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| Figures as of | May 30, 2014 |
| Net Asset Value | USD 110.34, CHF 77.20, EUR 103.90 |
| Fund Size | USD 99.4 million |
| Inception Date* | May 27, 2003 |
| Cumulative Total Return | 227.3% in USD |
| Annualized Total Return | 11.4% 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 | Nov 17, 06 |
|-----------|------|--------|--------|------------|
| USD Class | 4.4% | (8.8%) | (2.6%) | 15.1% |
| CHF Class | 6.0% | (8.0%) | (8.3%) | (19.7%) |
| EUR Class | 5.9% | (7.7%) | (6.6%) | 6.8% |

Largest Holdings

| | | |
|-------------------------|------|----------------------------------|
| Tencent Holdings | 8.0% | <div style="width: 8.0%;"></div> |
| China Merchants Bank | 7.7% | <div style="width: 7.7%;"></div> |
| Ping An Insurance | 7.0% | <div style="width: 7.0%;"></div> |
| Sands China | 6.8% | <div style="width: 6.8%;"></div> |
| Ctrip.com International | 6.6% | <div style="width: 6.6%;"></div> |
| Melco Crown | 6.4% | <div style="width: 6.4%;"></div> |

Exposure

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|------------------------|-------|-----------------------------------|
| Financials | 30.7% | <div style="width: 30.7%;"></div> |
| Consumer Discretionary | 27.7% | <div style="width: 27.7%;"></div> |
| Communications | 23.0% | <div style="width: 23.0%;"></div> |
| Industrials | 9.5% | <div style="width: 9.5%;"></div> |
| Consumer Staples | 8.3% | <div style="width: 8.3%;"></div> |
| Cash | 0.7% | <div style="width: 0.7%;"></div> |

Newsletter May 2014

- China intensifies policy easing measures
- Sands strengthens its dominance in mass gaming
- Times Electric begins trial production on IGBT modules
- Weichai accelerates developing on hydraulic products

In the past couple of months, the government has gradually strengthened the low-profile policy easing measures especially on the fiscal front. The policy makers have increased railway investment, accelerated approvals for other infrastructure projects such as water and utilities and the construction and fund disbursement for shanty town renovations. The gradual intensifying of the measures indicates the authorities' commitment to protect the lower bound of the growth target, 7.0% to 7.5%, to make sure that job creation target could be achieved and to provide a more stable condition for structural reforms to progress.

Sands China delivered revenue and EBITDA of USD 2.7 billion and USD 938 million for the first quarter of 2014, which grew 35 percent and 50 percent year over year respectively. Its market share in the mass gaming segment increased from 29 percent last year to 32 percent in the first quarter. Sands opened Dragon Palace, a up-graded premium mass casino area with 50 tables in May. This move is highly value accretive since the win/table/day for a premium mass table is 3 times that of the grind mass. With the lowest contribution from the volatile VIP segment, the largest hotel room inventories and a strong balance sheet, we believe Sands is well positioned to benefit from the rising Macau visitors and to grow its mass revenue and EBITDA market shares further.

Times Electric reported an in-line result for the first quarter of 2014 with sales and net profits increased by 110 percent and 290 percent year over year to CNY 2'015 million and CNY 451 million respectively. Management planned to purchase or lease a high-power insulated-gate bipolar transistor (IGBT) production line from its parent company. The trial production began in March and the company began shipment in early April, which is earlier than management's expectation. Sales contribution from the IGBT segment will begin in the second half of the year and management targets to achieve mass production of IGBT modules in 2015. We believe the high-power IGBT is a long-term growth driver for the company.

Weichai sold 46'000 heavy duty truck engines in April, which was up 15 percent year over year. Its market share also increased from 36 percent in 2013 to 45 percent. Its subsidiary, Linde Hydraulics, has been pushing for localized production in China. Currently, China's high pressure hydraulic products are dominated by imports and have a market size of CNY 15 billion. The hydraulic business performed well year-to-date and will likely hold one-third of the market in the future. Based on a net margin of 20 percent, Linde could contribute a net profit of CNY 1 - 1.5 billion in the medium term.

General Information

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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 |

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|------------------|---|
| 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 |

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|--------------------|--|
| Fund Manager | Credit Suisse Funds AG |
| Custodian Bank | Credit Suisse AG |
| Investment Manager | HSZ (Hong Kong) Limited |
| Auditors | KPMG AG |
| Management Fee | 1.5% annually |
| Performance Fee | 10% above hurdle rate of 5%, high water mark |
| Issuance Fee | 0.5% |
| Redemption Fee | None |

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|------------------|---|
| 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 | Credit Suisse AG Mrs. Anita Wobmann Execution CS Fonds & 3rd Party SEBF 12, 8070 Zurich, Switzerland Tel: +4144 644 4254 Fax: +4158 205 7097 |

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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 fuelling 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.