

HSZ China Fund

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

Audited Annual Report as at December 31, 2012

HSZGroup

Management and Statutory Bodies

Management Company

Credit Suisse Funds AG, Zurich

Board of Directors

- Heinz Hofmann, Chairman
- Luca Diener, Vice President, Managing Director, Credit Suisse AG, Zurich
- Paul H. Arni, Member (as of January 25, 2012), Managing Director, Credit Suisse AG, Zurich
- Lars Kalbreier, Member, Managing Director, Credit Suisse AG, Zurich
- Maurizio Pedrini, Member, Managing Director, Credit Suisse AG, Zurich
- Jürg Roth, Member (as of March 28, 2012), Managing Director, Credit Suisse AG, Zurich
- Christian Schärer, Member, Managing Director, Credit Suisse AG, Zurich
- Dr. Thomas Schmuckli, Member, Managing Director, Credit Suisse AG, Zurich
- Mario Seris, 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
- 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.

**Unaudited
Report on
Activities from
January 1, 2012
to December
31, 2012***

Review

2012 was a year of stabilization and transition for China. After ten quarters of slowdown, thanks to the several rounds of monetary easing and accelerated infrastructure spending, its economy stabilized and reaccelerated in the fourth quarter, dismissing the prolonged fears of a hard landing. In November, the new communist party leadership was installed. The new leaders showed a high commitment to further needed reforms and pledged to promote urbanization as an important driver of growth and to improve its quality, which bodes well for the structural strength of the economy. As a result, Chinese equities staged a strong run in the later part of the year, helped also by the elimination of tail risks through the European Central Bank's outright monetary transactions in response to the eurozone debt crisis, the open ended quantitative easing and the tactical avoidance of the fiscal cliff in the US.

As a result of the lagged effect of the domestic tightening in 2011 and the sluggishness in the advanced economies, China's GDP growth slowed from 8.1 percent in the first quarter, to 7.4 percent in the third. It managed to reaccelerate to 7.9 percent in the last quarter. The full year growth was 7.8 percent, lower than that of 9.3 percent in 2011. Despite being significant, the deceleration is consistent with the country's plan to transit towards a healthier and more sustainable consumption driven model.

The consumption story in China played out relatively well, providing support to the economy. Real retail sales were estimated to accelerate to 12.1 percent in 2012, compared to 11.6 percent last year. Thanks to the government's pro-growth measures of accelerating infrastructure projects in the summer, fixed asset investment grew solidly at 20.6 percent from a year earlier in nominal terms. After peaking in July 2011, inflation saw stabilization, finishing the year with 2.6 percent, lower than the 5.4 percent in the previous year. A major disappointment was coming from exports, which grew 7.9 percent, due to the weak external demand induced by the eurozone crisis.

Though the economy was on the downward trend for most of the year and the external demand remained lackluster, the policy makers had maintained relatively stable and accommodative policies throughout the year without aggressively launching policy stimulus and credit expansion. This indicates the policy makers' higher tolerance of slower growth and their focus on quality rather than speed of growth. In November, the seven member committee of the politburo was announced. The new leaders pledged to double the country's GDP and household income by the end of 2020 and to promote urbanization as an important driver of growth and improve its quality. Potential reforms under the new leadership would be in the areas of household registration and social welfare systems, which is supportive to the sustainability of the domestic demand in China.

Stock Market and Investment Policy

HSZ China Fund performed solidly in the reporting period. The best performers were the national developer, Shimao Property, the high-end focused developer, KWG Property, and the commercial property conglomerate, Wharf Holdings.

The strong performance of KWG Property was mainly due to the improving residential sales in the first tier cities and the attractive valuations of the company. Despite its contracted sales performance being flattish in 2012, KWG is one of few listed developers with a high quality land bank in the first tier cities. With a strong demand for residential flats and a tight supply of land at prime locations, it is expected that prices for housing at the prime locations would increase faster than the national average. The company expected to launch five to six new projects in 2013 and targeted to increase its contracted sales by at least 15 percent.

Shimao's performance was backed by its strong growth in contracted sales and the improvement in its gearing level. Management instigated a restructuring plan in 2011 to improve the quality of its products, increase the asset turnover and strengthen its financial positions. The company adopted a more flexible strategy on its project planning and increased the proportion of small units in order to meet the strong demand from first home buyers, which has led to a strong growth of 50 percent in contracted sales in 2012, significantly better than the industry growth of 25 percent. The strong sales also improved the cash position of the company with net gearing reduced from 87 percent in 2011 to 67 percent in the first half of 2012.

Wharf saw strong performance on the back of its successful renewal of its Ocean Terminal lease and the strong performance of its residential sales in China. The company renewed the lease of Ocean Terminal at an attractive land premium for another 21 years, which removed the overhang on the stock since Ocean Terminal accounts for 30 percent of the gross floor area of its flagship property, Harbour City. The company also achieved strong contracted sales of CNY 13.6 billion in 2012, which surpassed its stretched annual target of CNY 12.7 billion and represented a robust growth of 115 percent year over year. We remain optimistic on the company and believe the ramp up of its 5 mega investment properties in China would offer an attractive return to investors in the long term.

