

# HSZ China Fund

Investment fund under Swiss law established under  
the category "Other traditional investment funds"

Audited annual report as at December 31, 2023

# HSZ China Fund

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# HSZ China Fund

## ORGANISATION

<b>Fund Management Company</b>	FundPartner Solutions (Suisse) SA Route des Acacias 60, CH-1211 Geneva 73 Phone +41 (0) 58 323 37 77																										
<b>Custodian bank</b>	Banque Pictet & Cie SA Route des Acacias 60, CH-1211 Geneva 73 Phone +41 (0) 58 323 23 23																										
<b>Delegation of Investment Decisions</b>	HSZ (Hong Kong) Limited Unit 605A, 6/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, Hong Kong SAR																										
<b>Delegation of the operation of the IT system and calculation of the net asset value ("NAV")</b>	FundPartner Solutions (Europe) S.A., Luxemburg																										
<b>Delegation of processing of subscription and redemption orders</b>	FundPartner Solutions (Europe) S.A., Luxemburg																										
<b>Auditor</b>	PricewaterhouseCoopers SA Avenue Giuseppe-Motta 50, CH-1202 Geneva																										
<b>Paying Agent</b>	Banque Pictet & Cie SA																										
<b>Investment Objective</b>	The investment objective of the HSZ China Fund is to generate long-term capital gains, primarily through Chinese equity-related securities and security rights.																										
<b>Legal form</b>	HSZ China Fund is a contractual investment fund of the category "Other Funds for Traditional Investments" in accordance with Art. 25 et seq. in conjunction with Art. 68 et seq. of the Collective Investment Schemes Act (CISA) of June 23, 2006.  Last prospectus with integrated fund contract approved by the Swiss Financial Market Supervisory Authority (FINMA) on July 21, 2022, which came into effect on July 25, 2022.																										
<b>ISIN Codes and Launch dates</b>	<table><thead><tr><th>Sub-fund</th><th>Class of Units</th><th>ISIN Code</th><th>Launch date</th></tr></thead><tbody><tr><td rowspan="7">HSZ China Fund</td><td>-A USD-</td><td>CH0026828035</td><td>17/11/2006</td></tr><tr><td>-A CHF-</td><td>CH0026828068</td><td>17/11/2006</td></tr><tr><td>-A EUR-</td><td>CH0026828092</td><td>20/11/2006</td></tr><tr><td>-C USD-</td><td>CH0285686041</td><td>01/10/2015</td></tr><tr><td>-C CHF-</td><td>CH0285685803</td><td>01/10/2015</td></tr><tr><td>-I USD-</td><td>CH0368454085</td><td>26/03/2021</td></tr><tr><td>-I CHF-</td><td>CH0368452204</td><td>23/08/2017</td></tr></tbody></table>	Sub-fund	Class of Units	ISIN Code	Launch date	HSZ China Fund	-A USD-	CH0026828035	17/11/2006	-A CHF-	CH0026828068	17/11/2006	-A EUR-	CH0026828092	20/11/2006	-C USD-	CH0285686041	01/10/2015	-C CHF-	CH0285685803	01/10/2015	-I USD-	CH0368454085	26/03/2021	-I CHF-	CH0368452204	23/08/2017
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<b>Reference currency</b>	USD																										
<b>Issues &amp; redemptions</b>	Subscription and redemption orders received by the custodian bank by the time stated in the table at the end of the prospectus on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing).																										

