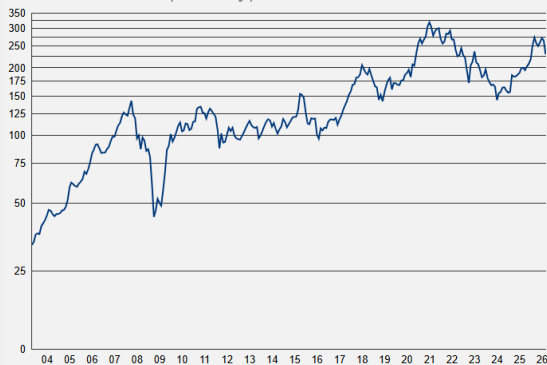


Figures as of	March 31, 2026
Net Asset Value	USD 229.45, CHF 143.27, EUR 256.25
Fund Size	USD 161.9 million
Inception Date*	May 27, 2003
Cumulative Total Return	606.0% in USD
Annualized Total Return	8.9% in USD

\* 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.




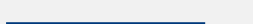
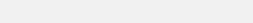
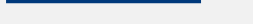
Net Asset Value (Monthly)







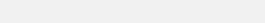
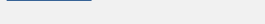
### Performance

	March	YTD	1 Year	May 2003
USD Class	(13.3%)	(11.9%)	14.7%	606.0%
CHF Class	(10.2%)	(11.1%)	4.1%	327.0%
EUR Class	(10.8%)	(9.8%)	8.1%	618.3%

### Largest Holdings

Xingyu Automotive	6.2%	
China Yangtze Power	6.2%	
Leaderdrive	5.6%	
NAURA	4.9%	
Sieyuan Electric	4.8%	
Midea Group	4.5%	

### Exposure

Consumer Discretionary	24.5%	
Industrials	16.9%	
Consumer Staples	15.0%	
Information Technology	11.2%	
Health Care	7.9%	
Cash	10.0%	

## Newsletter March 2026

- The Two Sessions were held in March
- HSZ China Fund was down 13.3% in USD in March
- Laopu announced its FY2025 results and Q1 2026 operating data
- Tencent advances in AI Agents
- Xingyu announced its FY2025 result

The Two Sessions were held in March. The conference set the macroeconomic policy framework for the opening year of the 15th Five-Year Plan, targeting GDP growth of 4.5%–5%, a fiscal deficit ratio of around 4%. Monetary policy will remain moderately accommodative, with the central bank emphasizing liquidity management and interest rate transmission to stabilize growth and promote innovation-driven development. Key reform priorities include boost domestic consumption, advancing capital market reforms such as optimizing IPO and refinancing mechanisms, and fostering new quality productive forces in AI+, low-altitude economy, biomanufacturing, and quantum technologies.

HSZ China Fund was down 13.3% in USD in March. The biggest positive contribution came from Yangtze Power and Nongfu Spring. The biggest negative contribution came from Pop Mart and Xingyu Automotive.

Laopu announced its FY2025 results and Q1 2026 operating data. In 2025, revenue reached CNY 27 billion, up 221%, with net profit of CNY 4.9 billion, up 230%. For Q1 2026, the company expects revenue of CNY 16.5–17.5 billion and net profit of CNY 3.6–3.8 billion, reaching 45% and 53% of full-year consensus, indicating strong growth momentum. As a distinctive luxury brand in the ancient Chinese gold segment, Laopu consistently provides cultural and emotional value to consumers. It currently shares over 80% of client overlap with global luxury brands such as Louis Vuitton and Cartier. Laopu is poised to continue gaining market share.

Tencent advances in AI Agents. Recently, the open-source AI agent OpenClaw gained significant traction, but its complex installation deterred many users. Tencent Cloud launched a one-click deployment template for OpenClaw, simplifying setup to under 5 minutes for easy access. Concurrently, Tencent unveiled its self-developed AI agent, Q-Claw, which deeply integrates OpenClaw's ecosystem capabilities, supports cross-platform operation and multi-scenario services, further expanding intelligent interaction.

Xingyu announced its FY2025 result. Revenue reached CNY 4.5 billion, up 13%, with net profit up of CNY 520 million, up 22%. Its revenue is well-diversified, led by Chery (20%), the FAW JV (20%), and Seres/Huawei (17%), with 45% coming from NEVs. The company aims to grow its domestic market share from 15% in 2025 to 20% by 2030, driven by advanced headlamp technologies. It targets overseas revenue of CNY 2B in 2027 and CNY 7B by 2030, supported by potential new contracts with the European clients in 2H26. It is also in active discussions with Chinese humanoid robot clients, marking a strategic move into a new vertical.

## 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: pfcslux@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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