The fund performance was dragged by the high-end watch retailer, Oriental Watch, and the female apparel retailer, Ports Design. They were impacted by the significant slowdown in the high-end consumption in China. However, an improving trend has been observed in the later part of the year. Management of Oriental Watch has seen same store sales growth improving from negative 8 percent in the third quarter to 3.3 percent in October and 18 percent in November. Both companies are trading at attrac-

tive valuations and they are the main beneficiaries of an improving macro environment and the pick-up in high-end consumption.

Outlook

With concerns on hard landing being behind us and the new leaders committed to reforms for better growth sustainability, we stay positive on the Chinese equities in the year to come. China's GDP is expected to be normalized to a higher growth after the economy has bottomed out in the third quarter of 2012 amid the accommodative monetary and fiscal conditions. Inflation will trend higher into the second half of 2013. Fixed asset investment will become slower but be well supported by the infrastructure projects under China's five year plan, many of which have been launched in the summer of 2012. Exports would remain volatile due to the weakness in the advanced economies. Consumption is likely to be solid and stable, as wages of the Chinese households continue to grow and the government is spending on social welfare and accelerating urbanization and improving its quality.

We expect a broad range of reforms to be initiated under the new leadership, with the ultimate goal of improving people's standard of living and putting

economic growth on a more balanced and sustainable path. A lot of efforts will be on improving the safety net for the Chinese households in such areas as household registration for the migrant workers, increasing the disposable income and provision of pension, healthcare and social housing for the general mass. Urbanization and wage growth will be the key growth drivers for the economy.

The above-mentioned prospects, together with the current reasonably attractive valuation and the continuing loosening global monetary cycle, would provide an ongoing support to the Chinese equities. We are in a position to benefit from the opportunities for our consumer companies with strong brand equity given the consumption story in China. We favor property developers with sound financial positions and quality land bank due to the strong end user demand. We are also positive on insurance companies on the rising household income and faster penetration and medical equipment companies on the continued spending in the healthcare area.

* The information stated relates to the period under review and is not indicative of future returns.

Highlights

Key figures	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Consolidation				
Total net assets in millions USD	114.4	102.6	136.5	97.7
Unit class USD				
Review period from	01.01.2012	01.01.2011	01.01.2010	01.01.2009
to	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Total net assets in millions USD	80.9	74.9	102.2	86.5
Units in circulation	684 875.345	750 100.966	758 560.022	621 015.898
Net asset value per unit in USD	118.15	99.79	134.78	121.62
Distribution per unit in USD	0.00	1.40	0.00	0.00
Unit class CHF				
Review period from	01.01.2012	01.01.2011	01.01.2010	01.01.2009
to	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Total net assets in millions USD	33.3	27.6	34.0	11.0
Units in circulation	362 011.677	355 496.189	315 699.326	109 104.561
Net asset value per unit in CHF	92.03	73.01	100.38	100.79
Distribution per unit in CHF	0.00	0.80	0.00	0.00
Unit class EUR				
Review period from	01.01.2012	01.01.2011	01.01.2010	01.01.2009
to	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Total net assets in millions USD	0.2	0.2	0.3	0.2
Units in circulation	1 638.225	1 708.225	1 986.000	2 235.000
Net asset value per unit in EUR	151.84	99.28	129.41	108.70
Distribution per unit in EUR	0.00	1.20	0.00	0.00

Annual distribution for 2012

None

Depositaries

Credit Suisse AG, Zurich

Breakdown by sector and exchange rates

% of total assets	31.12.2012	Exchange rates as at	31.12.2012
Banks and other financial institutions	6.84	Euro	1.322084
Building materials and construction	2.67	Hong Kong dollar	0.129302
Mining, coal and steel	3.12	Swiss franc	1.095038
Retail trade	11.06	US dollar	1.000000
Electronics and semiconductors	5.78		
Finance, holding and miscellaneous companies	11.07		
Forestry, paper and forest products	1.13		
Hotel and catering industry, leisure facilities	4.53		
Real estate	8.24		
Internet, software and services	2.90		
Consumer goods	6.09		
Mechanical engineering and industrial equipment	10.78		
Food and soft drinks	2.06		
Pharmaceuticals, cosmetics and medical products	6.97		
Textiles, apparel and leather goods	7.08		
Insurance	6.60		
Total % of total assets	96.91		

**Assets as at
December 31,
2012**

	31.12.2012	Consolidation 31.12.2011
	USD	USD
Assets		
Bank deposits, including fiduciary investments with third-party banks, divided into:		
– Sight deposits	3 540 106.48	2 351 296.37
Money market instruments	0.00	7 081 250.00
Securities, including securities loaned and pledged, divided into:		
– Shares and other equity instruments and rights	107 654 526.99	91 137 758.25
Derivative financial instruments	3 786 523.83	2 532 799.36
Other assets	0.00	98.35
Total fund assets minus:	114 981 157.30	103 103 202.33
Other liabilities	180 364.91	458 519.52
Due to banks	317 921.19	7 983.20
Net assets	114 482 871.20	102 636 699.61
Number of units in circulation	1 048 525.247	1 107 305.380

