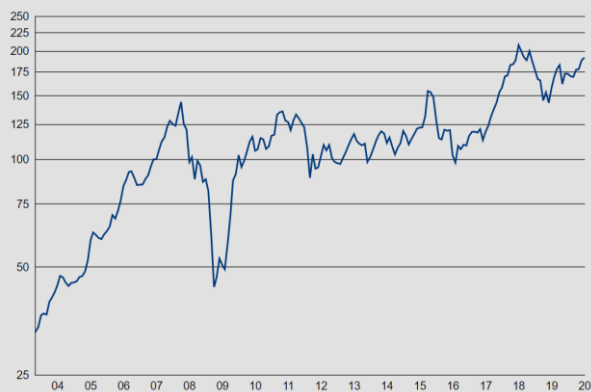


Figures as of	January 31, 2020
Net Asset Value	USD 192.00, CHF 145.34, EUR 223.19
Fund Size	USD 176.4 million
Inception Date*	May 27, 2003
Cumulative Total Return	483.8% in USD
Annualized Total Return	11.1% in USD

* The track record is the combination of two consecutive track records of China Investment Corporation (CIC) and HSZ China Fund (HCF). From May 27, 2003 to November 17, 2006 it is the performance of CIC, a trust account managed by HSZ (Hong Kong) Limited for listed Chinese equities. Since the launch of HCF on November 17, 2006 it is the performance of HCF.

Net Asset Value (Monthly)



Performance

	January	YTD	1 Year	May 2003
USD Class	1.8%	1.8%	21.6%	483.8%
CHF Class	2.0%	2.0%	18.8%	328.1%
EUR Class	3.5%	3.5%	26.8%	518.0%

Largest Holdings

CATL	7.7%	<div style="width: 7.7%;"></div>
Alibaba Group	7.4%	<div style="width: 7.4%;"></div>
AliHealth	5.8%	<div style="width: 5.8%;"></div>
Pingan Healthcare	5.7%	<div style="width: 5.7%;"></div>
Geely Automobile	5.3%	<div style="width: 5.3%;"></div>
Inner Mongolia	5.3%	<div style="width: 5.3%;"></div>

Exposure

Information Technology	26.5%	<div style="width: 26.5%;"></div>
Consumer Discretionary	17.7%	<div style="width: 17.7%;"></div>
Health Care	16.6%	<div style="width: 16.6%;"></div>
Consumer Staples	15.0%	<div style="width: 15.0%;"></div>
Industrials	11.1%	<div style="width: 11.1%;"></div>
Cash	2.0%	<div style="width: 2.0%;"></div>

Newsletter January 2020

- Wuhan coronavirus temporarily halts economic activities
- AliHealth's online medical consulting services gain credibility
- TAL Education's online tutoring gaining momentum
- CATL entered into Tesla supply chain

Wuhan coronavirus temporarily halts economic activities. The outbreak of Wuhan coronavirus in China was first identified officially on January 7. The new SARS-like virus forces the Chinese government to implement various immediate actions including the lockdown of Wuhan city to stop the disease spreading, to build 1'000-bed hospital within six days, to sharply increase overtime work in the production of healthcare equipment such as surgical masks and medical devices, as well as to perform data analytics to trace the movement of virus spreading as well as to develop appropriate medical treatment. The virus temporarily hurt the normal economic activities across China while the authorities are confident to stabilize the situation quickly.

AliHealth's online medical consulting service gain credibility. AliHealth goal is to disrupt monopolies and provide fair, affordable and accessible medical and healthcare services to Chinese consumers by facilitating medicine through big data and using the internet to change the face of China's healthcare industry. At the Wuhan Coronavirus outbreak, AliHealth offered free online consultation for those with respiratory or flu symptoms, serving more than 400'000 users within 24 hours. In addition, the company helped to digitalize medical data including patients' traffic, statistics and clinics availability. AliHealth is one of the pioneers who built up its credibility and brand awareness as well as taking social responsibility during the fight against the Wuhan coronavirus.