# HSZ China Fund

## ORGANISATION (continued)

Payment day	Four bank business days after the valuation day.																
Appropriation of net income	The net income of the investment fund shall be distributed annually to investors within four months of the end of the financial year in the reference currency of the unit class concerned. The fund management company may make additional interim distributions from the income.																
Taxes	Distributions of income made by the investment fund to investors domiciled in Switzerland are subject to Swiss federal withholding tax (source tax) at 35%.																
Compensation of the fund management company	<p>1. The fund management company and custodian bank are entitled to the following commissions:</p> <p>a) Compensation of the fund management company</p> <p>The fund management company's commission is made up as follows:</p> <ul style="list-style-type: none"><li>- for the management of the investment fund, the fund management company will charge an annual commission of a maximum of 0.12% of the fund's net asset value, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out quarterly.</li><li>- for the asset management and distribution of the investment fund, the fund management will charge an annual fee of the fund's net asset value according to the table below, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out monthly. The management fee may be charged to the investment fund and transferred directly to the asset manager and/or distribution partner.</li></ul>																
	<table border="1"><thead><tr><th>Class of Units</th><th>Management Fee</th></tr></thead><tbody><tr><td>-A USD-</td><td>1.35%</td></tr><tr><td>-A CHF-</td><td>1.35%</td></tr><tr><td>-A EUR-</td><td>1.35%</td></tr><tr><td>-C USD-</td><td>0.90%</td></tr><tr><td>-C CHF-</td><td>0.90%</td></tr><tr><td>-I USD-</td><td>0.90%</td></tr><tr><td>-I CHF-</td><td>0.90%</td></tr></tbody></table>	Class of Units	Management Fee	-A USD-	1.35%	-A CHF-	1.35%	-A EUR-	1.35%	-C USD-	0.90%	-C CHF-	0.90%	-I USD-	0.90%	-I CHF-	0.90%
Class of Units	Management Fee																
-A USD-	1.35%																
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-I USD-	0.90%																
-I CHF-	0.90%																
	<p>b) Compensation of the custodian bank</p> <p>For the tasks of the custodian bank, such as the safekeeping of the assets of the investment fund, the handling of payment transactions and the other tasks listed in § 4, the custodian bank will charge an annual commission of a maximum of 0.10% of the fund's net asset value, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out quarterly.</p>																
Restrictions	Fund units may not be offered, sold or delivered within the United States. Shares in the investment fund may not be offered, sold or delivered to US citizens or persons resident in the US and/or other natural or legal persons whose income and/or profits, regardless of their origin, are subject to US income tax, or to persons who are US persons under Regulation S of the US Securities Act of 1933, as amended, and/or the US Commodity Exchange Act, as amended..																
Domicile	Switzerland																
Rights of unitholders and potential investors	The prospectus with integrated fund contract, the Key Investor Information Document (KIID) and the latest annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.																
Publications	<a href="http://www.swissfunddata.ch">www.swissfunddata.ch</a>																

# HSZ China Fund

## MARKET REVIEW

### Unaudited Report on Activities from January 1, 2023 to December 31, 2023\*

#### Review

In 2023, China's economy navigated through significant challenges. The anticipated resurgence in China's post-pandemic economy was eclipsed by challenges from a high-interest rate environment impacting global supply and demand, and a slower-than-expected revival of domestic consumer demand. Internationally, the Israel-Hamas conflict and a stock market surge in the US artificial intelligence (AI) sector sparked risk aversion and led to significant capital outflow. Amid this challenging backdrop, certain companies managed to outperform, while the government engaged in calibrated initiatives to stabilize the economy and guide it towards a steady recovery.

Reconnecting to the world marked the start of the year. High-level visits from global leaders, including the French President Emmanuel Macron, early on set a definitive tone for the year, signaling a revival and strengthening of diplomatic and economic ties as China reopened its borders. The China Development Forum in March further exemplified this reconnection, as prominent business leaders like Tim Cook from Apple, Peter Wennink from ASML, and Mark Schneider from Nestle visited China and reaffirming their commitment to business relationships with the country. By the year end, China introduced visa-free entry for citizens of several European countries, including Germany, and France, marking a first in its diplomatic history. All these reflected China's commitment to fostering greater global connectivity and openness.

The US-China relations witnessed key moments of diplomatic re-engagement and renewed dialogue. Key diplomatic visits and high-level talks by US dignitaries, including Secretary of State Anthony Blinken and Treasury Secretary Janet Yellen, set a collaborative tone. The emphasis on climate and technology collaboration was highlighted by California Governor Gavin Newsom's China visit in October. In November, the diplomatic zenith was reached during President Xi's visit to the APEC Conference in California, marked by a meeting with President Biden and discussions with leading CEOs, including Satya Nadella from Microsoft, Elon Musk from Tesla, and Jane Fraser from Citigroup, reaffirming the commitment to Sino-American economic and technology partnerships.

The international venture of Chinese businesses reflected a notable evolution in global market dynamics. Under the Belt and Road initiative, domestic express delivery companies revolutionized logistics in the Middle East and North Africa with digitalization and automation, while pledging to invest USD 2 billion in the logistics network in the next five years. Platforms like Shein, TikTok Shop and TEMU led the charge in e-commerce and digital marketing innovation, altering the landscape of the global retail industry. This trajectory underscores China's pivotal role in shaping global economic trends, cementing its position as a key driver of innovation and connectivity in the international market.

The high-end manufacturing sector also made significant strides. The Comac C919, a domestically designed narrowbody plane, commenced commercial operations on the busiest Beijing-Shanghai route in May. With growing appetite for electric vehicles (EV) globally, China has overtaken Japan to become the world's largest car exporter, with BYD surpassing Tesla as the top EV seller. In August, Huawei's launch of its new high-end Mate 60 Pro, featuring a home-grown 7-nanometer processor, marked a leap in the domestic chip manufacturing industry. The country is rapidly realizing its vision of self-reliance in cutting-edge technologies.

The approach to economic stimulation was marked by prudence, aiming to balance immediate growth needs with the avoidance of long-term risks from extensive stimulus. At the start of the year, the government adjusted lending policies to support home buyers in regions with declining property sales. Commercial banks lowered deposit rates to stimulate consumer spending, reflecting a strategic approach to revitalize economic activity. In the real estate sector, the government endorsed debt restructuring for beleaguered property developers, including Sunac and Country Garden. In October, the approval of a 1 trillion CNY sovereign bond issuance targeting urban infrastructure represented a deliberate effort to reinforce economic growth.

