

Figures as of	June 30, 2021
Net Asset Value	USD 303.61, CHF 218.31, EUR 326.85
Fund Size	USD 384.8 million
Inception Date*	May 27, 2003
Cumulative Total Return	823.1% in USD
Annualized Total Return	13.1% 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.

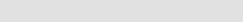
Net Asset Value (Monthly)



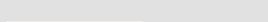
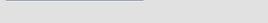
Performance

	June	YTD	1 Year	May 2003
USD Class	0.6%	(2.1%)	29.5%	823.1%
CHF Class	3.0%	2.5%	25.4%	543.0%
EUR Class	3.1%	1.2%	22.2%	805.0%

Largest Holdings

Longi Green Energy	5.7%	
CATL	5.5%	
Haitian Flavouring & Food	5.3%	
SF Holding	5.2%	
Luxshare Precision	5.1%	
Sunny Optical	5.0%	

Exposure

Consumer Staples	19.0%	
Consumer Discretionary	16.1%	
Information Technology	15.8%	
Industrials	15.0%	
Health Care	9.8%	
Cash	8.3%	

Newsletter June 2021

- China accelerates the 3rd generation semiconductor race
- HSZ China Fund was up 0.6% in June
- CATL extends agreement with Tesla to 2025
- Longi breaks three world records for solar cell efficiency
- Midea achieved record sales during 618 shopping festival

China accelerates the 3rd generation semiconductor race. Liu He, President Xi's top economic advisor, was being appointed to take the lead to propose a series of financial aids and policy support to win the third-generation semiconductor materials competition and become technologically self-sufficient. Market rumor has it that China will spend up to USD 1trn on the semiconductor industry to achieve this goal. Among the semiconductor materials silicon carbide (SiC) and gallium nitride (GaN).

HSZ China Fund was up 0.6% in June. Main performance contributors were information technology and industrials sector, among which solar and electric vehicle related names sharply outperform the market for the month. Positive contributions also came from Real Estate and Utilities, while consumer staples and health care were detracted from the fund performance.

CATL extends agreement with Tesla to 2025. The leading electric vehicle battery supplier has reached an agreement with Tesla's Shanghai subsidiary to provide battery packs for an additional 30 months, an extension of the 2-years contract signed in middle of 2020. There was strong demand for Tesla's Shanghai-made Model Y when the sports-utility vehicle hit the market on January 1 and Tesla has secured a large number of orders for the car, the second mass production model to roll out of its Shanghai factory.

Longi breaks three world records for solar cell efficiency. The Chinese leading monocrystalline solar cell manufacturer has consolidated its leading role in R&D innovation in the global photovoltaic industry by setting new cell efficiency records for the three types of cell technologies namely the N-type, the P-type TOPcon and HJT. All the tests were done by the Institute for Solar Energy Research (ISFH) in Hamelin, Germany, which has confirmed that all three types of their cell technologies would have a conversion efficiency of over 25%. The results enable a further increase in return on investment for solar plants which speed up the transition process of green energy.

Midea achieved record sales during 618 shopping festival. During the 24 hours of June 18, Midea's total sales across platforms exceeded CNY 16 billion. The company utilized new online live streaming to incentivize sales. Its performance in new channels, including Pinduoduo, Douyin, and Kuaishou, also surged, with total turnover exceeding CNY 70 million, of which Pinduoduo increased by over 130% year-on-year. This is the 9th consecutive year for Midea to be ranked No. 1 in the home appliance category across e-commerce platforms.

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	PricewaterhouseCoopers 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 IB Execution Hub Tel: +4144 239 1977

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
-------------------	--

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.

The information provided in this newsletter has been compiled with due care and attention by HSZ Group and its partners. However, HSZ Group offers no undertaking or guarantee as to accuracy, reliability or completeness of the information provided. Under no circumstances (including but not limited to negligence) shall HSZ Group be liable for any losses or consequential damage resulting from the use of this document.

The entire content of this newsletter is subject to copyright with all rights reserved. You may save or print out a hard copy of individual pages and/or sections of the presentation, provided that you do not remove any copyright or other proprietary notices.