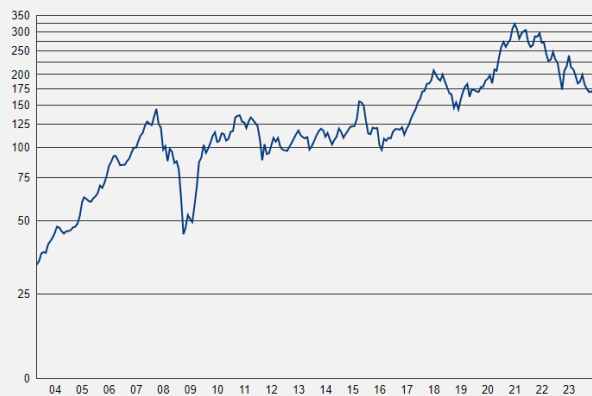


Figures as of	December 29, 2023
Net Asset Value	USD 167.09, CHF 109.12, EUR 193.48
Fund Size	USD 139.0 million
Inception Date*	May 27, 2003
Cumulative Total Return	408.0% in USD
Annualized Total Return	8.2% in USD

* 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.

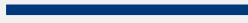




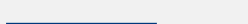
Net Asset Value (Monthly)






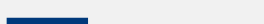
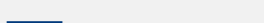
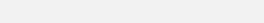
Performance

	December	YTD	1 Year	May 2003
USD Class	(2.0%)	(22.5%)	(22.5%)	408.0%
CHF Class	(6.3%)	(29.6%)	(29.6%)	221.4%
EUR Class	(3.4%)	(25.2%)	(25.2%)	435.7%

Largest Holdings

PDD Holdings	8.6%	
Alibaba Group	6.9%	
Proya Cosmetics	6.0%	
Midea Group	5.4%	
China Yangtze Power	5.4%	
SF Holding	5.3%	

Exposure

Consumer Discretionary	31.9%	
Industrials	18.5%	
Consumer Staples	17.3%	
Information Technology	9.9%	
Communication Services	6.8%	
Cash	2.0%	

Newsletter December 2023

- Caixin China PMI reached 50.8 in December
- HSZ China Fund was down 2.0% in December
- Anta's new integrated operation center started construction
- OPT's acquisition aims to expand its product line
- TEMU is the long-term driver for PDD Holdings

Caixin China PMI reached 50.8 in December. The Caixin China General Manufacturing Purchasing Managers' Index (PMI), which gives an independent snapshot of the sector, edged up to 50.8 in December from 50.7 the previous month. Activity in China's manufacturing sector expanded in December for the second straight month, primarily driven by stronger domestic demand.

HSZ China Fund was down 2.0% in December. The biggest positive contribution came from utilities and consumer discretionary sectors, namely Yangtze Power, Alibaba Group and Midea Group. The biggest negative contribution came from materials and industrials sector, namely Centre Testing and Oriental Yuhong.

Anta's new integrated operation center started construction in Suzhou, with a construction area of about 170,000 square meters and a total investment of more than CNY 1 billion. The center is planned to be completed and put into use by 2025 and will introduce industry-leading digital technology and intelligent equipment. It is expected to further fuel Anta's growth by supporting the business scale of more than CNY 50 billion, promoting multi-brand retail upgrades, and improving consumer experience.

OPT's acquisition aims to expand its product line. The company is planning to acquire CCTL, a local company that specializes in linear and servo motors for machine vision in the manufacturing sector, at a consideration of CNY 100 million for a 51% equity stake. This vertical integration allows OPT to strengthen its one-stop solutions offering for its clients. Additionally, the management of OPT sees an opportunity to enhance the cross-selling opportunities of CCTL's products to their existing clients in the consumer electronic and battery industries. Overall, the acquisition is expected to have a positive impact by increasing revenues per unit and is estimated to contribute 10% of OPT's revenue in 2024.

TEMU is the long-term driver for PDD Holdings. The Chinese leading value-for-money e-commerce player is gaining track on its global expansion plan, covering over 50 regions globally within one and a half year. Shoppers are spending almost double the time on TEMU, the oversea arm of PDD Holdings, than they are on the apps of major rivals like Amazon. On average, users spend 18 minutes per day on TEMU app, compared with 10 minutes for Amazon and 11 minutes for AliExpress. Investment bank expects TEMU to reach USD 34 billion and USD 49 billion GMV in 2024 and 2025, respectively. This is still less than 10% of PDD's group GMV level.

General Information

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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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
CHF Class	Bloomberg HSZCHID SW Equity ISIN CH0026828068, Valor 2682806 WKN A0LC15
EUR Class	Bloomberg HSZCFCH SW Equity 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: pfc.lux@pictet.com
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