	01.01.2012– 31.12.2012	Consolidation 01.01.2011– 31.12.2011
	USD	USD
Changes in net assets		
Net assets at beginning of review period	102 636 699.62	136 570 315.98
Ordinary annual distribution	–1 357 474.84	0.00
Net subscriptions and redemptions of units	0.00	2 663 778.35
Issue of units	12 312 151.72	0.00
Redemption of units	–19 372 871.45	0.00
Other items from unit transactions	626 342.11	–4 618.20
Total income	19 638 024.04	–36 592 776.50
Net assets at end of review period	114 482 871.20	102 636 699.62

Changes in units in circulation		
Number at beginning of the review period	1 107 305.380	1 076 245.348
Number of units issued	116 788.238	106 499.096
Number of units redeemed	–175 568.371	–75 439.064
Number at the end of the review period	1 048 525.247	1 107 305.380

Net asset value per unit
Off-balance-sheet business

	31.12.2012		31.12.2011	
	Equivalent underlying value in fund currency	As a % of net fund assets	Equivalent underlying value in fund currency	As a % of net fund assets
	Gross		Gross	
– Market risk (risk of change in share price)	3 786 523.83	3.31	2 528 709.51	2.46
Total	3 786 523.83	3.31	2 528 709.51	2.46
	Net		Net	
– Market risk (risk of change in share price)	3 786 523.83	3.31	2 528 709.51	2.46
Total	3 786 523.83	3.31	2 528 709.51	2.46

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	
01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD	01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD	01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD
74 851 275.42	102 242 395.15	27 566 275.49	33 983 412.33	219 148.71	344 508.50
-1 043 869.35	0.00	-310 890.43	0.00	-2 715.06	0.00
0.00	-557 184.90	0.00	3 292 948.32	0.00	-71 985.07
9 920 507.82	0.00	2 332 091.90	0.00	59 552.00	0.00
-17 544 318.11	0.00	-1 765 062.30	0.00	-63 491.04	0.00
823 150.45	7 231.86	-188 848.23	-12 069.03	-7 960.12	218.97
13 913 192.07	-26 841 166.69	5 680 611.71	-9 698 016.12	44 220.26	-53 593.69
80 919 938.30	74 851 275.42	33 314 178.14	27 566 275.49	248 754.75	219 148.71
750 100.966	758 560.022	355 496.189	315 699.326	1 708.225	1 986.000
89 319.074	49 098.785	27 069.164	56 328.086	400.000	1 072.225
-154 544.695	-57 557.841	-20 553.676	-16 531.223	-470.000	-1 350.000
684 875.345	750 100.966	362 011.677	355 496.189	1 638.225	1 708.225
(USD)	(USD)	CHF	CHF	EUR	EUR
118.15	99.79	92.03	73.01	151.84	99.28

Statement of income from January 1, 2012 to Decem- ber 31, 2012	Consolidation	
	01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD
Income		
Income from bank balances	321.12	1 792.51
Income from money market instruments	6 211.38	0.00
Securities income, divided into:		
– Shares and other equity instruments and rights, including bonus shares	2 311 756.03	2 683 632.29
Earnings from derivatives	2 966.66	0.00
Current net income paid in upon the issue of units	92 908.73	51 614.87
Total income minus	2 414 163.92	2 737 039.67
Interest due	805.04	12 354.08
Audit costs	20 606.09	20 645.71
Statutory remuneration to:		
– Management Company	1 621 620.66	1 878 902.62
– Custodian Bank	143 367.28	173 482.78
Partial transfer of expenditure on realized capital losses	–179 060.18	–219 286.19
Other expenses	9 611.07	25 009.77
Current net income paid out upon the redemption of units	99 402.15	41 693.05
Net income	697 811.81	804 237.85
Realized capital gains	6 173 663.16	1 189 683.12
Realized capital losses	–4 666 527.89	–3 372 332.27
Partial transfer of expenditure on realized capital losses	–179 060.18	–219 286.19
Realized income	2 025 886.90	–1 597 697.49
Unrealized capital gains/losses	17 612 137.14	–34 995 079.02
Total income	19 638 024.04	–36 592 776.51
Application of results		
Net income of financial year	697 811.81	804 237.85
Carried forward from preceding year	195 230.29	745 818.44
Net income available for distribution	893 042.10	1 550 056.29
Net income earmarked for distribution to investors	0.00	1 354 826.01
Carried forward to following year	893 042.10	195 230.28

