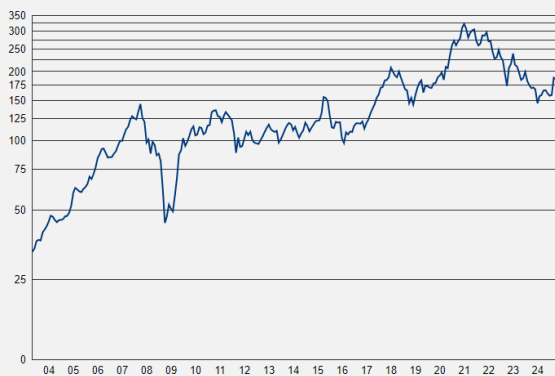


Figures as of	November 29, 2024
Net Asset Value	USD 185.17, CHF 127.15, EUR 224.59
Fund Size	USD 130.9 million
Inception Date*	May 27, 2003
Cumulative Total Return	463.0% in USD
Annualized Total Return	8.4% in USD

* 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

	November	YTD	1 Year	May 2003
USD Class	0.1%	10.8%	8.6%	463.0%
CHF Class	1.8%	16.5%	9.2%	274.5%
EUR Class	3.0%	16.1%	12.2%	521.9%

Largest Holdings

Envicool Technology	9.5%	<div style="width: 9.5%;"></div>
Nongfu Spring	6.8%	<div style="width: 6.8%;"></div>
Advanced Fabrication	6.4%	<div style="width: 6.4%;"></div>
Midea Group	6.0%	<div style="width: 6.0%;"></div>
Eastroc Beverage	5.9%	<div style="width: 5.9%;"></div>
China Yangtze Power	5.7%	<div style="width: 5.7%;"></div>

Exposure

Consumer Discretionary	21.8%	<div style="width: 21.8%;"></div>
Consumer Staples	17.9%	<div style="width: 17.9%;"></div>
Information Technology	15.1%	<div style="width: 15.1%;"></div>
Industrials	13.2%	<div style="width: 13.2%;"></div>
Communication Services	11.5%	<div style="width: 11.5%;"></div>
Cash	3.9%	<div style="width: 3.9%;"></div>

Newsletter November 2024

- Chinese government released economic stimulus measures
- HSZ China Fund was up 0.1% in USD in November
- Alibaba announced the setting up of a new E-commerce Division
- Kingsoft Office published new AI features for WPS
- YUMC released 2024 Q3 result better than expected

The Chinese government released economic stimulus measures. The National People's Congress Standing Committee approved an additional CNY 6 trillion in local government debt limits to replace existing hidden debt. Fiscal policies will also support various areas, including tax measures to promote the healthy development of the real estate market, the issuance of special bonds to boost the core capital of large state-owned commercial banks, and specific policies for utilizing special bonds to recycle idle land and purchase existing commercial housing for affordable housing.

HSZ China Fund was up 0.1% in USD in November. The biggest positive contribution came from Envicool Technology and Nongfu Spring. The biggest negative contribution came from Alibaba and Meituan.

Alibaba announced the setting up of a new E-commerce Division. This division will integrate Taobao, Tmall, Alibaba International (including Lazada and AliExpress), along with the 1688 (B2B e-commerce platform) and Xianyu businesses. The new division will be led by Mr. Fan Jiang, who has overseen Alibaba's overseas digital commerce sector, establishing Alibaba International as a major player in global e-commerce over the past three years. Since 2023, the department managed by Jiang has consistently outperformed Alibaba's other business groups. This integration is expected to help Alibaba's e-commerce to achieve new breakthroughs.

Kingsoft Office published new AI features for WPS. Kingsoft introduced AI for document drafting, editing, formatting, proofing, and printing, aimed at enhancing efficiency while ensuring compliance with government standards. Kingsoft flagship platform WPS 365 (a comprehensive office suite) currently serves 17k government and enterprise users. Kingsoft created an electronic document library for Pudong New Area with WPS AI and set a benchmark in office collaboration products in China.

YUMC released 2024 Q3 result better than expected. In the third quarter of 2024, its revenue reached USD 3.1 billion, with core operating profit increasing by 18% year-over-year. YUMC saw an improvement in OPM, and diluted earnings per share increased by 33% year-over-year. KCOFFEE continued its rapid growth, with its sales and the number of cups sold increasing by approximately 30% in the first nine months of this year. Pizza Hut Wow stores have expanded to 10 provinces. YUMC places great emphasis on shareholder returns. Management increased total shareholder return guidance from USD 3 billion to USD 4.5 billion from 2024 to 2026, including USD 1.5 billion for 2024.

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 Bloomberg HSZCHID SW Equity
CHF Class	ISIN CH0026828068, Valor 2682806 WKN A0LC15 Bloomberg HSZCFCH SW Equity
EUR Class	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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Contact & Website	HSZ (Hong Kong) Limited Unit 605A, 6/F, Tower 2 Lippo Centre, 89 Queensway Hong Kong Tel: +852 2287 2300 Fax: +852 2287 2380 www.hszgroup.com mail@hszgroup.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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