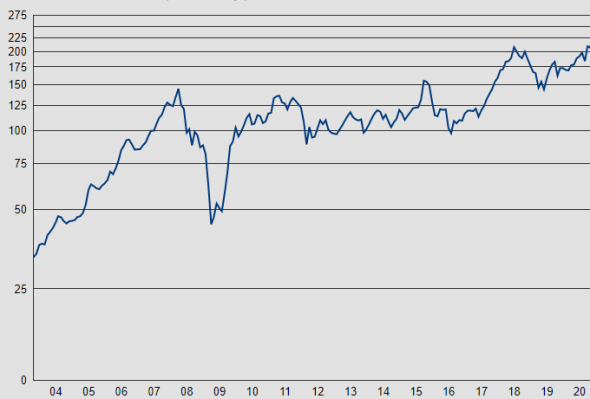


Figures as of	June 30, 2020
Net Asset Value	USD 234.37, CHF 174.05, EUR 267.57
Fund Size	USD 200.7 million
Inception Date*	May 27, 2003
Cumulative Total Return	612.6% in USD
Annualized Total Return	12.2% in USD

\* 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.

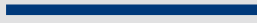





Net Asset Value (Monthly)







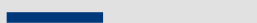
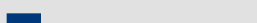
### Performance

	June	YTD	1 Year	May 2003
USD Class	13.2%	24.2%	35.4%	612.6%
CHF Class	12.0%	22.2%	32.2%	412.7%
EUR Class	12.0%	24.1%	37.4%	640.9%

### Largest Holdings

CATL	8.1%	
TAL Education	6.5%	
Alibaba Group	6.3%	
SMIC	5.7%	
Tencent Holdings	5.4%	
Jiinyu Bio-Tech	4.9%	

### Exposure

Information Technology	29.1%	
Consumer Discretionary	19.9%	
Health Care	15.5%	
Consumer Staples	15.2%	
Industrials	10.7%	
Cash	3.8%	

## Newsletter June 2020

- China's New Civil Code approved by NPC
- New breakthrough for CATL in battery technology
- Geely Automobile plans to list shares on China's STAR board
- Haidilao kept moving forward during Covid-19 pandemic

First Civil Code since 1949 effective as of January 1, 2021. On May 28, China's legislature, the NPC approved the new civil code which had been six years in the making. This is a key step forward in China's judicial reform and the pursuit of the all important rule of law. The code is a comprehensive legislation defining rights and duties of China's 1.4bn citizens. It covers private property, personal privacy, marriage and family, inheritance and contracts. It is a reflection of China's commitment to empower the private sector and create a better business environment. The new code is an amalgamation of existing civil laws and spreads across seven chapters and 1,260 articles. It is the first time the PRC has codified its legal system. For individuals, the civil code provides the country's first definitions of private space and private information. Geographic location and email addresses are in this category. Rules were added regarding obtaining consent and making purposes transparent when businesses are collecting personal data.

**New breakthrough for CATL in battery technology.** The leading Chinese electrical vehicle battery maker is ready to build EV battery with an expected lifespan of 1.2 million miles or 16 years before it needs replacement. EV battery with a million mile plus warranty could be a big selling point for automakers, luring new customers to switch to fully-electric vehicles that might last much longer than their fossil fuel counterparts. CATL is positioning itself to be a leading global supplier of batteries. The company recently inked a two-year deal to supply batteries to Tesla as well as building a factory in Germany, which is expected to make more than 70% of BMW's batteries. CATL is building up the production scale aggressively and is keen to set high industry standards as a barriers to new entrants.

**Geely Automobile plans to list shares on China's STAR board.** Geely expects to issue a maximum of 1.73 billion shares, accounting for about 15% of the total shares. 40% of the proceeds are expected to be used for the research and development of new automobile products and another 15% for the research and development into emerging technologies such as new-energy vehicles and intelligent-driving. The rest will be used for the industrial acquisition and the replenishment of working capital. Those funds can further enrich Geely's product line-up and enhance its market competitiveness.

**Haidilao kept moving forward during Covid-19 pandemic.** The Covid-19 pandemic hit nearly all industries in China, but it seems not to stop the expansion of Haidilao, the largest hotpot chain restaurant domestically, offering the best-in-class services. With a net opening of 100 new stores in the first half, the Company kept moving forward when other restaurant players suffered. Haidilao aims to reach the target of 1,000 stores amid impact of the epidemic by the end of 2020.

## 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	Credit Suisse Funds AG
Custodian Bank	UBS Switzerland AG
Investment Manager	HSZ (Hong Kong) Limited
Auditors	KPMG AG
Management Fee	1.5% 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	UBS Switzerland AG Fund Order Desk Tel: +4144 239 1930 Fax: +4144 239 4804

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 particular 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.

#### Disclaimer

This newsletter is for information purposes only and is not to be regarded as an offer for the purchase or sale of the fund's units. The fund may not be marketed, either directly or indirectly, in the United States of America or sold to US persons. The value of units can fall as well as rise.

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