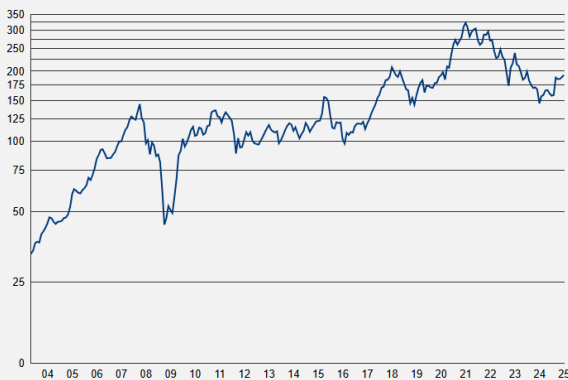


Figures as of	January 27, 2024
Net Asset Value	USD 192.26, CHF 134.69, EUR 234.48
Fund Size	USD 135.1 million
Inception Date*	May 27, 2003
Cumulative Total Return	484.6% in USD
Annualized Total Return	8.5% in USD

\* 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.

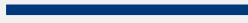




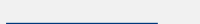
Net Asset Value (Monthly)







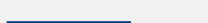

### Performance

	January	YTD	1 Year	May 2003
USD Class	1.8%	1.8%	32.2%	484.6%
CHF Class	1.1%	1.1%	37.4%	296.7%
EUR Class	0.9%	0.9%	36.2%	549.2%

### Largest Holdings

Envicool Technology	7.8%	
Nongfu Spring	7.0%	
Midea Group	6.2%	
China Yangtze Power	5.8%	
AMEC	5.0%	
Proya Cosmetics	4.8%	

### Exposure

Consumer Discretionary	22.4%	
Information Technology	19.1%	
Consumer Staples	15.7%	
Industrials	14.5%	
Communication Services	10.7%	
Cash	5.4%	

## Newsletter January 2025

- China unveils plan to foster insurance funds into stock market
- HSZ China Fund was up 1.8% in USD in January
- Anta is in good shape as its global buildout paces steadily
- Eastorc Beverage reports best performance since listing
- Eoptolink will gain from growing AI competition

China unveils plan to foster insurance funds into stock market. On January 22, six financial regulators in China announced an initiative to encourage commercial insurers, social security funds, and pension funds to increase their investments in the stock market. The regulators plan to implement a long-term performance evaluation framework for state-owned insurers, assigning a weight of up to 30% to the current year's return on equity and at least 60% to performance indicators over a three to five-year period. Additionally, China intends to gradually increase the proportion of equity investments by the National Social Security Fund and basic pension funds.

HSZ China Fund was up 1.8% in USD in January. The biggest positive contribution came from Focus Technology and Wuxi Best Precision Machinery. The biggest negative contribution came from Tuhu and Tencent.

Anta is progressing well with its global expansion. Anta accelerated its global direct retail business by launching in key Southeast Asian markets, as well as North America, Europe, the Middle East, and Africa. It plans to open 160 Anta Superstores by 2025, which will be three times more efficient.

Eastorc Beverage reports best performance since listing. On January 20th, Eastorc Beverage announced its expected 2024 annual performance. The company forecasts a net profit of CNY 3.2 billion to 3.5 billion, marking a 54% to 69% year-over-year growth, the highest since its listing. This growth is due to their national strategy, improved channel management and operations, and exploration of multi-category development.

Eoptolink will gain from growing AI competition. President Trump announced an artificial intelligence infrastructure investment plan at the White House named Stargate. Initial equity investors include SoftBank, OpenAI, Oracle, and MGX. China is also actively increasing its AI infrastructure investments. The National Artificial Intelligence Industry Investment Fund was established with a capital contribution of CNY 60 billion. ByteDance plans to invest more than CNY 12 billion in AI by 2025. Eoptolink, as one of the leading suppliers of optical modules, will benefit from the rapid increase in demand for high-speed optical modules driven by AI and data centers.

## 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: 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 volume of funds 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 as 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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