

Figures as of	October 31, 2025
Net Asset Value	USD 257.10, CHF 160.90, EUR 284.57
Fund Size	USD 181.9 million
Inception Date*	May 27, 2003
Cumulative Total Return	691.1% in USD
Annualized Total Return	9.7% 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.

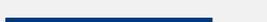
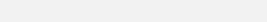
Net Asset Value (Monthly)



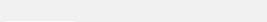
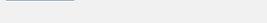
Performance

	October	YTD	1 Year	May 2003
USD Class	(5.8%)	37.8%	40.6%	691.1%
CHF Class	(5.2%)	22.3%	30.3%	379.6%
EUR Class	(4.3%)	24.0%	32.1%	697.7%

Largest Holdings

Alibaba Group	7.4%	
Envicool Technology	5.9%	
Tencent Holdings	5.8%	
Xingyu Automotive	5.7%	
Milkground	4.4%	
China Yangtze Power	4.3%	

Exposure

Consumer Discretionary	28.5%	
Industrials	17.0%	
Consumer Staples	15.4%	
Information Technology	14.2%	
Financials	7.3%	
Cash	2.5%	

Newsletter October 2025

- China's 15th Five-year plan, high level meeting in Korea
- HSZ China Fund was down 5.8% in USD in October
- Alibaba kicks off Double 11 presales
- Milkground accelerates its B2B business development
- Mindray Medical plans to list on Hong Kong

China's 15th Five-year Plan released, high level meeting in Korea. The new Five-year Plan centers on fostering high-quality economic growth through innovation-driven development, technological self-reliance, and upgrading industrial capabilities, with an emphasis on advanced manufacturing and digital transformation. It prioritizes sustainable practices, including a strong focus on green energy, carbon neutrality, and ecological protection to balance economic advancement with environmental responsibility. The two presidents Xi and Trump reached a temporary truce in their meeting in South Korea, agreeing on a 10% reduction in US tariffs for Chinese goods, removal of Chinese restrictions on rare earth exports, and resumption of China's imports of American soybeans, while vowing cooperation on key issues like fentanyl and postponing port fees for one year. The summit did not produce a formal trade deal but signaled stabilization in US-China relations.

HSZ China Fund was down 5.8% in USD in October. The biggest positive contribution came from Milkground and Cambricon. The biggest negative contribution came from Xtalpi and Anta Sports.

Alibaba kicks off Double 11 presales. According to its e-commerce platform Tmall, 80 brands surpassed CNY 100 million in transactions within the first hour of sales, while over 30,000 brands saw their sales doubled. Leveraging AI technology, Alibaba introduced six AI shopping assistant applications to assist both merchants and consumers in decision-making. Additionally, the company is integrating Taobao Flash Delivery with its traditional e-commerce operations to achieve more precise consumer reach and more efficient merchant operations.

Milkground accelerates its B2B business development. The company held a September performance review and October goal-setting meeting, awarding some outstanding B2B teams. The founder Chai Xiu mentioned that B2B's performance saw significant growth without additional resources. With the growth momentum, the company's B2B market revenue will increase noticeably in the second half of this year.

Mindray Medical plans to list in Hong Kong. This strategy is to advance its global expansion by creating a dual platform (A+H shares) accessing capital market. The goal is to attract international capital and boost its global brand profile, supporting its ambition to rank among the world's top ten medical device companies. In a related development, the company also signed agreements exceeding USD 120 million for equipment and localized production partnerships at a recent International Medical Equipment Exhibition in Saudi Arabia.

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: pfc.s.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.

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