The Chinese equity market in 2023 grappled with significant challenges, leading to its third consecutive year of negative returns. Factors contributing to this downturn included persistently high global interest rates, capital outflows triggered by the AI boom in the US and the Israel-Hamas war, uncertainties in China's uneven economic recovery, and disappointment towards the Government's conservative approach to stimulus policies. During the year, the MSCI China Index contracted 13.3% in USD terms, making it one of the worst performers among global regions.

# HSZ China Fund

## MARKET REVIEW (continued)

### Stock Market and Investment Policy

During the reporting period, HSZ China Fund lost 22.5% in USD terms, of which 2.0% is from currency depreciation. The best performers were PDD Holdings, a leading Chinese e-commerce platform expanding overseas, Taiwan Semiconductor Manufacturing Company (TSMC), the world largest semiconductor company, and Midea, China's largest home appliance company.

PDD Holdings stood out as the top performer and gained 71.1% in 2023. The e-commerce platform capitalized on the 'value-for-money' trend in China's consumer market, where emphasis on cost-effectiveness and quality prevails. Its international arm, TEMU, is rapidly outpacing traditional brick-and-mortar discounters like dollar stores and other online competitors, solidifying PDD's ascent in the global e-commerce arena with its strategic expansion.

TSMC registered a 37.1% total return in 2023. The company's performance was underpinned by its strategic capacity expansion, enhanced production yields, and heightened demand for high-performance chips, primarily driven by AI and data centers. Capitalizing on the key growth drivers, TSMC is well-positioned to maintain its robust position in the semiconductor industry.

Midea recorded a 5.1% total return in 2023. The company's performance was bolstered by the stabilization of the real estate industry and its ongoing profitability enhancements. With increased efforts to diversify away from the real estate sector, Midea is well-positioned to capitalize on broader market opportunities and sustain its growth trajectory in across consumer goods, commercial equipment, and industrial robots.

The fund performance was mainly dragged by companies including China Education Group, the education company investing in vocational training, LONGi Green Energy, a leading player in the solar industry, and Haitian Flavouring, the largest condiment manufacturer in China.

China Education Group recorded a -53.8% total return in 2023. Though operating in the vocational training but not the heavily regulated K12 industry, the company was derated heavily as investors feared regulatory expansion from the Ministry of Education and worried about its future pricing power, profitability, and acquisitive growth.

LONGi recorded a -45.6% total return in 2023. The aggressive capacity expansion of new entrants harmed the price of solar module and caused investor concerns over market oversupply.

Haitian Flavouring recorded a -42.3% total return in 2023. The company faced challenges as extended COVID lockdowns over the past three years significantly impacted the catering industry, particularly smaller establishments which form a substantial portion of Haitian's customer base. This situation hampered the company's progress towards normalization.

# HSZ China Fund

## MARKET REVIEW (continued)

### Outlook

Moving into 2024, we anticipate a gradual stabilization and resurgence of China's economy. Following a period of sluggish growth, the government is likely to introduce broader stimulus measures, aimed at revitalizing consumer confidence and stabilizing the market.

AI is poised to be a key growth driver for the next decade. In March, the release of Baidu's large language model (LLM) Wenxin Yiyan marked the beginning of a major competition among domestic players. Soon after, major tech companies such as Alibaba, Huawei, Tencent, iFlytek, and ByteDance all introduced their own LLMs and stepped up their investments in AI. We are confident that AI-enabled software and robotics will spearhead innovation and enhance social productivity in the years to come, heralding enormous investment opportunities.

Reflecting on three years of negative performance, Chinese equities currently stand at historically low valuations compared to other emerging markets, Japan, and the US. Persistent inflation has pushed back expectations of interest rate cuts by the Federal Reserve, casting a shadow over global market performance. The impending US presidential election could introduce further volatility to the US market. Although China's path to recovery appears uneven, we believe that the commencement of economic and valuation recovery is on the horizon, bolstered by the country's enduring economic vitality. We take a cautious yet constructive perspective position, considering the potential impacts of continued inflation, regulatory shifts, and the evolving Sino-US relationship.

HSZ China Fund is strategically aligned to leverage China's stabilization, recovery, and enduring success. Despite uncertainties in China's demand, our overseas-driven investments are well-placed. Our positions in the food & beverage and cosmetics sectors are capitalizing on the current market challenges, aggressively capturing market share from both domestic and international competitors. Additionally, the promising prospects in AI and robotics are poised to drive superior performance in the technology and industrial sectors. The fund's PE is at a historical low, yet our portfolio companies continue to exhibit comparable, if not superior, quality relative to their historical standards.

In the current challenging environment, our investment approach, which focuses on selecting long-term winners with a franchise, growing inner strength and attractive valuations, is the key to identifying companies that can achieve above-average results in the long term, even in a difficult market.