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	
01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD	01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD	01.01.2012– 31.12.2012 USD	01.01.2011– 31.12.2011 USD
228.74	1 327.50	91.75	462.95	0.63	2.06
4 542.01	0.00	1 656.11	0.00	13.26	0.00
1 680 880.35	1 954 179.00	626 303.28	726 635.08	4 572.40	2 818.21
2 160.25	0.00	801.30	0.00	5.11	0.00
73 956.39	38 611.13	18 493.36	11 204.22	458.98	1 799.52
1 761 767.74	1 994 117.63	647 345.80	738 302.25	5 050.38	4 619.79
583.19	8 973.46	220.24	3 368.45	1.61	12.17
14 822.46	15 138.57	5 752.50	5 477.55	31.13	29.59
1 177 623.58	1 377 715.95	440 804.94	498 494.08	3 192.14	2 692.59
104 081.05	127 473.12	39 006.87	45 740.29	279.36	269.37
-130 525.41	-161 143.71	-48 180.55	-57 812.88	-354.22	-329.60
7 008.40	18 422.27	2 585.84	6 557.00	16.83	30.50
97 142.82	32 777.84	1 889.53	8 471.99	369.80	443.22
491 031.65	574 760.13	205 266.43	228 005.77	1 513.73	1 471.95
4 501 908.44	888 131.14	1 659 104.99	300 957.74	12 649.73	594.24
-3 433 204.00	-2 482 598.94	-1 223 921.36	-884 554.62	-9 402.53	-5 178.71
-130 525.41	-161 143.71	-48 180.55	-57 812.88	-354.22	-329.60
1 429 210.68	-1 180 851.38	592 269.51	-413 403.99	4 406.71	-3 442.12
12 483 981.39	-25 660 315.31	5 088 342.20	-9 284 612.13	39 813.55	-50 151.57
13 913 192.07	-26 841 166.69	5 680 611.71	-9 698 016.12	44 220.26	-53 593.69
491 031.65	574 760.13	205 266.43	228 005.77	1 513.73	1 471.95
173 130.78	648 512.00	21 710.79	95 740.86	388.72	1 565.58
664 162.43	1 223 272.13	226 977.22	323 746.63	1 902.45	3 037.53
0.00	1 050 141.35	0.00	302 035.84	0.00	2 648.81
664 162.43	173 130.78	226 977.22	21 710.79	1 902.45	388.72

Composition of portfolio, and changes in holdings

Description	31.12.2011 number/ nominal value	Purchases ¹	Disposals ¹	31.12.2012 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	2 804 649	1 321 000	570 000	3 555 649	7 861 776.24	6.84
					7 861 776.24	6.84
Building materials and construction						
Shimao Property Holdings Ltd	2 389 000	1 257 500	2 018 000	1 628 500	3 078 511.79	2.67
					3 078 511.79	2.67
Mining, coal and steel						
China Shenhua Energy Company Ltd	1 179 000	222 000	584 500	816 500	3 584 277.73	3.12
					3 584 277.73	3.12
Retail trade						
Chow Sang Sang Holdings International Ltd	1 568 000	153 000	93 000	1 628 000	3 784 859.60	3.29
Golden Eagle Retail Group Ltd	2 207 000	683 000	331 000	2 559 000	6 313 269.69	5.49
Intime Department Store	1 109 500		1 109 500			
Oriental Watch Holdings Ltd	564 000	6 200 000	564 000	6 200 000	2 164 517.69	1.88
SA SA Intl. Holdings Ltd		558 000		558 000	458 877.75	0.40
					12 721 524.73	11.06
Electronics and semiconductors						
AAC Technologies Holdings Inc		2 389 500	492 500	1 897 000	6 647 254.52	5.78
Aac Technologies Holdings Inc	3 118 000		3 118 000			
					6 647 254.52	5.78
Finance, holding and miscellaneous companies						
Daphne International Holdings Ltd	1 546 000	250 000	320 000	1 476 000	2 026 826.44	1.77
The Wharf Holdings Ltd	1 136 014	204 000	457 000	883 014	6 919 040.92	6.01
					8 945 867.36	7.78
Forestry, paper and forest products						
Fook Woo Group Holdings Ltd	10 464 000			10 464 000	1 297 543.79	1.13
					1 297 543.79	1.13
Hotel and catering industry, leisure facilities						
SHS SANDS CHINA LTD		1 237 600	50 800	1 186 800	5 209 823.40	4.53
					5 209 823.40	4.53
Real estate						
KWG Property Holding Ltd	5 312 500	3 632 500	3 229 500	5 715 500	4 301 133.27	3.74
Shui on Land Ltd	11 710 136	609 000	1 657 000	10 662 136	5 169 888.44	4.50
					9 471 021.71	8.24
Internet, software and services						
Baidu Inc ADR -A-		62 800	29 100	33 700	3 336 300.00	2.90
					3 336 300.00	2.90
Consumer goods						
Ports Design Ltd.	3 101 500		496 500	2 605 000	2 074 885.45	1.81
Vinda International Holdings Ltd	3 854 000	674 000	935 000	3 593 000	4 924 575.14	4.28
					6 999 460.59	6.09
Mechanical engineering and industrial equipment						
Dongfeng Motor Corporation	2 822 000	344 000	1 586 000	1 580 000	2 443 396.53	2.13
Lonking Holdings Ltd	12 915 000	291 000	13 206 000			
Weichai Power Co Ltd	886 400	507 480	522 000	871 880	3 878 116.44	3.37
Zhuzhou CSR Times Electric Co. Ltd	1 675 000	544 000	581 000	1 638 000	6 078 570.81	5.28
					12 400 083.78	10.78
Food and soft drinks						
Shenguan Holdings (Group) Ltd	6 221 000		1 862 000	4 359 000	2 361 601.29	2.06
					2 361 601.29	2.05
Pharmaceuticals, cosmetics and medical products						
Hengan International Group Co Ltd		416 000	52 500	363 500	3 287 742.68	2.87
Mindray Medical International Ltd ADR -A-	153 494	3 800	14 700	142 594	4 707 027.94	4.10
					7 994 770.62	6.97
Textiles, apparel and leather goods						
Belle International Holdings Ltd	3 525 000	1 066 000	1 589 000	3 002 000	6 528 935.31	5.67
Trinity Ltd	2 478 000			2 478 000	1 621 278.06	1.41
					8 150 213.37	7.08
Insurance						
Ping An Insurance Group Comp of China	801 000	271 500	167 500	905 000	7 594 496.07	6.60
					7 594 496.07	6.60
Total shares					107 654 526.99	93.62
Total securities traded on an exchange					107 654 526.99	93.62
Other investments						
Call Warrants						
Finance, holding and miscellaneous companies						
ML Intl & Co on Ping An Insurance Co Dec14	49 000			49 000	356 195.70	0.31
ML Intl & Co on Qingdao Haier Nov15	1 594 908			1 594 908	3 430 328.13	2.98
					3 786 523.83	3.29
Total Call Warrants					3 786 523.83	3.29
Total other investments					3 786 523.83	3.29
Total investments					111 441 050.82	96.91
Cash at banks					3 540 106.48	3.09
Total assets					114 981 157.30	100.00
Due to banks					-317 921.19	-0.28
Other liabilities					-180 364.91	-0.16
Net assets					114 482 871.20	99.56