TAL Education's online tutoring gaining momentum. Ministry of Education has delayed the start of the Spring semester. In particular, Shanghai, Zhejiang, Jiangsu and Jiangxi have delayed commencement to 17 February or later and to 24 February for Guangdong. Places such as Beijing and Henan have asked offline after school tutorials players to temporarily suspend operations. Yet, leverage on its online education capability, TAL Education convert its offline operations in various cities to Peiyou Online, with the same teacher quickly adapting to the online teaching environment. The coronavirus outbreak gave TAL Education the opportunity to speed up the accumulation of online users and accelerate the adoption of offline-to-online model for teaching.

CATL entered into the Tesla supply chain. During the fourth quarter of Tesla conference call, its founder Elon Musk revealed that LG Chem and CATL will become the new partners of Tesla supply chain. As the leading Chinese battery system manufacturer, CATL made an important breakthrough into the supplier list of the world's most advanced electric vehicle pioneer. The deal is currently set for two years between July 2020 and June 2022. CATL has a facility close to Giga Shanghai, which is expect to supply the battery for the Chinese version of Tesla Model S. Tesla plans to boost the plant's production rate to 500,000 vehicles a year.

General Information

Name	HSZ China Fund
Theme	Entrepreneurial China
Nature	Long-only equity fund, actively managed
Focus	Listed Chinese equities focusing on privately controlled companies

Structure	Swiss investment fund, regulated by FINMA, open-ended
Distributions	Income annually
Fiscal Year End	December 31
Reporting	Semi-annually in USD
Currency Classes	USD, CHF, EUR (all unhedged)
Trading	Daily issuance and redemption, based on net asset value

Fund Manager	Credit Suisse Funds AG
Custodian Bank	UBS Switzerland AG
Investment Manager	HSZ (Hong Kong) Limited
Auditors	KPMG AG
Management Fee	1.5% annually
Performance Fee	10% above hurdle rate of 5%, high water mark
Issuance Fee	None
Redemption Fee	None

USD Class	ISIN CH0026828035, Valor 2682803 WKN A0LC13
CHF Class	Bloomberg HSZCHID SW Equity ISIN CH0026828068, Valor 2682806 WKN A0LC15
EUR Class	Bloomberg HSZCFCH SW Equity ISIN CH0026828092, Valor 2682809 WKN A0LC14
Orders via Banks	Bloomberg HSZCHEU SW Equity
	UBS Switzerland AG Fund Order Desk Tel: +4144 239 1930 Fax: +4144 239 4804

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Investment Opportunity

Once the world's largest trading power, China's gradual decline during the second millennium culminated in the Maoist purgatory. However, since the 1980s economic development has taken center stage. China has become the engine of the fastest growing region in the world attracting substantial foreign investments and developing into the world's manufacturing hub. Furthermore, an increasing middle class is fueling demand for consumer products. The growth momentum is set to continue as China strives to catch up with mature economies, producing attractive investment opportunities.

Investment Strategy

The objective of HSZ China Fund is to create sustained shareholder value by acquiring and managing equity and equity-linked investments in a select number of high-quality companies that are rooted in China. At least two-thirds of the total assets are to be invested in companies which are domiciled in China or participate as holding companies in enterprises domiciled there. At most one-third of the total fund volume can be invested in equity oriented stocks and money market instruments of issuers worldwide. Based on fundamental analysis and a bottom up approach, investment opportunities are identified that are assessed to provide above-average return on invested capital, have strong earnings per share growth and are priced attractively.

Risk Management

The Chinese stock market has many of the particular risks and characteristics of emerging markets. HSZ (Hong Kong) Limited exerts itself for reducing specific risks by accurately screening and monitoring high quality assets. That is why the long-lived experience of its specialists based locally is invaluable for investors. The fund is well diversified to avoid concentration risk. The weight of each position in the portfolio is subject to a maximum limit of 15%. No portfolio leverage is employed. The fact that HSZ China Fund invests in listed equity provides the investor with a reasonable degree of liquidity.

Investment Manager

HSZ (Hong Kong) Limited is a Hong Kong based independent investment management company. Its investment team has been managing Asian equity portfolios since 1994.

Disclaimer

This newsletter is for information purposes only and is not to be regarded as an offer for the purchase or sale of the fund's units. The fund may not be marketed, either directly or indirectly, in the United States of America or sold to US persons. The value of units can fall as well as rise.

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