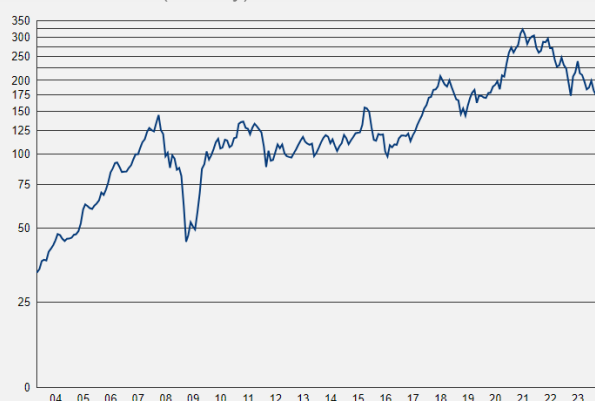


Figures as of	October 31, 2023
Net Asset Value	USD 169.30, CHF 119.12, EUR 203.39
Fund Size	USD 148.3 million
Inception Date*	May 27, 2003
Cumulative Total Return	414.7% in USD
Annualized Total Return	8.3% in USD

* 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.

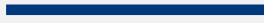





Net Asset Value (Monthly)









Performance

	October	YTD	1 Year	May 2003
USD Class	(3.2%)	(21.5%)	(2.3%)	414.8%
CHF Class	(3.5%)	(22.1%)	(10.7%)	255.5%
EUR Class	(2.9%)	(20.2%)	(7.6%)	471.8%

Largest Holdings

PDD Holdings	9.2%	
Alibaba Group	6.9%	
China Education Group	4.8%	
Centre Testing	4.8%	
Midea Group	4.7%	
China Yangtze Power	4.7%	

Exposure

Consumer Discretionary	37.8%	
Industrials	20.1%	
Information Technology	11.4%	
Consumer Staples	11.2%	
Communication Services	5.8%	
Cash	0.4%	

Newsletter October 2023

- Sino-US relations are improving
- HSZ China Fund was down 3.2% in October
- CATL's new factory produces one battery pack in 2.5 minutes
- Proya's high growth amidst a weak consumption environment
- Yangtze Power's power generation returns to normal

The Sino-US relations are improving. China and the U.S. have been engaged in several constructive dialogues over the past weeks. The Chinese Foreign Minister Wang Yi visited U.S. State Secretary Antony Blinken, expressing China's determination for its relations with the US to get back on track. Treasury Secretary Janet Yellen also shared her observation that the US-China relationship has improved recently. Given the U.S. is engaged in the conflict in Ukraine as well as in the middle east, the moment for a meeting between Biden and Xi Jinping seems timely.

HSZ China Fund was down 3.2% in October. The biggest positive contribution came from Lianchuang Electronic, an auto lens supplier, and PDD Holdings, an e-commerce company that has expanded aggressively to overseas markets. The biggest negative contribution came from the industrial and consumer discretionary sector holdings, namely Centre Testing and Alibaba Group.

CATL's new factory produces one battery pack in 2.5 minutes. The Chinese leading electric vehicle battery manufacturer has successfully completed its latest factory in Guizhou, which boasts an annual production capacity of 30GWh. The facility has an automation rate of 95% and will take a record of 2.5 minutes to produce a full battery pack. The estimated cost of the construction was around CNY 7 billion, implying a cost of CNY 233 million per GWh, showcasing its cost advantage over peers.

Proya's high growth amidst a weak consumption environment. In October, the domestic cosmetic brand Proya announced a consensus-beating results. Its revenue grew by 21.4% year-over-year driven by product mix improvement. Its profit grew by 26.1%. The company refocuses on offline expansion considering the intensified competition online. We are confident that Proya can continue to outperform in the upcoming Double Eleven Shopping Festival.

Yangtze Power's electricity generation returns to normal. The largest listed hydropower operator has reported better than expected results for the third quarter. The company's 3Q23 revenue soared by 24% to CNY 26.9 billion while net profit rose by 38% to CNY 12.6 billion. This increase was primarily due to the recovery of water inflows in the third quarter. The company's six hydropower stations in total generated 18.6 billion kWh of electricity, representing a 23% volume increase. Additionally, its new energy project has also been beneficial to the company, recording CNY 1.2 billion investment project in the third quarter, showing company's prowess in the field.

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	FundPartner Solutions (Suisse) S.A.
Custodian Bank	Banque Pictet & Cie SA
Investment Manager	HSZ (Hong Kong) Limited
Auditors	PricewaterhouseCoopers AG
Management Fee	1.35% 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
	Banque Pictet & Cie SA Client Services Tel: +352 46 71 71 7666 Email: pfcslux@pictet.com

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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 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.

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