

HSZ China Fund

Investment Fund under Swiss Law (type: "other funds for traditional investments")

Unaudited Semi-Annual Report
as at June 30, 2013

HSZGroup

Management and Statutory Bodies

Management Company

Credit Suisse Funds AG, Zurich

Board of Directors

- Dr. Thomas Schmuckli, Chairman (from April 10, 2013), Managing Director, Credit Suisse AG, Zurich
- Luca Diener, Vice President, Managing Director, Credit Suisse AG, Zurich
- Paul H. Arni, Member, Managing Director, Credit Suisse AG, Zurich
- Markus Graf (from December 4, 2012), Member, Chief Executive Officer, Swiss Prime Site AG, Olten
- Lars Kalbreier, Member, Managing Director, Credit Suisse AG, Zurich
- Maurizio Pedrini, Member, Managing Director, Credit Suisse AG, Zurich
- Jürg Roth, Member, Managing Director, Credit Suisse AG, Zurich
- Christian Schärer, Member, Managing Director, Credit Suisse AG, Zurich
- Heinz Hofmann (until April 10, 2013), Chairman
- Mario Seris (until December 4, 2012), Member, Managing Director Senior Advisor, Credit Suisse AG, Zurich

Executive Board

- Thomas Schärer, Chief Executive Officer
- Petra Reinhard, Deputy CEO
- Michael Bünzli, Member, Legal Counsel
- Thomas Federer, Member, Performance & Risk Management
- Daniel Siepmann, Member, Fund Operations
- Patrick Tschumper, Member, COO
- Thomas Vonaesch, Member, Real Estate Fund Management
- Gabriele Wyss, Member, Compliance

Custodian Bank

Credit Suisse AG, Zurich

Audit Company

KPMG AG, Zurich

Information on third parties

Delegation of investment decisions

Investment decisions in respect of the investment fund have been delegated to HSZ (Hong Kong) Limited, Unit 605A, 6/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, Hong Kong SAR.

Delegation of other specific duties

The Fund Management Company has delegated the distribution and marketing duties of the investment fund to HSZ (Hong Kong) Limited as the main distributor. Precise details of how its remit is to be fulfilled are laid down in an agreement between the Fund Management Company and the main distributor.

The Fund Management Company has delegated certain fund administration duties to Credit Suisse AG, Zurich. These duties include providing legal and tax advice, managing the Fund Management Company's finances, real estate portfolio management and administration, facility management, human resources, the Management Information System (MIS), project and user support for fund accounting, risk management, and monitoring of the investment guidelines.

Further specific duties may be delegated to Credit Suisse AG, Zurich. Precise details of how its remit is to be fulfilled are laid down in an agreement between the Fund Management Company and Credit Suisse AG, Zurich.

The fund management company has delegated certain fund administration duties to Credit Suisse (Poland) Sp.z.o.o., Wroclaw. These duties include the areas of product master data, price publications, factsheet production, KIID production, and report preparation.

Further specific duties may be delegated to Credit Suisse (Poland) Sp.z.o.o., Wroclaw. Precise details of how its remit is to be fulfilled are laid down in an agreement between the fund management company and Credit Suisse (Poland) Sp.z.o.o., Wroclaw.

Highlights

Key figures	30.06.2013	31.12.2012	31.12.2011
Consolidation			
Total net assets in millions USD	112.6	114.4	102.6
Unit class USD			
Review period from	01.01.2013	01.01.2012	01.01.2011
to	30.06.2013	31.12.2012	31.12.2011
Total net assets in millions USD	83.3	80.9	74.9
Units in circulation	816 244.784	684 875.345	750 100.966
Net asset value per unit in USD	102.07	118.15	99.79
Distribution per unit in USD		0.00	1.40
Unit class CHF			
Review period from	01.01.2013	01.01.2012	01.01.2011
to	30.06.2013	31.12.2012	31.12.2011
Total net assets in millions USD	28.8	33.3	27.6
Units in circulation	362 295.239	362 011.677	355 496.189
Net asset value per unit in CHF	75.41	92.03	73.01
Distribution per unit in CHF		0.00	0.80
Unit class EUR			
Review period from	01.01.2013	01.01.2012	01.01.2011
to	30.06.2013	31.12.2012	31.12.2011
Total net assets in millions USD	0.5	0.2	0.2
Units in circulation	3 773.225	1 638.225	1 708.225
Net asset value per unit in EUR	100.88	151.84	99.28
Distribution per unit in EUR		0.00	1.20