¹ Inclusive of purchases/sales and corporate actions

List of sight and time deposits as at December 31, 2012

Account management	Account type	Currency	Interest rate	Maturity	31.12.2012	31.12.2011	Change
Credit Suisse AG, Zurich	Current account	CHF	0.05	daily	19 005.25	171.98	18 833.27
Credit Suisse AG, Zurich	Current account	EUR	0.05	daily	34 317.00	0.00	34 317.00
Credit Suisse AG, Zurich	Current account	HKD	0.00	daily	26 866 726.67	18 261 077.43	8 605 649.24
Credit Suisse AG, Zurich	Current account	USD	0.15	daily	-317 921.19	-7 983.20	-309 937.99

Notes to the Annual Report as at December 31, 2012

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	0.13%	1.50%	1.66%	51.23%
HSZ China Fund	CHF	2 682 806	CHF	0.13%	1.50%	1.66%	51.23%
HSZ China Fund	EUR	2 682 809	EUR	0.13%	1.50%	1.65%	51.23%

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	01.01.2012–31.12.2012 ¹	2011 ¹	2010 ¹	2009 ¹
HSZ China Fund	USD	17.11.2006	2 682 803	USD	19.9%	-26.0%	10.8%	118.7%
HSZ China Fund	CHF	17.11.2006	2 682 806	CHF	16.3%	-27.6%	-0.4%	113.8%
HSZ China Fund	EUR	17.11.2006	2 682 809	EUR	17.0%	-23.7%	19.1%	110.3%

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:
- when units are issued and redeemed;
 - 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;
 - 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;
 - 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.

Note 5: Amendments to the fund contract as of April 2, 2012

The Swiss Financial Market Supervisory Authority FINMA issued an order on March 29, 2012 approving the amendments to the fund contract proposed by the management companies and the custodian bank. These amendments entered into force on April 2, 2012. The publication in the Schweizerischen Handelsamtsblatt and on the electronic platform Swiss Fund Data (www.swissfunddata.ch), published on January 31, 2012 and February 1, 2012, reads as follows:

Die Credit Suisse AG beabsichtigt, unter Vorbehalt der Zustimmung der Eidgenössischen Finanzmarktaufsicht FINMA, die Clariden Leu AG vollumfänglich in ihre Organisation zu integrieren. Die Fusion zwischen Clariden Leu AG und Credit Suisse AG erfolgt in der Form einer Absorptionsfusion gemäss dem Schweizerischen Fusionsgesetz. Vorbehältlich aller erforderlichen Bewilligungen, einschliesslich der Zustimmung der Eidgenössischen Finanzmarktaufsicht FINMA, wird die Fusion zwischen Credit Suisse AG und Clariden Leu AG am 2. April 2012 rechtswirksam. Zu diesem Zeitpunkt wird Clariden Leu AG aufgelöst und sämtliche Rechte und Pflichten der Clariden Leu AG gehen (auf dem Weg der Universalsukzession) auf die Credit Suisse AG über. Ab diesem Zeitpunkt werden daher von der Clariden Leu AG wahrgenommene Funktionen von der Credit Suisse AG übernommen.

