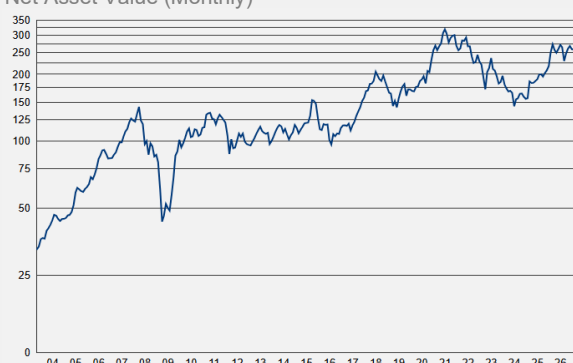


Figures as of	September 30, 2026
Net Asset Value	USD 236.81, CHF 153.97, EUR 266.99
Fund Size	USD 164.5 million
Inception Date*	May 27, 2003
Cumulative Total Return	628.7% in USD
Annualized Total Return	8.9% in USD

* 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

	September	YTD	1 Year	May 2003
USD Class	(8.6%)	(9.0%)	(13.2%)	628.7%
CHF Class	(5.7%)	(4.4%)	(9.3%)	358.9%
EUR Class	(6.6%)	(6.0%)	(10.2%)	648.4%

Largest Holdings

China Yangtze Power	7.0%	
Midea Group	6.7%	
Tencent Holdings	6.4%	
Jereh Oilfield Services	5.6%	
Sieyuan Electric	5.5%	
Envicool Technology	5.0%	

Exposure

Consumer Discretionary	21.8%	
Information Technology	17.6%	
Industrials	17.6%	
Consumer Staples	10.6%	
Utilities	7.0%	
Cash	4.7%	

Newsletter September 2026

- China ramps up coordinated counter-cyclical easing
- HSZ China Fund declined 8.6% in USD in September
- Alibaba pivots to Agentic Cloud and scales AI infrastructure
- CXMT accelerates DRAM process and capacity expansion
- Envicool expands its global high-end AI liquid cooling foothold

China ramps up coordinated counter-cyclical easing. The People's Bank of China (PBOC) is cutting policy lending rates, expanding re-lending quotas for tech upgrades and SMEs, offering first-home mortgage subsidies, and accelerating special purpose bond issuance for infrastructure. The package aims to stabilize property demand, lift private investment, and revive consumption. In addition, the recent U.S.-China leadership meeting produced important outcomes: both sides agreed to maintain high-level communication, stabilize trade relations, manage differences, and avoid further escalation, which should reduce near-term geopolitical uncertainty and support market sentiment.

HSZ China Fund declined 8.6% in USD in September. The biggest positive contribution came from Xtalpi and Yangtze Power. The biggest negative contribution came from Envicool and Jereh Group.

Alibaba pivots to Agentic Cloud and scales AI infrastructure. At the Apsara Conference, Alibaba Cloud introduced new tools to help companies build and use AI assistants more easily, while targeting a major expansion of global data center capacity by 2032. Its chip unit previewed a new AI chip that is much more powerful than its predecessor, with mass production planned for early 2027. Alibaba is also upgrading its Qwen models and embedding them into Honor smartphones to expand consumer AI coverage.

CXMT accelerates DRAM process and capacity expansion. On September 20, it announced mass production of its latest-generation memory technology, which should materially improve output efficiency and support new mobile memory products. CXMT also unveiled a CNY 34.9bn investment plan, using part of its oversubscribed IPO proceeds for a new R&D project and a second-phase testing facility to strengthen its integrated manufacturing model. Additionally, the company restructured some of its existing capital and investments to better support its ongoing capacity expansion projects.

Envicool expands its global high-end AI liquid cooling foothold. The company successfully partnered with Intel to provide customized liquid cooling systems for advanced AI computing machines. This major design win marks Envicool's breakthrough into Intel's next-generation hardware ecosystem, proving its world-class technical capabilities in cooling high-power AI servers. While not immediately generating revenue, it significantly raises the company's potential to win more global clients in the future. Envicool also joined a regional innovation consortium to help establish industry-wide standards for liquid cooling, accelerating its adoption across the tech sector.

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.

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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
CHF Class	Bloomberg HSZCHID SW Equity ISIN CH0026828068, Valor 2682806 WKN A0LC14
EUR Class	Bloomberg HSZCFCH SW Equity ISIN CH0026828092, Valor 2682809 WKN A0LC15
	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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