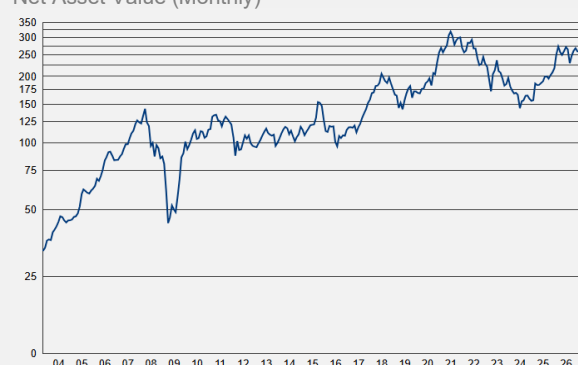


Figures as of	August 31, 2026
Net Asset Value	USD 258.97, CHF 163.33, EUR 285.93
Fund Size	USD 180.9 million
Inception Date*	May 27, 2003
Cumulative Total Return	696.9% in USD
Annualized Total Return	9.3% in USD

* 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

	August	YTD	1 Year	May 2003
USD Class	(0.1%)	(0.5%)	3.5%	696.9%
CHF Class	0.0%	1.4%	4.5%	386.8%
EUR Class	(0.9%)	0.7%	4.2%	701.5%

Largest Holdings

Midea Group	6.8%
Alibaba Group	6.4%
China Yangtze Power	6.3%
Tencent Holdings	6.1%
Jereh Oilfield Services	6.0%
Envicool Technology	5.8%

Exposure

Consumer Discretionary	24.7%
Industrials	18.4%
Information Technology	14.0%
Consumer Staples	10.1%
Utilities	6.3%
Cash	4.1%

Newsletter August 2026

- China unveils coordinated stimulus package to boost growth
- HSZ China Fund down 0.1% in USD in August
- Montage's growth anchored in strong AI-server demand
- Nongfu Spring reported 1H26 results
- XtalPi's AI business is surging

China unveils coordinated stimulus package to boost growth. The PBOC pledged ample liquidity and stronger counter-cyclical support, while the Finance Ministry expanded SME loan interest subsidies to cover working capital and lifted the consumer loan subsidy cap to CNY 5,000. An CNY 800 billion policy finance facility is being accelerated to fund major infrastructure projects, and nine ministries jointly issued measures to unlock consumer spending in lower-tier markets. Together, this fiscal-monetary-industrial mix aims to revive domestic demand and stabilize the economy.

HSZ China Fund down 0.1% in USD in August. The biggest positive contribution came from Envicool Technology and Laopu Gold. The biggest negative contribution came from Xingyu and Milkground.

Montage's growth anchored in strong AI-server demand. First-half 2026 revenue rose 26.7% YoY to CNY 3.3 billion, while net income spiked 72.3% to CNY 2.0 billion, lifting gross margin to 65.3%. Its core interconnect segment, where four key products—MRCD/MDB, PCIe Retimer, CKD, and CXL MXC—achieved an 80.7% YoY revenue jump. Crucially, its cutting edge CXL 3.2 MXC chip secured major design wins with Samsung and SK Hynix, alongside rapidly accelerating PCIe Retimer deployments to support global AI infrastructure builds.

Nongfu Spring reported 1H26 results. First-half 2026 revenue rose 16% YoY to CNY 29.7 billion, while net profit spiked 16.6% to CNY 8.9 billion. The company delivered strong counter-cyclical growth despite an industry-wide decline in packaged water volumes. The tea beverage segment continued its explosive momentum, with flagship brand Oriental Leaves driving a 30.1% YoY revenue surge to CNY 13.12 billion. Nongfu Spring demonstrated exceptional earnings resilience amid dual headwinds of consumer downtrading and intensifying price competition in the packaged water market.

XtalPi's AI business is surging. In first-half of 2026, AI4S smart solutions revenue jumped 136.4% YoY to CNY 194 million, with its revenue leaping from 16% to 49%, becoming the company's primary growth engine. The company has built the industry's only full-stack AI4S system spanning robotic labs, scientific agents, and autonomous synthesis, with 300+ automated lab stations deployed globally and 500,000+ real experiment records accumulated. For the first time, XtalPi disclosed its proprietary pipeline: 3 partnered/self-developed pipelines have entered clinical stages, 10+ are at IND-approved or Investigational New Drug (IND)-ready status, and nearly 10 have reached Preclinical Candidate (PCC) stage.

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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