Depositaries

Credit Suisse AG, Zurich

**Breakdown
by sector and
exchange rates**

% of total assets	30.06.2013	Exchange rates as at	30.06.2013
Banks and other financial institutions	6.39	Renminbi yuan	0.160784
Building materials and construction	4.03	Euro	1.300295
Mining, coal and steel	2.03	Hong Kong dollar	0.128590
Retail trade	10.34	Swiss franc	1.054185
Electronics and semiconductors	7.54	US dollar	1.000000
Finance, holding and miscellaneous companies	11.09		
Forestry, paper and forest products	0.48		
Hotel and catering industry, leisure facilities	7.39		
Real estate	7.99		
Internet, software and services	2.07		
Consumer goods	4.96		
Mechanical engineering and industrial equipment	8.53		
Food and soft drinks	1.49		
Pharmaceuticals, cosmetics and medical products	9.84		
Textiles, apparel and leather goods	5.51		
Insurance	6.63		
Total % of total assets	96.31		

**Assets as at
June 30, 2013**

	30.06.2013	Consolidation 31.12.2012
	USD	USD
Assets		
Bank deposits, including fiduciary investments with third-party banks, divided into:		
– Sight deposits	3 394 985.65	3 540 106.48
Securities, including securities loaned and pledged, divided into:		
– Shares and other equity instruments and rights	105 633 362.44	107 654 526.99
Derivative financial instruments	3 112 619.96	3 786 523.83
Other assets	767 086.68	0.00
Total fund assets minus:	112 908 054.73	114 981 157.30
Other liabilities	160 853.10	180 364.91
Due to banks	131 832.87	317 921.19
Net assets	112 615 368.76	114 482 871.20
Number of units in circulation	1 182 313.248	1 048 525.247

	01.01.2013– 30.06.2013	Consolidation 01.01.2012– 31.12.2012
	USD	USD
Changes in net assets		
Net assets at beginning of review period	114 482 871.20	102 636 699.62
Ordinary annual distribution	0.00	–1 357 474.84
Issue of units	20 926 147.44	12 312 151.72
Redemption of units	–4 433 922.60	–19 372 871.45
Other items from unit transactions	–750 795.81	626 342.11
Total income	–17 608 931.47	19 638 024.04
Net assets at end of review period	112 615 368.76	114 482 871.20

Changes in units in circulation		
Number at beginning of the review period	1 048 525.247	1 107 305.380
Number of units issued	176 489.095	116 788.238
Number of units redeemed	–42 701.094	–175 568.371
Number at the end of the review period	1 182 313.248	1 048 525.247

Net asset value per unit
Off-balance-sheet business

	30.06.2013		31.12.2012	
	Equivalent underlying value in fund currency Gross	As a % of net fund assets	Equivalent underlying value in fund currency Gross	As a % of net fund assets
– Market risk (risk of change in share price)	3 112 619.96	2.76	3 786 523.83	3.31
Total	3 112 619.96	2.76	3 786 523.83	3.31
	Net		Net	
– Market risk (risk of change in share price)	3 112 619.96	2.76	3 786 523.83	3.31
Total	3 112 619.96	2.76	3 786 523.83	3.31

Statements for the financial year 2012 slightly adjusted in view of Credit Suisse Funds AG standards

Unit class USD		Unit class CHF		Unit class EUR	
01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD	01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD	01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD
80 919 938.30	74 851 275.42	33 314 178.14	27 566 275.49	248 754.75	219 148.71
0.00	-1 043 869.35	0.00	-310 890.43	0.00	-2 715.06
18 650 740.68	9 920 507.82	1 676 717.70	2 332 091.90	598 689.06	59 552.00
-2 692 454.22	-17 544 318.11	-1 517 265.84	-1 765 062.30	-224 202.54	-63 491.04
-563 916.89	823 150.45	-133 522.46	-188 848.23	-53 356.46	-7 960.12
-12 996 848.69	13 913 192.07	-4 537 177.87	5 680 611.71	-74 904.91	44 220.26
83 317 459.18	80 919 938.30	28 802 929.68	33 314 178.14	494 979.90	248 754.75
684 875.345	750 100.966	362 011.677	355 496.189	1 638.225	1 708.225
155 007.237	89 319.074	17 710.000	27 069.164	3 771.858	400.000
-23 637.798	-154 544.695	-17 426.438	-20 553.676	-1 636.858	-470.000
816 244.784	684 875.345	362 295.239	362 011.677	3 773.225	1 638.225
(USD)	(USD)	(CHF)	(CHF)	(EUR)	(EUR)
102.07	118.15	75.41	92.03	100.88	151.84

