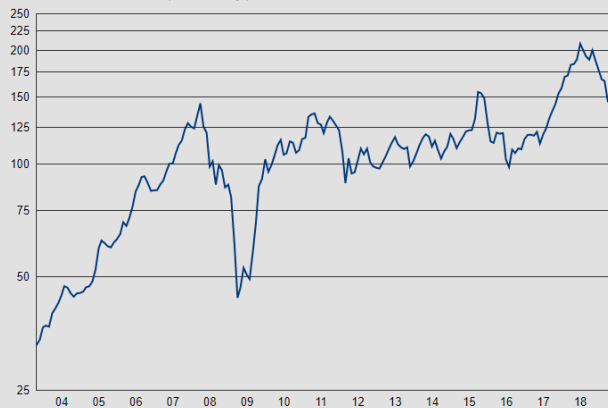


Figures as of	November 30, 2018
Net Asset Value	USD 153.68, CHF 120.46, EUR 172.93
Fund Size	USD 119.3 million
Inception Date*	May 27, 2003
Cumulative Total Return	367.3% in USD
Annualized Total Return	10.4% in USD

* 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

	November	YTD	1 Year	May 2003
USD Class	5.5%	(18.7%)	(16.4%)	367.3%
CHF Class	4.5%	(17.0%)	(15.6%)	251.9%
EUR Class	5.1%	(14.5%)	(13.1%)	378.8%

Largest Holdings

Ping An	10.0%	<div style="width: 100%;"></div>
SSY Group	7.5%	<div style="width: 75%;"></div>
China Merchants Banks	7.2%	<div style="width: 72%;"></div>
Alibaba	6.3%	<div style="width: 63%;"></div>
Geely Automobile	5.7%	<div style="width: 57%;"></div>
China Resources Beer	5.5%	<div style="width: 55%;"></div>

Exposure

Information Technology	23.5%	<div style="width: 23.5%;"></div>
Financials	21.1%	<div style="width: 21.1%;"></div>
Consumer Discretionary	15.8%	<div style="width: 15.8%;"></div>
Consumer Staples	12.2%	<div style="width: 12.2%;"></div>
Health Care	8.7%	<div style="width: 8.7%;"></div>
Cash	9.3%	<div style="width: 9.3%;"></div>

Newsletter November 2018

- China and U.S. agree on temporary trade truce
- Moutai will provide additional supply to ensure future growth
- SSY Group reported 3Q18 results with profit increased by 42%
- Tencent reported 3Q18 results with net profit up 30% YoY

China and U.S. agree on temporary trade truce on the G-20 summit. During the G-20 summit in Argentina, leaders of the U.S. and China met over dinner and purportedly came to a temporary ceasefire agreement over their escalating trade war. The two countries now have until March 1, 2019 to strike a deal before additional tariffs are implemented. Meanwhile China will purchase a very substantial amount of agricultural, energy, industrial, and other products to reduce the bilateral trade imbalance as well as Chinese President Xi is open to approving the US chipmaker Qualcomm's purchase of Dutch semiconductor company NXP. It is expected that a final resolution between the two countries is coming closer where the uncertainty created by the trade conflict should come to an end.

Moutai will provide additional supply to ensure future growth. With predetermined quota volume set by Moutai, distributors are now allowed to place additional orders of Zodiac Moutai and Jingpin Moutai, which will not be counted as part of their 2018 annual contract volume. Such additional orders could potentially bring an increase of 350 tons of Zodiac Moutai and 900 tons of Jingpin Moutai in December this year, a significant impact on its upcoming quarter earnings. Li Baofang, the chairman of Moutai, believed that to match with the strong market demand, optimization of Moutai's supply facilities should allow the company to continue to grow.

SSY Group reported 3Q18 results with profit increased by 42% YoY to HKD 647 million, mainly driven by both the increased sales volume growth of the polypropylene plastic and glass bottles of intravenous infusion solution as well as the increase in average selling prices. The Group also announced that it has obtained NDA approval for the production rights of Moxifloxacin Hydrochloride and Sodium Chloride Injection in Non-PVC Soft Bag packaging in China. With that, SSY is expected to benefit from strong cross-selling synergies between its currently marketed products, which should support the volume growth next year.

Tencent reported 3Q18 results with net profit up 30% YoY. The company's revenue in the third quarter was up by 24% YoY to CNY 80.6 billion, mainly driven by its online advertising business, payment-related and cloud services. Net profit was up 30% YoY to CNY 23.3 billion. Looking forward, the company is aggressively looking for new initiatives to sustain future growth, for example the industrial internet, smart healthcare and smart transportation. In particular, Tencent and its online medical resource database "Tencent Medipedia" started to apply AI in order to enhance healthcare providers' capabilities and to simplify and systematize communication between providers and patients.

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	UBS Switzerland 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
CHF Class	Bloomberg HSZCHID SW Equity ISIN CH0026828068, Valor 2682806 WKN A0LC15
EUR Class	Bloomberg HSZCFCH SW Equity ISIN CH0026828092, Valor 2682809 WKN A0LC14
Orders via Banks	Bloomberg HSZCHEU SW Equity
	UBS Switzerland AG Fund Order Desk Tel: +4144 239 1930 Fax: +4144 239 4804

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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.

Disclaimer

This newsletter is for information purposes only and is not to be regarded as an offer for the purchase or sale of the fund's units. The fund may not be marketed, either directly or indirectly, in the United States of America or sold to US persons. The value of units can fall as well as rise.

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