HSZ China Fund

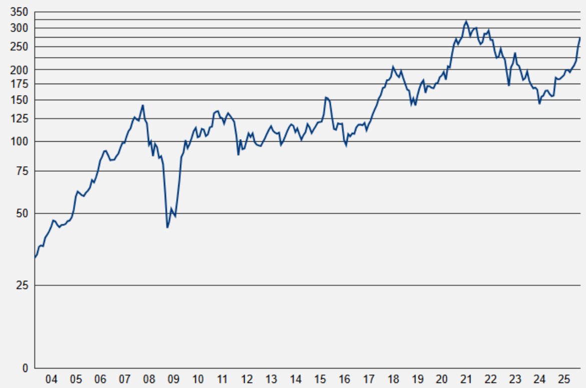
Signatory of: PRI Principles for Responsible Investment

Newsletter September 2025

Figures as of	September 30, 2025
Net Asset Value	USD 272.89, CHF 169.69, EUR 297.47
Fund Size	USD 193.1 million
Inception Date*	May 27, 2003
Cumulative Total Return	739.7% in USD
Annualized Total Return	10.0% 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

	September	YTD	1 Year	May 2003
USD Class	9.1%	46.3%	47.0%	739.7%
CHF Class	8.5%	28.9%	38.8%	405.8%
EUR Class	8.4%	29.6%	40.0%	733.9%

Largest Holdings

AMEC	7.5%
Alibaba Group	7.5%
Envicool Technology	6.3%
Leader Drive	6.2%
Tencent Holdings	5.7%
Horizon Robotics	4.4%

Exposure

Consumer Discretionary	25.9%
Industrials	20.1%
Consumer Staples	13.9%
Information Technology	13.8%
Financials	7.8%
Cash	4.8%

- China committed to expand domestic consumption
- HSZ China Fund was up 9.1% in USD in September
- Alibaba held its annual Apsara Conference
- Cambricon’s private placement approved by local regulator
- Horizon SuperDrive nears mass production

China committed to expanding domestic consumption. The Chinese government offers a 1% interest subsidy on consumer loans for sectors like vehicles, elderly care, childbirth, home furnishings, and tourism. It also collaborates with UnionPay, financial institutions, and platforms to promote initiatives such as consumption vouchers, spend-and-save discounts, and measures to boost inbound tourism spending.

HSZ China Fund was up 9.1% in USD in September. The biggest positive contribution came from Alibaba Group and AMEC. The biggest negative contribution came from Shenzhen Envicool and Tuhu Car.

Alibaba held its annual Apsara Conference. At the conference, Alibaba announced it is advancing its three-year CNY 380 billion AI infrastructure plan and will increase investments. By 2032, the energy consumption of Alibaba Cloud's global data centers is projected to be ten times that of 2022. The company also launched its new generation 128 ultra-node AI server, noted for its high density, performance, and availability. Furthermore, Alibaba Cloud revealed a collaboration with NVIDIA, integrating NVIDIA's full-stack software capability to accelerate development in areas such as autonomous driving.

Cambricon’s private placement approved by local regulator. Cambricon, a leading Chinese company specializing in the design of application-specific integrated circuits (ASICs) for artificial intelligence, like Broadcom's role in the U.S., plans to raise CNY 3.9 billion to fund projects focused on large model-oriented chip platforms and soft-ware platforms. The funds will support projects developing chips and software platforms for large models, aiming to advance intelligent processor technology and create chips for diverse large-model applications. This initiative is expected to strengthen the company's capabilities and long-term competitiveness in complex AI scenarios.

Horizon Robotics’ SuperDrive nears mass production. At the Chengdu Auto Show, the Exeed ET5, the new mid-size SUV from Chery Auto, made its debut and will be available from November 2025. It is equipped with Horizon’s J6P, an AI chip designed to enable advanced driver assistance systems and Horizon SuperDrive (HSD). The company aims to achieve a mass production target of 10 million HSD units in the next three to five 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 A0LC15 Bloomberg HSZCFCH SW Equity
EUR Class	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: pfcs.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 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.