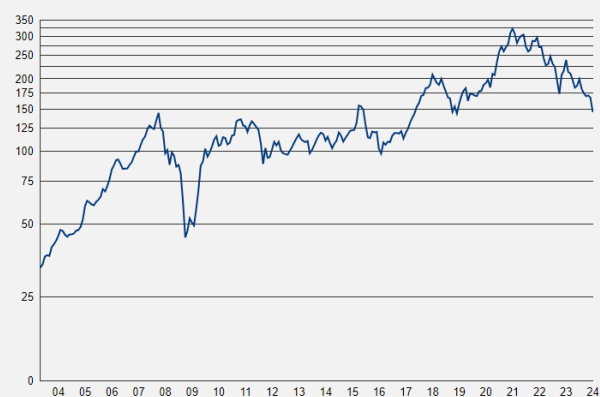


Figures as of	January 31, 2024
Net Asset Value	USD 145.42, CHF 98.03, EUR 172.11
Fund Size	USD 119.9 million
Inception Date*	May 27, 2003
Cumulative Total Return	342.2% in USD
Annualized Total Return	7.4% in USD

\* 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.

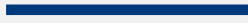





Net Asset Value (Monthly)









### Performance

	January	YTD	1 Year	May 2003
USD Class	(13.0%)	(13.0%)	(39.3%)	342.2%
CHF Class	(10.2%)	(10.2%)	(43.5%)	188.8%
EUR Class	(11.0%)	(11.0%)	(39.3%)	376.5%

### Largest Holdings

PDD Holdings	8.6%	
Midea Group	6.6%	
China Yangtze Power	6.4%	
Alibaba Group	6.0%	
Proya Cosmetics	5.5%	
Cathay Pacific Airways	5.3%	

### Exposure

Consumer Discretionary	31.2%	
Industrials	16.9%	
Consumer Staples	15.5%	
Information Technology	10.5%	
Communication Services	6.8%	
Cash	4.5%	

## Newsletter January 2024

- China set its 2024 GDP target at above 5%.
- HSZ China Fund was down 13.0% in January
- Aggressive expansion plan from Cathay Pacific Airways
- Eastroc paved the way for the future with new products
- Yangtze Power met market expectation in 2023

China set its 2024 GDP target at above 5%. The Chinese leadership remains positive regarding the economic outlook for the year of the Dragon and set the GDP target at above 5% for 2024. It is remarkable that the savings rate of private Chinese households, which typically stood at around 45%, has gone up to 60% in recent years due to COVID and the economic challenges that the mainland economy is facing. Looking forward, the consumer landscape in China is undergoing a remarkable transformation as Chinese buyers increasingly prioritize high-quality goods over mass-produced, cheaper alternatives.

HSZ China Fund was down 13.0% in January. The biggest positive contribution came from Yangtze Power, our holding in the utility sector. The biggest negative contribution came from information technology, consumer discretionary and industrials sector, namely Proya Cosmetics, Centre Testing, OPT Machine and Lianchuang Electronic.

Aggressive expansion plans from Cathay Pacific Airways. The leading Hong Kong-based airline operator plans to hold more recruitment fairs in mainland China with the goal of hiring 1'500 mainland Chinese flight attendants by 2025, which would make up around 15% of the cabin crew. In addition, Cathay has also been focused on ramping up air cargo capacity and is investing in new capabilities on the air cargo front. Cathay expects its operation will resume pre-Covid level by the end of 2024.

Eastroc paved the way for the future with new products. Eastroc announced in January that it expects its 2023 revenue to have grown at 30% year-over-year, with net profit growing at 40% year-over-year, fueled by market share gains in energy drinks and its penetration into new categories. Meanwhile, it also launched coconut water and cocktails to test the water in the new market and expand its addressable market. The previously introduced electrolyte water and tea products have already emerged as the second growth driver for the company.

Yangtze Power met market expectation in 2023. Yangtze released its 2023 preliminary results with a net profit of CNY27.4 billion, up 15.4% year-over-year. Looking ahead to 2024, Yangtze is optimistic about its power generation based on the completion of additional water storage capacity and the El Niño effect that is expected to bring ample rainfall to South China. The company remains committed to its 70% dividend payout target until 2025 and continues to expect stable investment income. Over the past few years, Yangtze has consistently attained investment income of more than CNY 4.5 billion.

## General Information

### 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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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
	Bloomberg HSZCHEU SW Equity

Orders via Banks	Banque Pictet & Cie SA Client Services Tel: +352 46 71 71 7666 Email: pfcslux@pictet.com
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