Übernahme der Depotbankfunktion durch Credit Suisse AG

Vorbehältlich der Genehmigung der Eidgenössischen Finanzmarktaufsicht FINMA übernimmt die Credit Suisse AG, Zürich ab dem 2. April 2012 für folgende kollektive Kapitalanlagen die Funktion der Depotbank und Zahlstelle von der Clariden Leu AG, Zürich:

- **Alteina Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Alteina Swiss Equity Fund, Alteina Global Equity Fund
- **Apenso**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Apenso 25 (CHF), Apenso 40 (CHF)
- **Aramus (CH) Fund – Umbrella-Fonds mit besonderem Risiko** vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit dem folgenden Teilvermögen: Aramus (CH) Japan Fund
- **Clariden Leu (CH), übriger Fonds für alternative Anlagen mit besonderem Risiko**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit dem folgenden Teilvermögen: Clariden Leu (CH) Direct Access Fund
- **Clariden Leu (CH) I, Anlagefonds schweizerischen Rechts mit besonderem Risiko**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit den folgenden Teilvermögen: Clariden Leu (CH) I – Diversified Alpha Fund (USD), Clariden Leu (CH) I – Diversified Alpha Fund (EUR), Clariden Leu (CH) I – Latin America Fund (USD), Clariden Leu (CH) I – Latin America Fund (EUR)
- **Clariden Leu (CH) Bond Fund CHF**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Cat Bond Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) European Quant Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Strategy Fund – Balanced (CHF)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Strategy Fund – Balanced (EUR)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Strategy Fund – Conservative (CHF)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Swiss Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Swiss Small Cap Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Clariden Leu (CH) Total Return Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Clariden Leu (CH) Total Return Fund (USD), Clariden Leu (CH) Total Return Fund (EUR), Clariden Leu (CH) Total Return Fund (CHF)

- **Clariden Leu (CH) US Quant Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **HSZ China Fund**, vertraglicher Anlagefonds schweizerischen Rechts, (Art «Übrige Fonds für traditionelle Anlagen»)
- **Precious Capital Global Mining & Metals Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Quantex Nucleus Fonds**, vertraglicher Anlagefonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen»)
- **Quantex Strategic Precious Metal Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Quantex Strategic Precious Metal Fund (CHF), Quantex Strategic Precious Metal Fund (USD)
- **Quantex Environmental Fund**, vertraglicher Anlagefonds schweizerischen Rechts, (Art «Übrige Fonds für traditionelle Anlagen»)
- **SAAF II (CH)**, Anlagefonds schweizerischen Rechts mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit den folgenden Teilvermögen: SAAF II (CH) Global Fund (in Liquidation), SAAF II (CH) Long Short Equity Fund (in Liquidation)
- **SICH – Japan Core 100 Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts, (Art «Effektenfonds»)
- **Ski Valais Charity Bond Fonds CHF**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Effektenfonds»)

Für die Anleger erfolgt die Übernahme der Funktion der Depotbank und Zahlstelle durch die Credit Suisse AG kostenlos.

Umbenennung der Anlagefonds und Übertragung der Anlageentscheide

Im Zusammenhang mit der Integration der Clariden Leu AG werden die Namen der nachfolgend genannten Anlagefonds und Umbrella-Fonds angepasst und neu die Anlageentscheide der Anlagefonds und Teilvermögen an die Credit Suisse AG übertragen:

