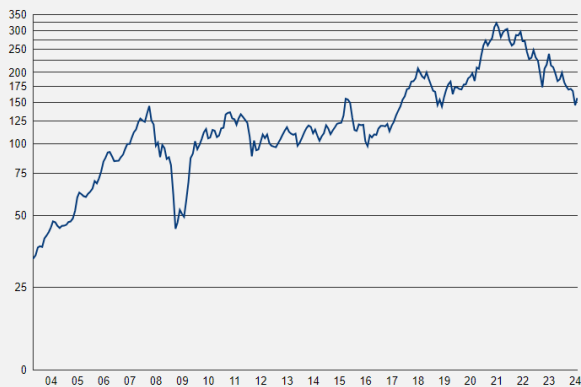


Figures as of	February 29, 2024
Net Asset Value	USD 156.20, CHF 107.23, EUR 184.64
Fund Size	USD 128.6 million
Inception Date*	May 27, 2003
Cumulative Total Return	374.9% in USD
Annualized Total Return	7.8% in USD

\* 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.

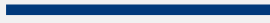




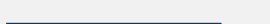
Net Asset Value (Monthly)






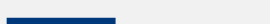
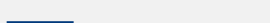
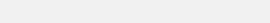
### Performance

	February	YTD	1 Year	May 2003
USD Class	7.4%	(6.5%)	(27.0%)	374.9%
CHF Class	9.4%	(1.7%)	(31.5%)	215.9%
EUR Class	7.3%	(4.6%)	(28.5%)	411.2%

### Largest Holdings

Midea Group	6.6%	
Proya Cosmetics	6.5%	
Alibaba Group	5.9%	
Yangtze Power	5.7%	
SF Holding	5.3%	
Cathay Pacific Airways	5.3%	

### Exposure

Consumer Discretionary	29.9%	
Consumer Staples	15.1%	
Information Technology	13.4%	
Industrials	12.5%	
Financials	7.7%	
Cash	5.2%	

## Newsletter February 2024

- China steps up support for the property sector
- HSZ China Fund was up 7.4% in February
- Amer Sports listed in the U.S.
- Transsion is targeting more income from software
- Yum China reported solid earnings amid weak consumption

China steps up support for the property sector. It has taken measures to bolster its property sector by implementing a "white-list" system. Five state-owned banks have been partnered with over 8,200 residential projects to offer development loans. Through the "project whitelist" mechanism launched in January, city governments are recommending residential projects for financial support and collaborating with financial institutions to meet their funding requirements. The total financing needs are estimated to be around 3.2 trillion yuan, with approximately one-third being allocated as new loans. The intention behind these efforts is to stimulate the property market, address liquidity challenges, and promote economic growth.

HSZ China Fund was up 7.4% in February. The biggest positive contributions to performance came from Proya, the leading domestic cosmetics brand and Meituan, the top food delivery platform in China. However, CALB, the battery manufacturer for EVs, and Ping An, the leading insurer in China, had notable negative impacts on the fund performance for the month.

Amer Sports listed in the U.S.. Acquired by Anta Sports at USD 5.2 billion in 2019, Amer Sports became publicly traded at the NYSE with a market cap over USD 7 billion. It consists of a wide portfolio of sport products, including Arc'teryx, Wilson, and Salomon. It has undergone a restructuring after the acquisition, including a change of leadership, refinement portfolio and a strategic emphasis on distribution and global expansion. Its domestic business has experienced strong growth, with an annual growth rate exceeding 60% from 2020 to 2022, outpacing other regions. Currently Amer operates 330 stores in China, showcasing Anta's successful strategy with Amer.

Transsion is targeting more income from software. The Chinese leading smartphone vendor in Africa reported its 2023 full year results with revenue up 34% year-over-year (yoy) to CNY 62.4 billion and net profit jumped 121% yoy to CNY 5.5 billion. Management attributes the good results to gaining market share in new emerging markets, stabilised economies in Africa and South Asia, as well as better margins on an improving product mix. The company also sees great potential in its software income and profitability on the growing user base.

Yum China reported solid earnings amid weak consumption. In the fourth quarter of 2023, Yum China has seen a 19.4% yoy growth in revenue, with consensus-beating figures in both same-store sales and store opening. The restaurant margin regained traction and expanded by 30 basis points. As a result of sales leverage, its net income gained 87.5% year-over-year to USD 105 million.

## 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: pfc.lux@pictet.com
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