\* The information stated relates to the period under review and is not indicative of future returns.

# HSZ China Fund

## STATEMENT OF NET ASSETS

	31.12.2023	31.12.2022
	USD	USD
Due from banks, including fiduciary deposits with third-party banks, broken down into:		
- Sight deposits	2,810,461.54	1,566,992.03
Dividends receivable	212,876.69	58,324.97
Securities, including those on loan and under repurchase agreements, broken down into:		
- Structured products	20,806,525.94	20,707,486.63
- Shares and other equity securities and rights	111,630,874.57	180,545,320.59
Derivative financial instruments:		
- Warrants	3,755,155.06	6,693,759.37
<b>TOTAL ASSETS OF THE FUND</b>	<b>139,215,893.80</b>	<b>209,571,883.59</b>
<b>Less:</b>		
- Other liabilities	190,624.93	272,521.47
<b>NET ASSETS OF THE FUND</b>	<b>139,025,268.87</b>	<b>209,299,362.12</b>
<b>Number of units outstanding</b>		
-A USD- units	156,231.110	255,798.360
-A CHF- units	180,963.250	185,189.670
-A EUR- units	1,936.230	2,098.230
-C USD- units	56,843.300	78,610.040
-C CHF- units	62,810.920	81,988.920
-I USD- units	80,000.000	80,000.000
-I CHF- units	417,973.760	417,973.760
<b>Net asset value per unit (in class currency)</b>		
-A USD- units	167.09	215.57
-A CHF- units	109.12	154.97
-A EUR- units	193.48	258.80
-C USD- units	174.38	223.96
-C CHF- units	114.21	161.46
-I USD- units	174.37	223.96
-I CHF- units	113.18	160.01

# HSZ China Fund

## INCOME STATEMENT

	01.01.2023 31.12.2023	01.01.2022 31.12.2022
	USD	USD
Income from securities, broken down by:		
- Structured products	198,073.98	-
- Shares and other equity securities and rights, including income from bonus shares	2,490,170.24	2,551,933.13
Current net income paid in on issued units	-6,631.01	-14,828.59
<b>TOTAL INCOME</b>	<b>2,681,613.21</b>	<b>2,537,104.54</b>
<b>Less:</b>		
Negative interest (long position)	-	1,360.15
Passive interest (short position)	3,229.60	2,592.45
Audit expenses	15,413.27	13,397.94
Remunerations to the following in accordance with the fund regulations:		
- to the fund management company (1)	133,640.77	184,923.05
- to the custodian bank (2)	135,182.43	184,249.16
- to the asset manager (3)		
-A USD- units	553,265.50	884,185.67
-A CHF- units	393,721.58	456,612.73
-A EUR- units	8,876.48	11,638.33
-C USD- units	129,840.79	227,466.94
-C CHF- units	104,656.82	208,325.25
-I USD- units	144,928.48	185,629.55
-I CHF- units	586,918.98	699,283.17
Other expenses	13,744.42	29,137.64
Partial transfer of expenditure on realised capital gains and losses		
-A USD- units	-10,525.11	-17,179.54
-A CHF- units	-6,463.22	-7,820.93
-A EUR- units	-134.86	-307.83
Current net income paid out on redeemed units	53,619.86	-106,003.31
<b>TOTAL EXPENSES</b>	<b>2,259,915.79</b>	<b>2,957,490.42</b>
<b>NET INCOME</b>	<b>421,697.42</b>	<b>-420,385.88</b>
Realised capital gains and losses	-46,610,333.53	15,379,186.35
<b>REALISED NET INCOME</b>	<b>-46,188,636.11</b>	<b>14,958,800.47</b>
Unrealised capital gains and losses (variation)	6,298,957.49	-80,012,012.69
<b>TOTAL NET INCOME</b>	<b>-39,889,678.62</b>	<b>-65,053,212.22</b>
Net income per unit:		
-A USD- units	0.00	-1.00
-A CHF- units	-0.02	-0.79
-A EUR- units	-0.02	-1.22
-C USD- units	0.83	-0.03
-C CHF- units	0.65	-0.02
-I USD- units	0.83	-0.03
-I CHF- units	0.65	-0.02

# HSZ China Fund

## INCOME STATEMENT

Actual rates of remuneration (in % of net asset value):

	(1) to the fund management company		(2) to the custodian bank		(3) to the asset manager	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
-A USD- units	0.08%	0.08%	0.07%	0.08%	1.35%	1.35%
-A CHF- units	0.08%	0.08%	0.08%	0.08%	1.35%	1.35%
-A EUR- units	0.08%	0.08%	0.08%	0.07%	1.35%	1.35%
-C USD- units	0.08%	0.08%	0.07%	0.07%	0.90%	0.90%
-C CHF- units	0.08%	0.08%	0.07%	0.07%	0.90%	0.90%
-I USD- units	0.08%	0.08%	0.08%	0.07%	0.90%	0.90%
-I CHF- units	0.08%	0.08%	0.08%	0.08%	0.90%	0.90%