<i>Bisheriger Name</i>	<i>Neuer Name</i>
Clariden Leu (CH) mit dem Teilvermögen Clariden Leu (CH) Direct Access Fund	Credit Suisse (CH) mit dem Teilvermögen: Credit Suisse (CH) Direct Access Fund
Clariden Leu (CH) I mit den Teilvermögen Clariden Leu (CH) I – Diversified Alpha Fund (EUR), Clariden Leu (CH) I – Diversified Alpha Fund (USD), Clariden Leu (CH) I – Latin America Fund (EUR), Clariden Leu (CH) I – Latin America Fund (USD),	Credit Suisse (CH) I mit den Teilvermögen Credit Suisse (CH) I – Diversified Alpha Fund (EUR), Credit Suisse (CH) I – Diversified Alpha Fund (USD), Credit Suisse (CH) I – Latin America Fund (EUR), Credit Suisse (CH) I – Latin America Fund (USD),
Clariden Leu (CH) Bond Fund CHF	Credit Suisse (CH) Bond Fund CHF
Clariden Leu (CH) European Quant Equity Fund	Credit Suisse (CH) European Quant Equity Fund
Clariden Leu (CH) Swiss Equity Fund	Credit Suisse (CH) Swiss Equity Fund
Clariden Leu (CH) Swiss Small Cap Equity Fund	Credit Suisse (CH) Swiss Small Cap Equity Fund
Clariden Leu (CH) Strategy Fund – Balanced (CHF)	Credit Suisse (CH) Strategy Fund – Balanced (CHF)
Clariden Leu (CH) Strategy Fund – Balanced (EUR)	Credit Suisse (CH) Strategy Fund – Balanced (EUR)
Clariden Leu (CH) Strategy Fund – Conservative (CHF)	Credit Suisse (CH) Strategy Fund – Conservative (CHF)
Clariden Leu (CH) Total Return Fund, mit den Teilvermögen Clariden Leu (CH) Total Return Fund (USD), Clariden Leu (CH) Total Return Fund (EUR), Clariden Leu (CH) Total Return Fund (CHF)	Credit Suisse (CH) Total Return Fund, mit den Teilvermögen Credit Suisse (CH) Total Return Fund (EUR), Credit Suisse (CH) Total Return Fund (USD), Credit Suisse (CH) Total Return Fund (CHF)
Clariden Leu (CH) US Quant Equity Fund	Credit Suisse (CH) US Quant Equity Fund

Die Publikation betreffend Umbenennung der Anlagefonds und Übertragung der Anlageentscheide erfolgt lediglich zu Informationszwecken. Die Rechte der Anlegerinnen und Anleger werden durch die vorgesehenen Änderungen des Fondsvertrags nicht berührt (Art. 41 Abs. 1 KKV) respektive stellen lediglich eine Prospektänderung dar. Art. 27 Abs. 3 KAG findet daher keine Anwendung.

Note 6: Amendments to the fund contract as of July 6, 2012

The Swiss Financial Market Supervisory Authority FINMA issued an order on June 28, 2012 approving the amendments to the fund contract proposed by the management companies and the custodian bank. These amendments entered into force on July 6, 2012. The publication in the Schweizerischen Handelsamtsblatt and on the electronic platform Swiss Fund Data (www.swissfunddata.ch), published on April 12 and April 13, 2012, reads as follows:

Fusion von kollektiven Kapitalanlagen bzw. von Teilvermögen

Per 2. April 2012 hat die Credit Suisse AG, Zürich die Clariden Leu AG, Zürich vollumfänglich auf dem Wege einer Absorptionsfusion in ihre Organisation integriert. Damit ging auch die Funktion der Depotbank und Zahlstelle für die schweizerischen kollektiven Kapitalanlagen von der Clariden Leu AG, Zürich von Gesetzes wegen auf die Credit Suisse AG, Zürich über.

Im Nachgang der oben erwähnten Fusion beabsichtigt nun die Credit Suisse Funds AG, Zürich, die Schweizerische Gesellschaft für Kapitalanlagen SGK AG, Zürich, vollumfänglich in ihre Organisation zu integrieren. Die geplante Fusion zwischen Credit Suisse Funds AG, Zürich und Schweizerische Gesellschaft für Kapitalanlagen SGK AG, Zürich erfolgt in der Form einer Absorptionsfusion gemäss dem Schweizerischen Fusionsgesetz. Vorbehältlich aller erforderlichen Bewilligungen, einschliesslich gesellschaftsrechtlicher Beschlüsse sowie der Zustimmung der Eidgenössischen Finanzmarktaufsicht FINMA, wird die Fusion zwischen Credit Suisse Funds AG, Zürich und Schweizerische Gesellschaft für Kapitalanlagen SGK AG, Zürich am 6. Juli 2012 rechtswirksam. Zu diesem Zeitpunkt wird die Schweizerische Gesellschaft für Kapitalanlagen SGK AG, Zürich aufgelöst und sämtliche Rechte und Pflichten der Schweizerischen Gesellschaft für Kapitalanlagen SGK AG, Zürich gehen von Gesetzes wegen (auf dem Weg der Universalsukzession) auf die Credit Suisse Funds AG, Zürich über. Ab diesem Zeitpunkt werden daher von der Schweizerischen Gesellschaft für Kapitalanlagen SGK AG, Zürich wahrgenommene Funktionen von der Credit Suisse Funds AG, Zürich übernommen.

