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| Figures as of | March 31, 2022 |
| Net Asset Value | USD 243.17, CHF 175.21, EUR 280.36 |
| Fund Size | USD 282.7 million |
| Inception Date* | May 27, 2003 |
| Cumulative Total Return | 639.4% in USD |
| Annualized Total Return | 11.2% 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

| | March | YTD | 1 Year | May 2003 |
|-----------|---------|---------|---------|----------|
| USD Class | (10.1%) | (17.9%) | (13.6%) | 639.4% |
| CHF Class | (9.9%) | (17.0%) | (15.3%) | 416.1% |
| EUR Class | (9.3%) | (16.4%) | (8.7%) | 676.3% |

Largest Holdings

| | | |
|--------------------|------|----------------------------------|
| Longi Green Energy | 6.1% | <div style="width: 6.1%;"></div> |
| TSMC | 5.6% | <div style="width: 5.6%;"></div> |
| Nongfu Spring | 5.5% | <div style="width: 5.5%;"></div> |
| Haitian Flavouring | 5.3% | <div style="width: 5.3%;"></div> |
| SF Holding | 5.2% | <div style="width: 5.2%;"></div> |
| Luxshare Precision | 5.1% | <div style="width: 5.1%;"></div> |

Exposure

| | | |
|------------------------|-------|-----------------------------------|
| Industrials | 24.1% | <div style="width: 24.1%;"></div> |
| Information Technology | 20.4% | <div style="width: 20.4%;"></div> |
| Consumer Staples | 19.4% | <div style="width: 19.4%;"></div> |
| Consumer Discretionary | 10.7% | <div style="width: 10.7%;"></div> |
| Health Care | 5.8% | <div style="width: 5.8%;"></div> |
| Cash | 2.1% | <div style="width: 2.1%;"></div> |

Newsletter March 2022

- China faced COVID outbreak in many places since March
- HSZ China Fund performance was down 10% in March
- CATL launches Kirin battery
- Orient Wires and Cables grew steadily in FY21
- Proya's performance remains solid amid weak consumption

China faced COVID outbreaks in many locations since March. The Chinese local governments are adjusting their travel policies and control measures as COVID is changing forms. In some cities economical support measures were introduced, such as free rents and consumption vouchers. The central government maintains its Covid-zero policy with human life as the top priority. At the same time, China is carefully preparing for reopening in the future, for example by reducing quarantine requirement, stocking up on rapid antigen tests for mass screening, and approving Pfizer's Paxlovid for coronavirus treatment, which is already being used in Shanghai.

HSZ China Fund performance was down 10% in March. The biggest negative contribution came from our holdings in Information Technology and Industrials. Some select stocks were able to counter the trend such as Alibaba based on encouraging statements by a government official regarding regulation and ADR listings. China Education Group and Proya were also up for the month. The latter on the back of the preannouncement of outstanding results (separate paragraph on Proya below).

CATL launches Kirin battery. The leading electric vehicle (EV) battery maker launches its 3rd generation cell to pack technology namely the Kirin battery in March 2022. The secret is in the latest packaging technology which claims to have 13% more power versus a battery pack using the Tesla 4680 cells. In addition, the company builds the world's first "zero-carbon" EV battery factory in Sichuan Province, with over 80% of the plant's energy consumption coming from hydropower.

Orient Wires and Cables grew steadily in FY21. For the FY21 the company achieved revenues of CNY 7.9 billion, a year-on-year increase of 57%, and net profit was CNY 1.2 billion, a year-on-year increase of 34%. By the end of February 2022, the contract value of the company's orders on hand was CNY 6.3 billion. Although the overall gross profit margin of the company decreased mainly due to the copper price hike in 2021, we expect the company continue to grow over the longer-term, given that China will actively promote the construction of offshore wind power projects during the 14th Five Year Plan period.

Proya's performance remains solid amid weak consumption. Domestic cosmetic company Proya announced that its profit would grow by at least 35% year-over-year, showing the resilience of the brand and the effectiveness of its new marketing channel operation. Its gross merchandise value during the Women's Day promotional event also went up by more than 100% across channels, ranked as the top domestic brand on both Alibaba's Tmall and JD.

General Information

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| Name | HSZ China Fund |
| Theme | Entrepreneurial China |
| Nature | Long-only equity fund, actively managed |
| Focus | Listed Chinese equities focusing on privately controlled companies |

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| 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 |

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|--------------------|-------------------------------------|
| Fund Manager | FundPartner Solutions (Suisse) S.A. |
| Custodian Bank | Banque Pictet & Cie SA |
| Investment Manager | HSZ (Hong Kong) Limited |
| Auditors | PricewaterhouseCoopers AG |

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| Management Fee | 1.35% annually |
| Performance Fee | 10% above hurdle rate of 5%, high water mark |
| Issuance Fee | None |
| Redemption Fee | None |

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|-----------|--|
| 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 |

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| Orders via Banks | Banque Pictet & Cie SA Client Services Tel: +352 46 71 71 7666 Email: pfc.lux@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 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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