# HSZ China Fund

## APPROPRIATION OF NET INCOME

	31.12.2023	31.12.2022
	USD	USD
<b>HSZ China -A USD-</b>		
Net income of the year	-222.33	-255,966.10
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	222.33	255,966.10
Balance brought forward from the previous financial year	61,416.64	61,416.64
Available for distribution	61,416.64	61,416.64
Dividends 2023	0.00	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>61,416.64</b>	<b>61,416.64</b>
<b>HSZ China -A CHF-</b>		
Net income of the year	-3,245.38	-146,407.77
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	3,245.38	146,407.77
Balance brought forward from the previous financial year	44,699.16	44,699.16
Available for distribution	44,699.16	44,699.16
Dividends 2023	0.00	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>44,699.16</b>	<b>44,699.16</b>
<b>HSZ China -A EUR-</b>		
Net income of the year	-36.08	-2,562.81
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	36.08	2,562.81
Balance brought forward from the previous financial year	738.60	738.60
Available for distribution	738.60	738.60
Dividends 2023	0.00	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>738.60</b>	<b>738.60</b>

# HSZ China Fund

## APPROPRIATION OF NET INCOME (continued)

	31.12.2023 USD	31.12.2022 USD
<b>HSZ China -C USD-</b>		
Net income of the year	47,397.06	-2,221.80
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	0.00	2,221.80
Balance brought forward from the previous financial year	36,090.75	36,090.75
Available for distribution	83,487.81	36,090.75
Dividends 2023 *	83,487.81	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>0.00</b>	<b>36,090.75</b>
<b>HSZ China -C CHF-</b>		
Net income of the year	40,963.72	-1,812.27
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	0.00	1,812.27
Balance brought forward from the previous financial year	41,108.01	41,108.01
Available for distribution	82,071.73	41,108.01
Dividends 2023 *	82,071.73	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>0.00</b>	<b>41,108.01</b>
<b>HSZ China -I USD-</b>		
Net income of the year	66,704.71	-2,260.48
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	0.00	2,260.48
Available for distribution	66,704.71	0.00
Dividends 2023	0.00	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>66,704.71</b>	<b>0.00</b>

\* Dividend details in shareclass currency can be found on page 16.

# HSZ China Fund

## APPROPRIATION OF NET INCOME (continued)

	31.12.2023	31.12.2022
	USD	USD
<b>HSZ China -I CHF-</b>		
Net income of the year	270,135.72	-9,154.62
Coverage of the loss for the financial year by transfer to the accumulated gains and losses on price account	0.00	9,154.62
Balance brought forward from the previous financial year	64,746.47	64,746.47
Available for distribution	334,882.19	64,746.47
Dividends 2023	0.00	
Dividends 2022		0.00
<b>Amount carried forward to new account</b>	<b>334,882.19</b>	<b>64,746.47</b>

# HSZ China Fund

## NUMBER OF UNITS OUTSTANDING AND CHANGES IN NET ASSETS OF THE FUND

		Number of units		Number of units	
<b>-A USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	255,798.36	01.01.2022	302,449.36	
Units issued		7,530.59		9,593.00	
Units redeemed		-107,097.84		-56,244.00	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>156,231.11</b>	<b>31.12.2022</b>	<b>255,798.36</b>	
<b>-A CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	185,189.67	01.01.2022	188,429.83	
Units issued		19,853.43		6,695.61	
Units redeemed		-24,079.85		-9,935.77	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>180,963.25</b>	<b>31.12.2022</b>	<b>185,189.67</b>	
<b>-A EUR- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	2,098.23	01.01.2022	3,688.23	
Units issued		934.00		0.00	
Units redeemed		-1,096.00		-1,590.00	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>1,936.23</b>	<b>31.12.2022</b>	<b>2,098.23</b>	
<b>-C USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	78,610.04	01.01.2022	146,986.02	
Units issued		8,366.99		7,140.04	
Units redeemed		-30,133.73		-75,516.02	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>56,843.30</b>	<b>31.12.2022</b>	<b>78,610.04</b>	
<b>-C CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	81,988.92	01.01.2022	167,375.92	
Units issued		3,092.00		12,603.00	
Units redeemed		-22,270.00		-97,990.00	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>62,810.92</b>	<b>31.12.2022</b>	<b>81,988.92</b>	
<b>-I USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	80,000.00	01.01.2022	100,000.00	
Units issued		0.00		0.00	
Units redeemed		0.00		-20,000.00	
<b>Statement as at</b>	<b>31.12.2023</b>	<b>80,000.00</b>	<b>31.12.2022</b>	<b>80,000.00</b>	