Statement of income from January 1, 2013 to June 30, 2013	Consolidation	
	01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD
Income		
Income from bank balances	3 749.81	321.12
Income from money market instruments	0.00	6 211.38
Securities income, divided into:		
– Shares and other equity instruments and rights, including bonus shares	2 066 547.80	2 311 756.03
Earnings from derivatives	2 160.66	2 966.66
Current net income paid in upon the issue of units	140 283.97	92 908.73
Total income minus	2 212 742.24	2 414 163.92
Interest due	615.33	805.04
Audit costs	13 261.82	20 606.09
Statutory remuneration to:		
– Management Company	922 324.25	1 621 620.66
– Custodian Bank	89 544.88	143 367.28
Partial transfer of expenditure on realized capital losses	0.00	–179 060.18
Other expenses	5 714.66	9 611.07
Current net income paid out upon the redemption of units	28 075.68	99 402.15
Net income	1 153 205.62	697 811.81
Realized capital gains	3 098 900.24	6 173 663.16
Realized capital losses	–1 331 139.10	–4 666 527.89
Partial transfer of expenditure on realized capital losses	0.00	–179 060.18
Realized income	2 920 966.76	2 025 886.90
Unrealized capital gains/losses	–20 529 898.23	17 612 137.14
Total income	–17 608 931.47	19 638 024.04

Statements for the financial year 2012 slightly adjusted in view of Credit Suisse Funds AG standards

Unit class USD		Unit class CHF		Unit class EUR	
01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD	01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD	01.01.2013– 30.06.2013 USD	01.01.2012– 31.12.2012 USD
2 757.62	228.74	970.08	91.75	22.11	0.63
0.00	4 542.01	0.00	1 656.11	0.00	13.26
1 524 855.35	1 680 880.35	530 365.79	626 303.28	11 326.66	4 572.40
1 598.15	2 160.25	550.94	801.30	11.57	5.11
126 722.66	73 956.39	9 570.52	18 493.36	3 990.79	458.98
1 655 933.78	1 761 767.74	541 457.33	647 345.80	15 351.13	5 050.38
448.94	583.19	162.31	220.24	4.08	1.61
9 701.31	14 822.46	3 484.72	5 752.50	75.79	31.13
673 380.55	1 177 623.58	243 725.22	440 804.94	5 218.48	3 192.14
65 396.47	104 081.05	23 640.60	39 006.87	507.81	279.36
0.00	-130 525.41	0.00	-48 180.55	0.00	-354.22
4 161.89	7 008.40	1 518.78	2 585.84	33.99	16.83
18 676.05	97 142.82	7 450.22	1 889.53	1 949.41	369.80
884 168.57	491 031.65	261 475.48	205 266.43	7 561.57	1 513.73
2 281 614.65	4 501 908.44	799 221.55	1 659 104.99	18 064.04	12 649.73
-973 761.84	-3 433 204.00	-347 082.56	-1 223 921.36	-10 294.70	-9 402.53
0.00	-130 525.41	0.00	-48 180.55	0.00	-354.22
2 192 021.38	1 429 210.68	713 614.47	592 269.51	15 330.91	4 406.71
-15 188 870.07	12 483 981.39	-5 250 792.34	5 088 342.20	-90 235.82	39 813.55
-12 996 848.69	13 913 192.07	-4 537 177.87	5 680 611.71	-74 904.91	44 220.26

