLETTER

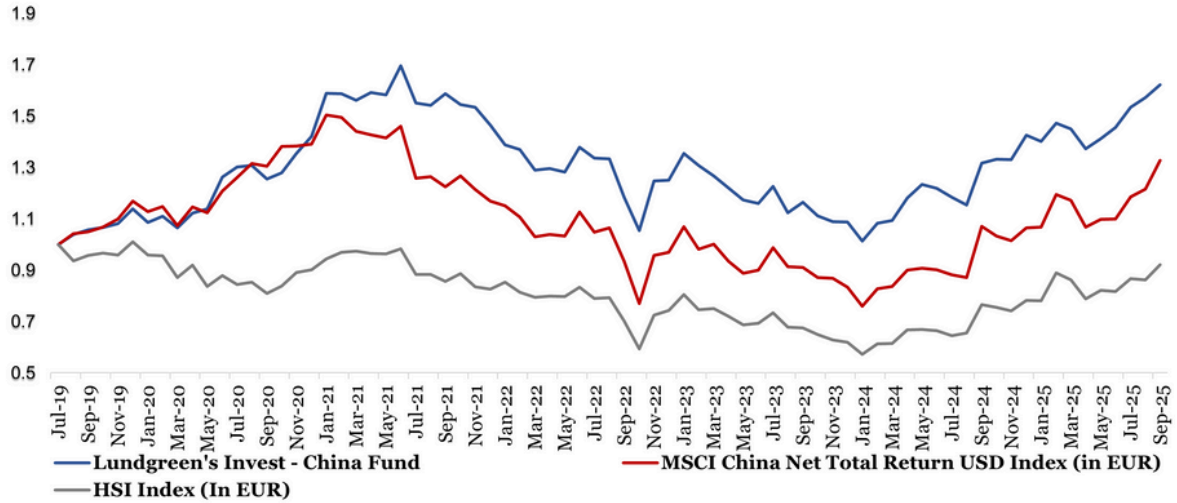
Q3 | 2025

Co-produced with Yiyi Capital Limited,
a China specialist based in Hong Kong.





► **CUMULATIVE RETURN (IN EUR)**



► **TOP 5 POSITIONS**

	Weight %
Tencent Holdings Ltd	8.01%
China Suntien Green Energy	5.60%
Bj Jíngnèng Clean Energy	4.79%
ZJ Express	4.05%
CMOC Group Limited	3.52%

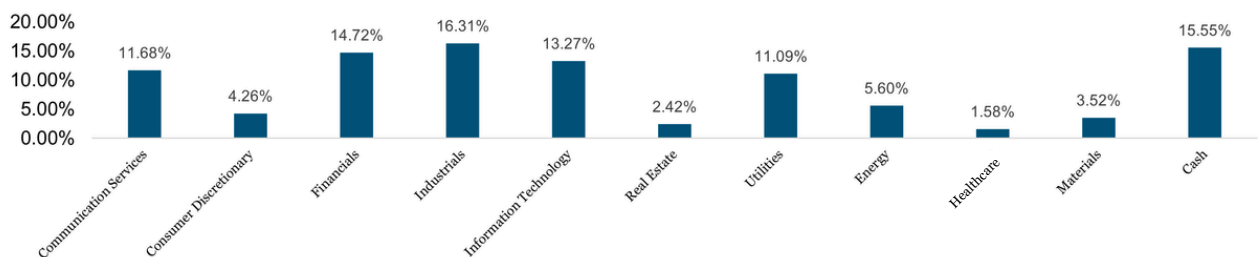
► **PERFORMANCE**

	3 months	6 months	1 year
Lundgreen's Invest - China Fund	11.37%	11.86%	23.07%
MSCI China Index	20.76%	13.23%	23.99%
HSI Index	12.61%	6.81%	20.31%

► **STATISTICS**

	Since Inception	Annualized Return	Annualized Volatility	Sharpe Ratio
Lundgreen's Invest - China Fund		8.15%	18.60%	0.175
MSCI China Index		4.69%	23.74%	-0.008
HSI Index		-1.33%	21.05%	-0.296

► **ALLOCATION BREAKDOWN**





The fund delivered a robust performance in the third quarter. On a relative basis, however, it trailed the MSCI China Index. This relative result marks a notable contrast to the strong outperformance seen in the second quarter, yet it remains entirely consistent with the fund's long-standing investment style. Historically, the strategy has captured a significant portion of market upswings while providing greater resilience during downturns. We are confident that this disciplined approach will result in substantial outperformance over the long term. The fund's primary holdings saw little change over the quarter, though we further streamlined the total number of positions to 43 by quarter-end. As discussed in our previous communications, we continue to focus our capital on the highest-conviction ideas—a principle we actively put into practice.

The quarter's most significant contributor was CMOC, one of the world's leading producers of molybdenum, tungsten, cobalt, and copper. These minerals are essential to the global electrification trend and to the advanced manufacturing sector that China is championing. While mining companies have traditionally been viewed as cyclical, CMOC represents a growth opportunity in the context of the worldwide energy transition. We initiated this position toward the end of the second quarter of 2024 and have traded around it since. Its share price nearly doubled during the third quarter of 2025, elevating it to the fund's fifth-largest holding. It is also worth noting that CMOC's MSCI ESG rating was upgraded from BBB in 2021 to AA in 2023, a rating it has maintained since then, placing it among the top-tier global non-ferrous metals companies from an ESG perspective.

The best-performing stock in the quarter was Yunfeng Financial Group, which returned 127%. We realized profits on this position at the beginning of October. Yunfeng is a Hong Kong-based financial conglomerate that recently expanded its exposure to Web 3.0 and crypto assets, positioning itself to benefit from the Hong Kong government's push into digital assets. While we believed the company was well-positioned in the marketplace, the short-term surge stretched its valuation to levels we consider unsustainable.



Another company of particular note is Bilibili, the largest online UGC (user-generated content) video-sharing platform in China. Bilibili was a meaningful contributor to the fund's performance in its earlier years. We first established a position in 2019 when the company's US-listed shares were trading at \$14, and systematically took profits over time, with the highest sale price being \$145. We fully exited the position in 2022. After which, the share price stagnated until we re-entered last quarter. The critical change has been the company's journey toward profitability; Bilibili is on track to achieve its first profitable fiscal year, driven by a revival in its gaming business.

We highlighted Xiaomi in our last quarterly letter and doubled our position during its period of weakness in August. The company is currently facing negative publicity, which we view as having created an attractive entry point. Over the long term, we consider Xiaomi a well-run enterprise whose products are poised to reach many more households across China and internationally. Monthly deliveries of Xiaomi vehicles reached 40,000 units, up from 20,000 in February. The company plans to begin exports to Europe in 2027. Additionally, Xiaomi launched its new flagship smartphones at the end of the quarter, which have already gained significant consumer traction in the past two weeks. We view Xiaomi as a high-conviction holding that we expect to remain in the fund for years to come.