# HSZ China Fund

## NUMBER OF UNITS OUTSTANDING AND CHANGES IN NET ASSETS OF THE FUND

		Number of units		Number of units	
<b>-I CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	417,973.76	01.01.2022	420,073.76	
Units issued		0.00		0.00	
Units redeemed		0.00		-2,100.00	
Statement as at	31.12.2023	417,973.76	31.12.2022	417,973.76	
		USD		USD	
<b>CHANGE IN NET ASSETS OF THE SUB-FUND</b>					
Net assets of the Subfund	01.01.2023	209,299,362.12	01.01.2022	349,882,111.79	
Balance of unit movements		-30,384,414.63		-75,529,537.45	
Total result		-39,889,678.62		-65,053,212.22	
Net assets of the Subfund	31.12.2023	139,025,268.87	31.12.2022	209,299,362.12	

# HSZ China Fund

## DATA CONCERNING THE THREE PREVIOUS YEARS

	31.12.2023 USD	31.12.2022 USD	31.12.2021 USD
<b>Net asset value of the subfund</b>	139,025,268.87	209,299,362.12	349,882,111.79
<b>Net Asset Value per unit (in shareclass currency)</b>			
-A USD- units	167.09	215.57	296.08
-A CHF- units	109.12	154.97	210.97
-A EUR- units	193.48	258.80	335.26
-C USD- units	174.38	223.96	306.21
-C CHF- units	114.21	161.46	218.82
-I USD- units	174.37	223.96	306.21
-I CHF- units	113.18	160.01	216.84
<b>Dividend (in shareclass currency) *</b>			
-C USD- units			
Gross dividend per Unit	1.4687	0.0000	0.0000
Withholding tax (35%)	0.5140	0.0000	0.0000
Net dividend per share	0.9547	0.0000	0.0000
-C CHF- units			
Gross dividend per Unit	1.0941	0.0000	0.0000
Withholding tax (35%)	0.3829	0.0000	0.0000
Net dividend per share	0.7112	0.0000	0.0000
	<b>Number of units</b>	<b>Number of units</b>	<b>Number of units</b>
<b>Units outstanding</b>			
-A USD- units	156,231.110	255,798.360	302,449.362
-A CHF- units	180,963.250	185,189.670	188,429.825
-A EUR- units	1,936.230	2,098.230	3,688.229
-C USD- units	56,843.300	78,610.040	146,986.022
-C CHF- units	62,810.920	81,988.920	167,375.916
-I USD- units	80,000.000	80,000.000	100,000.000
-I CHF- units	417,973.760	417,973.760	420,073.755

\* Rounded to four decimal places.

# HSZ China Fund

## ADDITIONAL INFORMATION

1) Derivative financial instruments	Information as at 31.12.2023	Total	% of the sub-fund's net assets
		USD	
	The sub-fund's net assets	139,025,268.87	100.00%
	Total gross liabilities resulting from derivatives	3,762,408.96	2.71%
	Total net liabilities resulting from derivatives	3,762,408.96	2.71%
	Liabilities resulting from securities lending and repurchase operations	0.00	0.00%

The information as at 31.12.2023, is presented using the "Commitment II" approach

2) Securities Lending On the balance sheet date, no transferable securities were the object of a securities lending agreement.

3) Repurchase agreements On the balance sheet date, no transferable securities were the object of a repurchase agreement.

4) Performance (%) (dividends reinvested)	2023	2022	2021
-A USD- units	-22.49	-27.19	-4.50
-A CHF- units	-29.59	-26.54	-0.90
-A EUR- units	-25.24	-22.81	3.80
-C USD- units	-22.14	-26.86	-4.10
-C CHF- units	-29.26	-26.21	-0.50
-I USD- units (*)	-22.14	-26.86	6.10
-I CHF- units	-29.27	-26.21	-0.50

*For the units -A CHF-, -A EUR-, -C CHF- and -I CHF-, the performance was calculated on the basis of the net asset value in the currency of the shareclass.*

*(\*) Shareclass -I USD- launched on March 26, 2021.*

Past performance does not constitute a guarantee of future performance. Performance data does not take into account fees received in respect of the issue and redemption of units.

The fund contract does not mention an index since the objective of the fund is not to overperform an index, but to generate an absolute performance.

# HSZ China Fund

## ADDITIONAL INFORMATION (continued)

5) Total Expense Ratio (%)	2023	2022
-A USD- units	1.52	1.52
-A CHF- units	1.52	1.52
-A EUR- units	1.52	1.52
-C USD- units	1.07	1.07
-C CHF- units	1.07	1.07
-I USD- units	1.07	1.07
-I CHF- units	1.07	1.07

6) Disclosure of the soft commission agreements The Fund Management Company did not conclude soft commission agreements.