Composition of portfolio, and changes in holdings

Description	31.12.2012 number/ nominal value	Purchases ¹	Disposals ¹	30.06.2013 number/ nominal values	Market value USD	% of total assets
Securities traded on an exchange						
Shares						
Banks and other financial institutions						
China Merchants Bank Co. Ltd	3 555 649	773 000		4 328 649	7 213 779.80	6.39
					7 213 779.80	6.39
Building materials and construction						
Shimao Property Holdings Ltd	1 628 500	830 000	160 000	2 298 500	4 551 669.68	4.03
					4 551 669.68	4.03
Mining, coal and steel						
China Shenhua Energy Company Ltd	816 500	187 500	103 000	901 000	2 294 010.97	2.03
					2 294 010.97	2.03
Retail trade						
Chow Sang Sang Holdings International Ltd	1 628 000	764 000	398 000	1 994 000	4 035 853.48	3.57
Golden Eagle Retail Group Ltd	2 559 000	1 137 000		3 696 000	4 923 763.98	4.36
Oriental Watch Holdings Ltd	6 200 000	860 000	414 000	6 646 000	2 162 152.72	1.91
SA SA Intl. Holdings Ltd	558 000			558 000	552 497.65	0.49
					11 674 267.83	10.34
Electronics and semiconductors						
AAC Technologies Holdings Inc	1 897 000	251 000	636 000	1 512 000	8 515 916.81	7.54
					8 515 916.81	7.54
Finance, holding and miscellaneous companies						
Daphne International Holdings Ltd	1 476 000		454 000	1 022 000	872 618.64	0.77
The Wharf Holdings Ltd	883 014	188 000	53 000	1 018 014	8 535 065.43	7.56
					9 407 684.07	8.33
Forestry, paper and forest products						
Fook Woo Group Holdings Ltd	10 464 000			10 464 000	538 224.21	0.48
					538 224.21	0.48
Photography and optics						
Sunny Optical Technology (Group) Co Ltd		372 000	372 000			
					0.00	0.00
Hotel and catering industry, leisure facilities						
SHS SANDS CHINA LTD	1 186 800	726 800	138 400	1 775 200	8 343 344.56	7.39
					8 343 344.56	7.39
Real estate						
KWG Property Holding Ltd	5 715 500	1 867 000		7 582 500	3 958 621.34	3.51
Shui on Land Ltd	10 662 136	7 929 378	1 151 500	17 440 014	5 068 282.07	4.49
					9 026 903.41	7.99
Internet, software and services						
Baidu Inc ADR -A-	33 700	12 300	21 200	24 800	2 335 912.00	2.07
					2 335 912.00	2.07
Consumer goods						
Ports Design Ltd.	2 605 000			2 605 000	1 694 976.78	1.50
Vinda International Holdings Ltd	3 593 000	389 000	150 000	3 832 000	3 907 546.87	3.46
					5 602 523.65	4.96
Mechanical engineering and industrial equipment						
Dongfeng Motor Corp	1 580 000			1 580 000	2 104 855.81	1.86
Weichai Power Co Ltd	871 880	165 000		1 036 880	3 053 300.08	2.70
Zhuzhou CSR Times Electric Co. Ltd	1 638 000	458 000	318 000	1 778 000	4 467 471.85	3.96
					9 625 627.74	8.53
Food and soft drinks						
Shenguan Holdings (Group) Ltd	4 359 000		736 000	3 623 000	1 681 825.93	1.49
					1 681 825.93	1.49
Pharmaceuticals, cosmetics and medical products						
Hengan International Group Co Ltd	363 500	38 000		401 500	4 362 623.83	3.86
Mindray Medical International Ltd ADR -A-	142 594	34 900		177 494	6 744 772.00	5.97
					11 107 395.83	9.84
Textiles, apparel and leather goods						
Belle International Holdings Ltd	3 002 000	1 186 000	184 000	4 004 000	5 488 539.35	4.86
Trinity Ltd	2 478 000		346 000	2 132 000	734 729.54	0.65
					6 223 268.89	5.51
Insurance						
Ping An Insurance Group Comp of China	905 000	211 000		1 116 000	7 491 007.06	6.63
					7 491 007.06	6.63
Total shares					105 633 362.44	93.56
Total securities traded on an exchange					105 633 362.44	93.56
Other investments						
Call Warrants						
Finance, holding and miscellaneous companies						
ML Intl & Co on Ping An Insurance Co Dec14	49 000			49 000	277 511.50	0.25
ML Intl & Co on Qingdao Haier Nov15	1 594 908			1 594 908	2 835 108.46	2.51
					3 112 619.96	2.76
Total Call Warrants					3 112 619.96	2.76
Total other investments					3 112 619.96	2.76
Total investments					108 745 982.40	96.31
Cash at banks					3 394 985.65	3.01
Other assets					767 086.68	0.68
Total assets					112 908 054.73	100.00
Due to banks					131 832.87	0.12
Other liabilities					160 853.10	0.14
Net assets					112 615 368.76	99.74

¹ Inclusive of purchases/sales and corporate actions

List of sight and time deposits as at June 30, 2013

Account management	Account type	Currency	Interest rate	Maturity	30.06.2013	31.12.2012	Change
Credit Suisse AG, Zurich	Current account	CHF	0.05%	daily	11 419.40	19 005.25	-7 585.85
Credit Suisse AG, Zurich	Current account	EUR	1.05%	daily	-80 840.48	34 317.00	-115 157.48
Credit Suisse AG, Zurich	Current account	HKD	1.00%	daily	26 308 116.03	26 866 726.67	-558 610.64
Credit Suisse AG, Zurich	Current account	USD	1.15%	daily	-26 716.40	-317 921.19	291 204.79

**Notes to the
Semi-Annual
Report as at
June 30, 2013**

Note 1: Sales restrictions USA

Under US law, units of the subfunds may be neither offered nor sold in, nor delivered to, the United States of America.

