

Figures as of	April 30, 2021
Net Asset Value	USD 294.86, CHF 209.10, EUR 312.18
Fund Size	USD 360.0 million
Inception Date*	May 27, 2003
Cumulative Total Return	796.5% in USD
Annualized Total Return	13.0% 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)



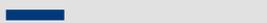
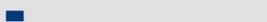
Performance

	April	YTD	1 Year	May 2003
USD Class	4.8%	(4.9%)	40.7%	796.5%
CHF Class	1.1%	(1.8%)	31.6%	515.9%
EUR Class	1.6%	(3.3%)	26.5%	764.4%

Largest Holdings

CATL	7.9%	
China Education Group	6.2%	
Haitian Flavouring & Food	5.5%	
SF Holding	5.1%	
Alibaba Health	5.1%	
Geely Automobile	4.8%	

Exposure

Industrials	25.7%	
Consumer Discretionary	19.9%	
Consumer Staples	19.6%	
Health Care	11.8%	
Financials	5.6%	
Cash	1.7%	

Newsletter April 2021

- China is finalizing laws on intellectual property protection
- HSZ China Fund was up 4.8% in April
- China Education Group delivered solid improvement in operations
- ESR completed the largest ever logistics acquisition in Australia
- The innovative drugs pipeline of Jiangsu Hengrui looks promising

China is finalizing laws on intellectual property protection. China has almost completed a plan for improving intellectual property protection. The draft supports China's current five year economic and social blueprint, as the country seeks to drive the next stage of its economic evolution and end its reliance on U.S. technologies.

HSZ China Fund was up 4.8% in April. Main performance driver was the ongoing reporting season for fiscal year 2020 and Q1 2021. Best performing stocks for the month were China Education Group and CATL both based on strong results. Proya Cosmetics was up 16% for the month despite an 8% correction post results due to higher-than-expected selling expenses. Worst performer was SF Holding in spite of >50% volume growth but higher cost due to temporary operational bottleneck, which we expect to ease in Q2 2021.

China Education Group delivery solid improvement in operations. The leading Chinese vocational school operator released its first half 2021 result with an excellent performance. Revenue grew 39% year over year to CNY 1.8 billion and net profit increased by 67% year over year to CNY 831 million. The company achieved a significant increase in its gross profit margin due to improvement in the acquired schools' operations. The Group will continue to execute its acquisition strategy by buying low efficiency schools at fair price with a potential to improve operation efficiency and quality of teaching, hence to delivery better returns.

ESR completed the largest ever logistics acquisition in Australia. In April 2020, ESR, together with its partner Singapore sovereign wealth fund GIC, agreed to buy Blackstone's Milestone Logistics portfolio in Australia for USD 2.9 billion. The portfolio, which includes properties in Sydney, Melbourne, Brisbane, Adelaide and Perth, is nearly equal in value to ESR's assets under management in Australia. After the acquisition, ESR is to benefit from the continued growth in demand for warehouse space, particularly as the robust demand for logistics real estate is expected to remain strong due to sustained growth in e-commerce.

The innovative drugs pipeline of Jiangsu Hengrui looks promising. Hengrui, a leading pharmaceutical company in China, maintained steady growth in 2020, in line with market expectations. In 2020, the company's revenue grew 19% to CNY 27.7 billion and core earnings were up 20% year over year. The company has spent CNY 5 billion R&D expenses last year, further processing its pharmaceutical projects. In 2020, the company obtained 6 production approvals and 82 clinical approvals for innovative drugs. We expect that the proportion of revenue generated by innovative drugs will continue to grow, providing long lasting impetus for growth.

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	Credit Suisse Funds AG
Custodian Bank	UBS Switzerland AG
Investment Manager	HSZ (Hong Kong) Limited
Auditors	PricewaterhouseCoopers AG

Management Fee	1.5% 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	UBS Switzerland AG IB Execution Hub Tel: +4144 239 1977
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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 fund volume 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 that 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 particular 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.

Disclaimer

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