

Figures as of	January 30, 2026
Net Asset Value	USD 271.31, CHF 162.74, EUR 291.51
Fund Size	USD 193.7 million
Inception Date*	May 27, 2003
Cumulative Total Return	734.9% in USD
Annualized Total Return	9.8% 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.

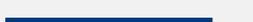
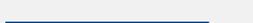
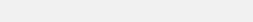
Net Asset Value (Monthly)



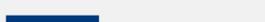
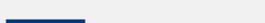
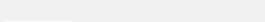
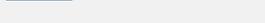
### Performance

	January	YTD	1 Year	May 2003
USD Class	4.2%	4.2%	42.8%	734.9%
CHF Class	1.0%	1.0%	22.3%	385.1%
EUR Class	2.6%	2.6%	25.9%	717.2%

### Largest Holdings

Alibaba Group	7.1%	
Midea Group	6.1%	
Xingyu Automotive	5.8%	
Leader Drive	5.7%	
Tencent Holdings	5.2%	
XtalPi	4.7%	

### Exposure

Consumer Discretionary	33.0%	
Consumer Staples	14.9%	
Industrials	11.6%	
Information Technology	9.9%	
Health Care	8.3%	
Cash	5.6%	

## Newsletter January 2026

- The People's Bank of China has announced an interest rate cut
- HSZ China Fund was up 4.2% in USD in January
- Alibaba launched its new flagship AI model Qwen 3-Max-Thinking
- Horizon Robotics delivers single-chip urban NOA solutions
- Pop Mart accelerates global expansion with product launches

The People's Bank of China has announced an interest rate cut. The 25bps targeted rate cut aimed at providing banks with cheaper funding. This measure aims to enable more favorable lending rates for key sectors, including small businesses and technology innovators. Additionally, major Chinese property developers are no longer required to report the "three red lines" metrics—specifically, a debt-to-asset ratio below 70%, net debt ratio under 100%, and cash-to-short-term debt above one month—which were first introduced in August 2020 to curb aggressive expansion. After several years of deleveraging, these requirements have been eased to support the sector's transition to high-quality development.

HSZ China Fund was up 4.2% in USD in January. The biggest positive contribution came from Alibaba and XtalPi. The biggest negative contribution came from Milkground and Sanhua.

Alibaba launched its new flagship AI model Qwen 3-Max-Thinking. The model features core innovations like adaptive tool calling and test-time scaling, with performance on par with leading large language models. Analysis shows that derivative Qwen models have exceeded 200,000, making it the first open-source large model to reach this global milestone. With over 1 billion total downloads and an average of 1.1 million daily downloads by developers, the Qwen series has solidified its position as the world's leading open-source model.

Horizon Robotics delivers single-chip urban NOA solutions. Horizon Robotics achieved a major milestone in commercializing autonomous driving technology when Li Auto's AD Pro 4.0 system—powered solely by the Journey 6M chip (128 TOPS)—delivered full end-to-end urban Navigate on Autopilot (NOA) features to consumers. This single-chip deployment achieves over 85% computational efficiency utilization, setting a new industry benchmark against the common multi-chip approach for complex urban navigation. The accomplishment validates Horizon's "chip + algorithm + data" strategy and positions the company for expanded market share in 2026.

Pop Mart accelerates global expansion with product launches. Pop Mart has attained record-setting product launches and is advancing its global expansion at an accelerated pace. Recently, several new product releases from Pop Mart have sold out immediately upon launch, including series such as DIMOO, PUCKY, and SKULL-PANDA. Pop Mart has also partnered with Simon Property Group, a major U.S. shopping mall operator, to open more than 20 new standard stores across the United States in 2026.

## 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.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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