

July 8, 2014

Broadening of Ownership and Management

Dear Sir/Madam

I am pleased to welcome Stefan K. Kräuchi as partner and shareholder of HSZ Group. While I remain active Chairman, Stefan has assumed the position of CEO of our company.

Stefan, born in 1965 and my junior by 9 years, joined us in Hong Kong in 2012 in order to develop our new business unit dedicated to insurance-linked securities (ILS). Since then, he has integrated himself well into our team and has become a valuable pillar also of our Chinese equities business.

I continue to be the Chief Investment Officer of our HSZ China Fund. Stefan and I are jointly responsible for the performance of the fund. Regarding our support team, we felt the time was right to make some changes. Paul Chu and Lhimark Lau have left the company. We thank them for their valuable contribution to our portfolio management and their diligent implementation of our value based investment approach. They are succeeded in portfolio management and research by Vincent Li and William Jing. Both are highly qualified young professionals with a Mainland China background and residency in Hong Kong.

HSZ Group is an independent investment management company. It is based in Hong Kong and regulated by the SFC. Highly specialized, the group focuses on listed Chinese equities and ILS investments.

Kind regards



Hansrudolf Schmid