Übernahme der Fondsleitungsfunktion durch Credit Suisse Funds AG, Zürich

Vorbehältlich aller erforderlichen Bewilligungen, einschliesslich gesellschaftsrechtlicher Beschlüsse sowie der Zustimmung der Eidgenössischen Finanzmarktaufsicht FINMA, übernimmt die Credit Suisse Funds AG, Zürich ab dem 6. Juli 2012 für folgende schweizerische kollektive Kapitalanlagen die Funktion der Fondsleitung von der Schweizerischen Gesellschaft für Kapitalanlagen SGK AG, Zürich:

- **Alteia Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Alteia Swiss Equity Fund, Alteia Global Equity Fund
- **Apenso**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Apenso 25, Apenso 40
- **Aramus (CH) Fund** – Umbrella-Fonds mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit dem folgenden Teilvermögen: Aramus (CH) Japan Fund
- **Arvernus Capital (CH) Fund** – Umbrella-Fonds mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit dem folgenden Teilvermögen: Arvernus Capital (CH) Europe Event Driven Fund
- **AWMZ Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: AWMZ Fund I, AWMZ Fund II
- **Clariden Leu (CH) Cat Bond Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Cat Asia Convert**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Effektenfonds»)
- **Cat Nippon Convert**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Effektenfonds»)
- **Credit Suisse (CH)**, übriger Fonds für alternative Anlagen mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit dem folgenden Teilvermögen: Credit Suisse (CH) Direct Access Fund
- **Credit Suisse (CH) I**, Anlagefonds schweizerischen Rechts mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit den folgenden Teilvermögen: Credit Suisse (CH) I – Diversified Alpha Fund (USD), Credit Suisse (CH) I – Diversified Alpha Fund (EUR), Credit Suisse (CH) I – Latin America Fund (USD) (in Liquidation), Credit Suisse (CH) I – Latin America Fund (EUR) (in Liquidation)
- **Credit Suisse (CH) Bond Fund CHF**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) European Quant Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse Triamant**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Credit Suisse Triamant Einkommensorientiert (CHF), Credit Suisse Triamant Einkommensorientiert (EUR), Credit Suisse Triamant Ausgewogen (CHF), Credit Suisse Triamant Ausgewogen (EUR), Credit Suisse Triamant Kapitalgewinnorientiert (CHF), Credit Suisse Triamant Kapitalgewinnorientiert (EUR)
- **Credit Suisse (CH) Strategy Fund – Balanced (CHF)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) Strategy Fund – Balanced (EUR)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) Strategy Fund – Conservative (CHF)**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) Swiss Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) Swiss Small Cap Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Credit Suisse (CH) Total Return Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Credit Suisse (CH) Total Return Fund (USD), Credit Suisse (CH) Total Return Fund (EUR), Credit Suisse (CH) Total Return Fund (CHF)
- **Credit Suisse (CH) US Quant Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **HSZ China Fund**, vertraglicher Anlagefonds schweizerischen Rechts, (Art «Übrige Fonds für traditionelle Anlagen»)
- **Precious Capital Global Mining & Metals Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Übrige Fonds für traditionelle Anlagen»)
- **Quantex Nucleus Fonds**, vertraglicher Anlagefonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen»)
- **Quantex Strategic Precious Metal Fund**, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «übrige Fonds für traditionelle Anlagen») mit den folgenden Teilvermögen: Quantex Strategic Precious Metal Fund (CHF), Quantex Strategic Precious Metal Fund (USD)
- **Quantex Environmental Fund**, vertraglicher Anlagefonds schweizerischen Rechts, (Art «Übrige Fonds für traditionelle Anlagen»)
- **SAAF II (CH)**, Anlagefonds schweizerischen Rechts mit besonderem Risiko, vertraglicher Umbrella-Fonds schweizerischen Rechts (Art «Übrige Fonds für alternative Anlagen») mit den folgenden Teilvermögen: SAAF II (CH) Global Fund (in Liquidation), SAAF II (CH) Long Short Equity Fund (in Liquidation)
- **SICH – Japan Core 100 Equity Fund**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Effektenfonds»)
- **Ski Valais Charity Bond Fonds CHF**, vertraglicher Anlagefonds schweizerischen Rechts (Art «Effektenfonds»)

Für die Anlager erfolgt die Übernahme der Funktion der Fondsleitung durch die Credit Suisse Funds AG, Zürich kostenlos.

Report of the audit company

As collective investment scheme regulatory auditors, we have audited the financial statements of the investment fund

■ HSZ China Fund

which comprise the statement of net assets and the income statement, the statement of the appropriation of available earnings and the disclosure of the total costs as well as the supplemental disclosures in accordance with article 89 paragraph 1 lit. b–h of the Swiss Collective Investment Schemes Act (CISA) for the year ended December 31, 2012.

Responsibility of the Fund Management Company's Board of Directors

The Board of Directors of the Fund Management Company is responsible for the preparation of the financial statements in accordance with the requirements of the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus with integrated fund contract. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors of the Fund Management Company is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibility of the audit company for collective investment schemes

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2012 comply with the Swiss Collective Investment Schemes Act, the related ordinances as well as the investment fund agreement and the prospectus with integrated fund contract.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and article 127 CISA as well as on independence (article 11 AOA) and that there are no circumstances incompatible with our independence.

KPMG AG

Markus Schunk
Licensed Audit Expert
Auditor in Charge

Adrian Walder
Licensed Audit Expert

Zurich, April 12, 2013

This report is an English translation of the original German version.
In case of discrepancies the original version takes precedence.

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