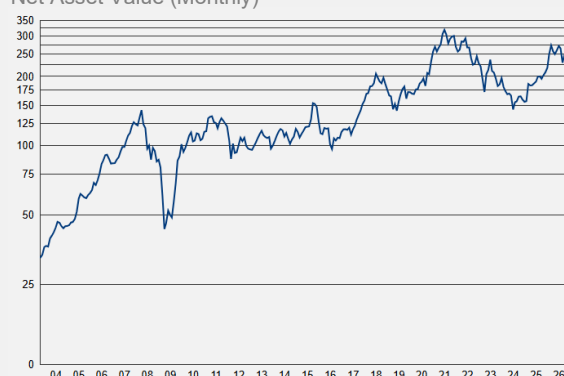


Figures as of	May 29, 2026
Net Asset Value	USD 260.11, CHF 158.97, EUR 286.17
Fund Size	USD 183.4 million
Inception Date*	May 27, 2003
Cumulative Total Return	700.3% in USD
Annualized Total Return	9.5% in USD

* 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

	May	YTD	1 Year	May 2003
USD Class	5.1%	(0.1%)	28.4%	700.4%
CHF Class	4.6%	(1.3%)	22.1%	373.8%
EUR Class	5.6%	0.8%	24.9%	702.2%

Largest Holdings

Leaderdrive	8.3%
Cambricon	6.4%
Naura Technology	6.2%
Montage Technology	5.9%
Xingyu Automotive	5.8%
Avary Holding	5.0%

Exposure

Information Technology	26.0%
Industrials	22.7%
Consumer Discretionary	21.9%
Consumer Staples	6.9%
Health Care	6.5%
Cash	5.4%

Newsletter May 2026

- Implementation of coordinated policy measures to support growth
- HSZ China Fund was up 5.1% in USD in May
- Avary Holding sustains capex
- Leaderdrive delivers strong growth
- Pop Mart reported robust Q1 result

Implementation of coordinated policy measures to support growth.

- China rolled out a broad policy package in May 2026 to support growth and market confidence. The People's Bank of China maintained an "appropriately loose" monetary stance to ensure liquidity, while the State Council advanced measures to unify the national market and reduce logistics costs. Policymakers also strengthened support for the private sector, and the Shenzhen Stock Exchange introduced a fourth ChiNext listing standard focused more on growth potential and technological innovation than on historical profitability, helping broaden financing access for emerging companies and support capital market activity.

HSZ China Fund was up 5.1% in USD in May. The biggest positive contribution came from Leaderdrive and Montage Technology. The biggest negative contribution came from Horizon Robotics and Xtalpi.

Avary Holding sustains capex. On May 25, Avary Holding acquired industrial land in Shenzhen to support future demand. Research on NVIDIA's Rubin platform suggests PCB value per cabinet could rise 233%, reinforcing the company's accelerated buildout of high-end PCB capacity. Overseas expansion is also progressing, with Phase I of its Thailand facility completed in H1 2025 and now in trial production, while Phases II and III are under construction.

Leaderdrive delivers strong growth. In Q1 2026, revenue rose 43.0% YoY to CNY 140 million, while net profit attributable to shareholders increased 61.2% YoY to CNY 32.6 million. Growth was driven by market share gains in industrial robotics, expansion in embodied AI robotics, and improved efficiency. At the May 13 AGM, Chairman Zuo said orders remained strong and production capacity was ramping up. The 500k-unit precision reducer project is now fully operational, and the new 213-acre base is under construction, with Phase I 35% complete and harmonic reducer capacity set to reach 300k units annually in 2026.

Pop Mart reported robust Q1 result. In the first quarter of 2026 revenue rose 75%–80% YoY, driven by exceptionally strong demand in Mainland China, where domestic revenue increased 100%–105% YoY. Overseas growth also remained solid, with revenue up 55%–60% in the Americas and 60%–65% in Europe and other regions, supported by global IP execution and store expansion in key Western cities. On May 20, Pop Mart also expanded its co-branding efforts by launching the "Twinkle Twinkle" blind box series with McDonald's in China, which drew large crowds following strong social media attention.

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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Contact & Website	HSZ (Hong Kong) Limited Unit 605A, 6/F, Tower 2 Lippo Centre, 89 Queensway Hong Kong Tel: +852 2287 2300 Fax: +852 2287 2380 www.hszgroup.com mail@hszgroup.com
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