Investors who are United States citizens or are subject to US income tax are therefore advised to consult a tax advisor before purchasing units of the subfunds. Under US tax laws, such purchases may have adverse consequences for these investors. The fund management company does not provide investors with Qualified Electing Fund election information as per section 1293 of the US Internal Revenue Code.

Note 2: Key figures and technical data

Fund	Unit class	Swiss securities number	Currency	Custodian bank fee	Management commission ¹	Total Expense Ratio (TER) ²	Portfolio Turnover Rate (PTR) ³
HSZ China Fund	USD	2 682 803	USD	0.14%	1.49%	1.66%	24.30%
HSZ China Fund	CHF	2 682 806	CHF	0.15%	1.49%	1.66%	24.30%
HSZ China Fund	EUR	2 682 809	EUR	0.15%	1.49%	1.66%	24.30%

¹ Information regarding the SFA guideline on transparent management fees: From the sales-related component of the management fee, the fund management is able to offer refunds to the following institutional investors which, in a business sense, hold fund units for third parties: Life insurance companies, Pension funds and other retirement benefits institutions, Investment foundations, Swiss fund management companies, Foreign fund management companies, Investment companies. The fund management may also draw on the sales-related component of the management fee to pay commission on fund unit holdings to the following fund distributors/distribution partners: authorized distributors, fund management companies, banks, brokers, Swiss Post, and insurance companies, distribution partners that place fund units exclusively with institutional investors that have a professional treasury, asset managers. The fund manager has not concluded any fee-sharing agreements or agreements with regard to retrocessions in the form of "soft commissions".

² TER (Total Expense Ratio) describes the sum of all periodic costs and commissions that are charged to the fund's assets. It is expressed retroactively as a percentage of average fund assets. Any reimbursements/commissions for client unit holdings from target funds have been credited to the fund and thus reduce the TER.

³ The PTR (Portfolio Turnover Rate) is an indicator of the relevance of ancillary costs incurred by the Fund in the purchase and sale of investments, and denotes the portfolio turnover rate of the fund portfolio. The PTR shows how many transactions have been carried out on the assets of an investment fund or a security portfolio – mostly on the basis of an annual calculation.

Note 3: Fund performance

Fund	Unit class	Inception date	Swiss securities number	Currency	01.01.2013–30.06.2013 ¹	2012 ¹	2011 ¹	2010 ¹
HSZ China Fund	USD	17.11.2006	2 682 803	USD	-13.6%	19.9%	-26.0%	10.8%
HSZ China Fund	CHF	17.11.2006	2 682 806	CHF	-10.3%	16.3%	-27.6%	-0.4%
HSZ China Fund	EUR	17.11.2006	2 682 809	EUR	-12.2%	17.0%	-23.7%	19.1%

¹ Fund performance is based on officially published net asset values which in turn are based on stock exchange closing prices at the end of the month in question.

Historical performance is no indicator of current or future performance. The performance data given does not take into account commissions and costs incurred in the purchase or redemption of fund units.

Note 4: Valuation of the Fund's Assets and the Units

- The net asset value of the investment fund and the share of assets attributable to the individual classes are calculated in US dollar at the market value as of the end of the financial year and for each day on which units are issued or redeemed. The value of the fund's assets will not be calculated on days when the stock exchanges / markets in the fund's main investment countries are closed (e.g. bank and stock exchange holidays).
- Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
- The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: The valuation price of such investments is successively adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
- Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or creditworthiness, the valuation principles for time deposits at banks will be adjusted in line with the new market returns.
- The net asset value of a unit of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the fund, minus any of the fund's liabilities that are attributed to the

given unit class, divided by the number of units of the given class in circulation. In each case it is rounded to 1/100 of the accounting currency.

6. The share of the market value of the net assets (the fund's assets minus liabilities) attributable to the respective unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the fund concerned for each unit class. The share is recalculated when one of the following events occurs:
 - a) when units are issued and redeemed;
 - b) on the pertinent date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes) or provided that (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values, or provided that (iii) different commission or costs are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
 - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or if (ii) class-specific costs are charged;
 - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or in the interests of several unit classes but disproportionately to their share of the net assets.

Credit Suisse Funds AG
Sihlcity – Kalandergerasse 4
CH-8070 Zurich

www.credit-suisse.com