# HSZ China Fund

## INVENTORY OF THE FUND ASSETS AS AT 31.12.2023

Titles	Total as at 31.12.2022	Purchases	Sales	Total as at Currency 31.12.2023	Market value (in USD)	% of the total assets of the fund
<b>BANK RECEIVABLE</b>						
<b>- DEPOSITS AT SIGHT</b>						
CHF				CHF	120,730.48	0.09
CNY				CNY	62,755.40	0.05
EUR				EUR	56,144.60	0.04
HKD				HKD	1,991,523.70	1.43
USD				USD	579,307.36	0.42
<b>TOTAL DEPOSITS AT SIGHT</b>					<b>2,810,461.54</b>	<b>2.02</b>
<b>TOTAL BANK RECEIVABLE</b>					<b>2,810,461.54</b>	<b>2.02</b>
<b>STRUCTURED PRODUCTS</b>						
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>						
<b>HONG KONG</b>						
CENTRE TEST 'A' P-NOTE (CICC) 21/24	3,455,000	0	435,600	3,019,400	USD 5,953,049.04	4.28
MIDEA GRP 'A' P-NOTE (CICC) 22/25	354,000	0	170,000	184,000	USD 1,414,588.32	1.02
PROYA 'A' P-NOTE (CICC) 23/26	0	595,852	0	595,852	USD 8,335,004.20	5.99
					<b>15,702,641.56</b>	<b>11.28</b>
<b>SINGAPORE</b>						
OPT MAC VITECH'A'P-NOTE(CLSA) 21/26	360,253	0	0	360,253	USD 5,103,884.38	3.67
					<b>5,103,884.38</b>	<b>3.67</b>
<b>TOTAL STRUCTURED PRODUCTS</b>					<b>20,806,525.94</b>	<b>14.95</b>
<b>SHARES AND OTHER EQUITY SECURITIES AND RIGHTS</b>						
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>						
<b>BERMUDA</b>						
MAN WAH HOLDINGS	0	4,591,200	0	4,591,200	HKD 3,144,528.97	2.26
					<b>3,144,528.97</b>	<b>2.26</b>
<b>CAYMAN ISLANDS</b>						
ALIBABA GROUP HOLDING	1,183,100	0	185,200	997,900	HKD 9,657,938.26	6.94
ANTA SPORTS PRODUCTS	0	502,600	0	502,600	HKD 4,873,946.17	3.50
CHINA EDUCATION GROUP HOLDINGS S	8,349,000	309,413	8,658,413	0	HKD 0.00	0.00
ESR GROUP	4,552,400	0	4,552,400	0	HKD 0.00	0.00
MEITUAN 'B' 144A/S	0	409,100	0	409,100	HKD 4,289,325.34	3.08
PDD HOLDINGS "A" -ADR SPONS-	0	131,100	49,000	82,100	USD 11,933,235.00	8.57
TENCENT HOLDINGS	0	170,200	0	170,200	HKD 6,397,218.93	4.60
					<b>37,151,663.70</b>	<b>26.69</b>
<b>CHINA</b>						
A-LIVING SMART CITY SER. 'H' 144A/S	6,682,750	0	6,682,750	0	HKD 0.00	0.00
BEIJING ORIENTAL YUHONG WATER 'A'	535,100	0	0	535,100	CNY 1,448,618.43	1.04
CALB	1,324,600	0	0	1,324,600	HKD 2,984,509.91	2.14
CHINA YANGTZE POWER 'A'	2,060,710	2,274,500	2,060,710	2,274,500	CNY 7,485,220.84	5.38
CHONGQING FULING ZHACAI GROUP 'A'	2,317,215	695,164	3,012,379	0	CNY 0.00	0.00
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	78,957	63,165	20,900	121,222	CNY 2,790,480.95	2.00
EASTROC BEV 'A'	0	213,200	0	213,200	CNY 5,486,453.35	3.94
FOCUS TECHNO 'A'	0	639,540	0	639,540	CNY 2,987,493.53	2.15

The purchases include the following transactions: purchases, new shares from subscription rights, new shares based on portfolio securities, conversions, distribution of securities, exchanges, assets allocation, subscriptions, split/spin off, bonus shares, transfers, etc. The sales include the following transactions: exchanges, exercises of subscription rights and options, repayments/payoffs, reverse-splits, exits at maturity date, drawing lots, transfers, sales, etc.

