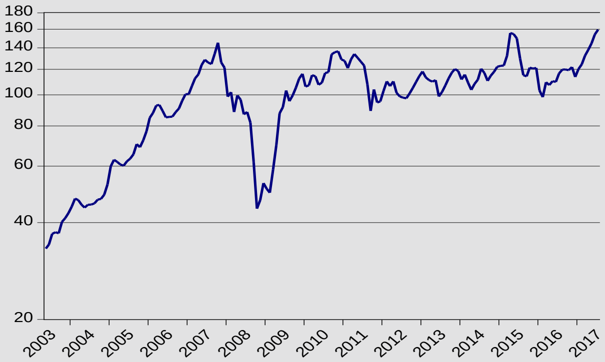
Figures as of	July 31, 2017
Net Asset Value	USD 159.55, CHF 120.96, EUR 173.46
Fund Size	USD 111.5 million
Inception Date*	May 27, 2003
Cumulative Total Return	382.6% in USD
Annualized Total Return	11.7% in USD

* 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

	July	YTD	1 Year	Nov 17, 06
USD Class	3.5%	40.4%	36.8%	69.7%
CHF Class	4.5%	33.2%	35.4%	28.3%
EUR Class	0.7%	26.0%	29.4%	83.0%

Largest Holdings

Gree Electric Appliances	10.1%
Ping An	9.7%
Alibaba	9.0%
Yili Company	7.8%
Tencent	7.1%
China Merchants Bank	6.1%

Exposure

TMT	34.6%
Financials	18.7%
Consumer Discretionary	18.6%
Consumer Staples	13.5%
Industrials	8.5%
Cash	3.6%

Newsletter July 2017

- China's Q2 real GDP stabilized at 6.9% YoY
- Baidu is back on track proven by its latest 2Q17 results
- China Merchants Bank's NPL reduced to 1.71%
- Chinese beer market growth accelerated in June

China's Q2 real GDP stabilized at 6.9% YoY, stronger than expected despite of the monetary tightening and sharp reduction of shadow banking during the period. Resilient consumption and a positive net trade contribution helped to offset softer real investment growth. While property sales in tier-1 and tier-2 cities shrank sharply due to tightening policies, property sales growth in low tier cities remained robust at over 20% YoY. PPI dropped sharply to 5.8% in Q2 from 7.4% in Q1, while CPI remained low at 1.4%. Overall, China has achieved a stable economic growth while lowering the risk of shadow banking and the risk of oversupply in the residential property markets in lower tier cities.

Baidu is back on track proven by its latest 2Q17 results. The company reported its 2Q17 results with revenue up 14% YoY to CNY 21 billion. Net income increased by 83% YoY to CNY 4.4 billion. Baidu continues to strengthen its products through the enhancement of artificial intelligent, big data and cloud infrastructure. Management believes voice recognition technology could be a big differentiation factor from peers for the upcoming Internet of Things world. With its self-developed Duer OS platform which could connect and interact between digital devices, Baidu now cooperates with over 100 appliances partners that could bring the smart-home concept into reality very soon.

China Merchants Bank's non-performing loan (NPL) reduced to 1.71%, down 0.16 percentage point from December 2016. The lowered NPL is attributable to the improving macro economy, especially for mining and manufacturing industries. From the preliminary half year results, CMB's non-interest income declined 8% YoY thanks to the recent regulatory cleanup actions which have impacted the sales of wealth management products. With healthy net interest income growth and lower credit cost, net profit increased 11.4% YoY. The annualized return on equity is 19.1%. In 2016, CMB's impairment loss accounted for 84% of the net profit. We believe there is still much room for earnings growth from lowering credit cost as NPL ratio further improves.

Chinese beer market growth accelerated in June. According to National Bureau of Statistics, China beer production in June grew 6% YoY to 50.9 million hectoliters in June 2017, showing a strong recovery thanks to a stabilized economy and favorable weather conditions. ABInbev's quarterly results also suggested positive signs of consumption upgrade, as they achieved 7.2% revenue growth while industry's volume growth was merely 1.0% in China in 2Q17. Budweiser, Corona and Stella Artois enjoyed strong growth and helped push up the average selling price.

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	Credit Suisse (Schweiz) 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	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	Credit Suisse AG Mrs. Anita Wobmann Execution CS Funds & 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 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.