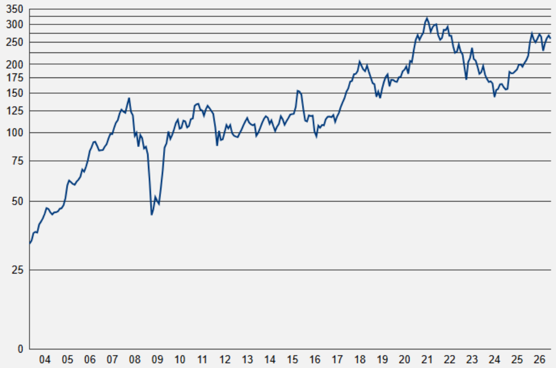
HSZ China Fund

Signatory of: PRI Principles for Responsible Investment

Figures as of	July 31, 2026
Net Asset Value	USD 259.12, CHF 163.40, EUR 288.44
Fund Size	USD 180.0 million
Inception Date*	May 27, 2003
Cumulative Total Return	697.3% in USD
Annualized Total Return	9.4% 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

	July	YTD	1 Year	May 2003
USD Class	(3.3%)	(0.5%)	19.0%	697.3%
CHF Class	(3.5%)	1.4%	18.2%	387.0%
EUR Class	(4.3%)	1.6%	18.2%	708.6%

Largest Holdings

Midea Group	6.7%
Alibaba Group	6.6%
China Yangtze Power	6.5%
Tencent Holdings	6.4%
Pop Mart	6.4%
Jereh Oilfield Services	6.2%

Exposure

Consumer Discretionary	29.2%
Industrials	16.3%
Information Technology	14.1%
Consumer Staples	8.6%
Utilities	6.5%
Cash	3.5%

Newsletter July 2026

- China continues prioritizing domestic demand
- HSZ China Fund was down 3.3% in USD in July
- HKEX’s outlook looks constructive
- Jereh secured a USD 1.5 billion gas turbine order
- Milkground posted 1H26 preliminary results

China continues prioritizing domestic demand. The State Council has formally approved the 15th Five-Year Plan for Expanding Consumption, supported by coordinated fiscal and financial measures—including interest subsidies for personal consumer loans and service-sector firms, plus special guarantees for private investment—to lower financing costs and unlock household spending. On the investment side, the National Development and Reform Commission has announced to rollout the annual CNY 800 billion "two major" project lists, with a third-batch injection of CNY 193.5 billion in ultra-long special treasury bonds backing 1,417 strategic and security-capacity-building projects.

HSZ China Fund was down 3.3% in USD in July. The biggest positive contribution came from Milkgroud and Midea. The biggest negative contribution came from Envicool Technology and Montage Technology.

HKEX’s outlook looks constructive. HKEX is reviewing trading hours to improve market access, evaluating listing reforms, and advancing structured-product growth and infrastructure upgrades, including shorter settlement. It has also launched five-year China government bond futures—the only offshore product of its kind—giving global investors a new tool to hedge RMB interest-rate risk. Together with lower board lot thresholds and broader structured-product and options offerings, these initiatives reinforce HKEX’s position as a leading international capital markets hub.

Jereh secured a USD 1.5 billion gas turbine order. Valued at approximately CNY 10 billion—equivalent to roughly 61% of Jereh's 2025 revenue—this landmark contract from a leading global Cloud Service Provider serves as a major validation of its joint venture with FTAI Aviation. The deal effectively dispels earlier market anxieties that tight turbine supplies would constrain deliveries, while demonstrating robust customer acceptance of FTAI’s aeroderivative engines. Backed by FTAI’s annual production capacity of 2.5 gigawatts supplied exclusively to Jereh, the partnership's supply chain hurdles are fully overcome, unlocking strong visibility for future growth.

Milkground posted 1H26 preliminary results. Revenue rose 28.7% to CNY 3.3 billion, driven by growth across both consumer and business segments. Net profit increased 13.7% to CNY 151.2 million, with earnings growth temporarily lagging revenue due to incomplete scale effects and heightened marketing expenditures during the World Cup period to strengthen brand visibility. Looking ahead, the company is poised for sustainable expansion, expecting to capitalize heavily on the structural tailwinds of domestic cheese substitution over the next three years.

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 A0LC14 Bloomberg HSZCFCH SW Equity
EUR Class	ISIN CH0026828092, Valor 2682809 WKN A0LC15 Bloomberg HSZCHEU SW Equity
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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.