# HSZ China Fund

## INVENTORY OF THE FUND ASSETS AS AT 31.12.2023

Titles	Total as at 31.12.2022	Purchases	Sales	Total as at 31.12.2023	Currency	Market value (in USD)	% of the total assets of the fund
FOSHAN HAITIAN FLAV.& FOOD CO 'A'	1,039,707	160,121	380,100	819,728	CNY	4,386,310.54	3.15
LIANCHUANG ELECTRONIC TECH. 'A'	0	4,428,400	503,000	3,925,400	CNY	5,651,028.34	4.06
LONGI GREEN ENERGY TECH. 'A'	1,040,250	1,066,000	1,164,500	941,750	CNY	3,040,807.56	2.18
LUXSHARE PRECISION INDUSTRY 'A'	2,893,586	0	2,893,586	0	CNY	0.00	0.00
MIDEA GROUP 'A'	1,377,581	0	587,600	789,981	CNY	6,085,071.31	4.37
NINGBO ORIENT WIRES&CABLES 'A'	830,287	0	830,287	0	CNY	0.00	0.00
NONGFU SPRING 'H' 144A/S	1,013,700	0	0	1,013,700	HKD	5,859,260.51	4.21
PING AN INSURANCE 'A'	2,165,115	0	2,165,115	0	CNY	0.00	0.00
S.F. HOLDING 'A'	1,286,970	0	0	1,286,970	CNY	7,331,074.18	5.27
SUNGROW POWER 'A'	563,200	0	312,100	251,100	CNY	3,101,123.52	2.23
						58,637,452.97	42.12
<b>HONG KONG</b>							
AIA GROUP REG.S	0	707,800	0	707,800	HKD	6,166,152.97	4.43
CATHAY PACIFIC AIRWAYS	0	6,252,000	0	6,252,000	HKD	6,531,075.96	4.69
						12,697,228.93	9.12
<b>TAIWAN</b>							
TAIWAN SEMICONDUCTOR -ADR SPONS.-	163,600	0	163,600	0	USD	0.00	0.00
						0.00	0.00
<b>UNITED STATES</b>							
YUM CHINA HOLDINGS	207,900	0	207,900	0	HKD	0.00	0.00
						0.00	0.00
<b>TOTAL SHARES AND OTHER EQUITY SECURITIES AND RIGHTS</b>						<b>111,630,874.57</b>	<b>80.19</b>
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>							
<b>WARRANTS</b>							
<b>SINGAPORE</b>							
YUHONG WATERPR 'A'-NOTE(CLSA)22/27	1,389,779	0	0	1,389,779	USD	3,755,155.06	2.70
						3,755,155.06	2.70
<b>TOTAL WARRANTS</b>						<b>3,755,155.06</b>	<b>2.70</b>

### SPLIT OF INVESTMENTS IN THE FOLLOWING THREE VALUATION CATEGORIES

	Market value (in USD)	% of the total assets of the fund
(a)	136,192,555.57	97.83
(b)	0.00	0.00
(c)	0.00	0.00

(a) trading of investments listed in a stock exchange or in another regulated market open to the public and valued according to the prices in the primary market (Art. 88 para 1 CISA)

(b) investments that are not priced according to let. a whose value is based on market-observed parameters

(c) investments whose value cannot be based on market-observed parameters and are valued with suitable valuation models taking account of the current market circumstances

CURRENCY	EXCHANGE RATE
CHF	1.194244
CNY	0.141000
EUR	1.106550
HKD	0.128019

The purchases include the following transactions: purchases, new shares from subscription rights, new shares based on portfolio' securities, conversions, distribution of securities, exchanges, assets allocation, subscriptions, split/spin off, bonus shares, transfers, etc. The sales include the following transactions: exchanges, exercises of subscription rights and options, repayments/payoffs, reverse-splits, exits at maturity date, drawing lots, transfers, sales, etc.

# HSZ China Fund

## NOTES TO THE FINANCIAL STATEMENTS

### Net asset value ("NAV") calculation

The NAV of each subfund and the share of the different classes therein are calculated at market value at the end of the financial year and on each day that units are issued or redeemed, in the currency unit (CU) of the corresponding subfund (USD). The NAV is not calculated on days when stock exchanges or markets in the countries where the subfund is most active are closed, such as on bank holidays and public holidays.

Investments traded on a stock exchange or on a regulated market open to the public must be valued at their price on the principal market on which they are traded. Other investments or those for which no price is available for a given day must be valued at the best price which could be obtained if they were sold at the time of valuation. In such a case, the fund managers use suitable, commonly accepted valuation models and principles to determine market value.

The value of money market instruments not traded on a stock exchange or a regulated market open to the public is calculated as follows: the valuation price of such investments is successively adapted to the redemption price on the basis of the net acquisition price, while maintaining a constant calculated investment return. In the event of a marked change in market conditions, the basis on which the various investments are valued is adapted to reflect new market yields. If no current market price is available, the valuation is usually based on the valuation of money market instruments with identical characteristics (quality and location of the issuer, issue currency, duration).

Cash at banks is valued at the total amount plus accrued interest. In the event of a marked change in market conditions or the institution's solvency, the basis on which term deposits are valued is adapted to reflect the new conditions.

The NAV per unit of a subfund is equal to the share, at market value, of the assets of the subfund, less any commitments of the subfund, divided by the number of outstanding units. It is rounded to the nearest 0.01 in the currency unit of the subfund in question.

### Subscription/redemption

The issue and redemption price of units is based on the net asset value per unit on the valuation day calculated on the basis of the closing prices pursuant to § 16. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18 and, in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.