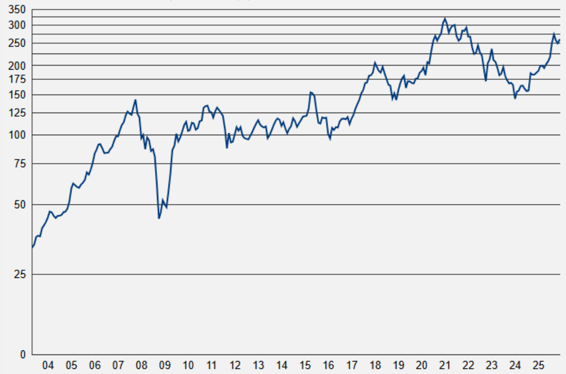
Figures as of	December 31, 2025
Net Asset Value	USD 260.32, CHF 161.11, EUR 284.01
Fund Size	USD 185.8 million
Inception Date*	May 27, 2003
Cumulative Total Return	701.0% in USD
Annualized Total Return	9.6% in USD

* 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	4.2%	39.5%	39.5%	701.0%
CHF Class	2.4%	22.4%	22.4%	380.2%
EUR Class	2.6%	23.8%	23.8%	696.1%

Largest Holdings

Envicool Technology	8.9%
Alibaba Group	6.3%
Xingyu Automotive	5.4%
Tencent Holdings	5.4%
Leader Drive	5.0%
Milkgound	4.3%

Exposure

Consumer Discretionary	28.9%
Industrials	18.2%
Information Technology	14.4%
Consumer Staples	12.1%
Health Care	7.3%
Cash	2.4%

Newsletter December 2025

- China’s Politburo sets 2026 economic agenda
- HSZ China Fund was up 4.2% in USD in December
- Alibaba's "Eleme" is renamed to " Taobao Flash Sale"
- Envicool hosted Google executives at its Shenzhen headquarters
- XtalPi has been included in the "HKEX Tech 100 Index"

China’s Politburo sets 2026 economic agenda. The meeting reaffirmed the commitment to a “more proactive fiscal policy” alongside an “appropriately accommodative monetary stance.” This policy mix is anchored in the guiding principles of seeking progress while maintaining stability and improving quality and efficiency. The meeting also set a clear direction for deepening reforms in the capital market’s investment and financing systems. These reforms aim to channel capital strategically into key sectors—such as consumption upgrades, technological innovation, and advanced manufacturing—to foster a dual dynamic of “value and growth” in the stock market.

HSZ China Fund was up 4.2% in USD in December. The biggest positive contribution came from Envicool Technology and Leader Drive. The biggest negative contribution came from Laopu Gold and Milkground.

Alibaba's "Eleme" is renamed to " Taobao Flash Sale". Alibaba has made a major strategic shift after profit declines from the “food delivery subsidy war.” Taobao Flash Sale will become more closely aligned with the "Greater Consumption Platform" initiative. This means instead of the price competition, Alibaba will allocate more resources to provide value added e-commerce experience integrating Artificial Intelligence (AI) features. In the AI sector, Alibaba's open-source model Qwen has surpassed Meta’s Llama, achieving recognition as the leading open-source model family globally. Moving forward, Alibaba intends to integrate a wide range of daily life applications—including maps, food delivery, ticketing, office productivity, education, shopping, and health services—into the Qwen app.

Envicool hosted Google executives at its Shenzhen headquarters. Google recently carried out an on-site evaluation of the Coolinside full-chain liquid cooling solution. If a collaboration materializes, this demonstration is anticipated to advance the adoption of liquid cooling technologies among international cloud service providers. Supported by major clients, Envicool is positioned to further strengthen its scale, cost efficiency, and brand presence, thereby accelerating industry consolidation toward leading market participants.

XtalPi has been selected for inclusion in the "HKEX Tech 100 Index." The HKEX Tech 100 Index covers six advanced sectors, such as AI, biomedicine, and robotics. XtalPi's addition to the index is anticipated to attract greater fund inflows. The company has accelerated its commercialization efforts, with several high-value contract wins showcasing its strength and capabilities in technological transformation.

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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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 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.