

HSZ China Fund

Mutual fund under Swiss law
(category "other funds for traditional investments")



**Simplified Prospectus of April 2011
relating to the Prospectus of April 2011**

Fund manager:

**Swiss Investment Company SIC Ltd.
Zürich**

Custodian:

**Clariden Leu Ltd.
Zurich**

1. Note

This simplified prospectus contains key information about the mutual fund HSZ China Fund. The legal and financial aspects are governed conclusively by the full sales prospectus with integrated fund contract. These govern, among other things, the rights of the investors, the duties and obligations of the fund manager and the custodian, and the investment policy of the mutual fund. The investor is advised to consult the full sales prospectus. The annual and semi-annual reports provide information on the assets and income statement. These documents may be obtained free of charge from the fund manager, the custodian and all distributors.

2. Investment information

2.1 Investment objective

The investment objective of the HSZ China Fund is to generate capital gains, primarily through investment in Chinese equity-related securities and security rights.

2.2 Investment strategy (investment policy)

This mutual fund primarily invests directly in equity-related securities and security rights of selected issuers, which are domiciled or conduct their principal business in the People's Republic of China or in holding companies, whose participations are primarily companies, which are domiciled in the People's Republic of China, and in other investments permitted under the fund contract.

Derivative financial instruments may be used to ensure efficient management of the mutual fund's assets. Derivatives are used as part of the investment strategy and not only for the hedging of investment positions.

The mutual fund has no benchmark. The performance fee is calculated in relation to a hurdle rate of 5%.

The mutual fund's unit of account is the US dollar (USD). The reference currencies of the individual classes are:

USD class	US dollar
CHF class	Swiss franc
EUR class	Euro

2.3 Risk profile of the mutual fund

The full prospectus contains more detailed information on the specific risks involved.

The main risks are (i) debtor risks, which may affect sovereign as well as corporate borrowers, (ii) a legal and fiscal environment which does not protect the rights of investors to the same degree as that of Western European countries, (iii) securities markets which are not sufficiently transparent, (iv) the limited quality of financial statements and other financial information, (v) a tendency to greater volatility, (vi) restrictions in terms of the transfer of financial resources, (vii) currency risks, (viii) a higher level of investment risk in relation to smaller, newer and substantially restructured businesses, and (ix) the greater risk of unrest or of disadvantageous political changes.

The value of the investments can go down as well as up, and it is even possible that investors may get back less than the amount they invested.

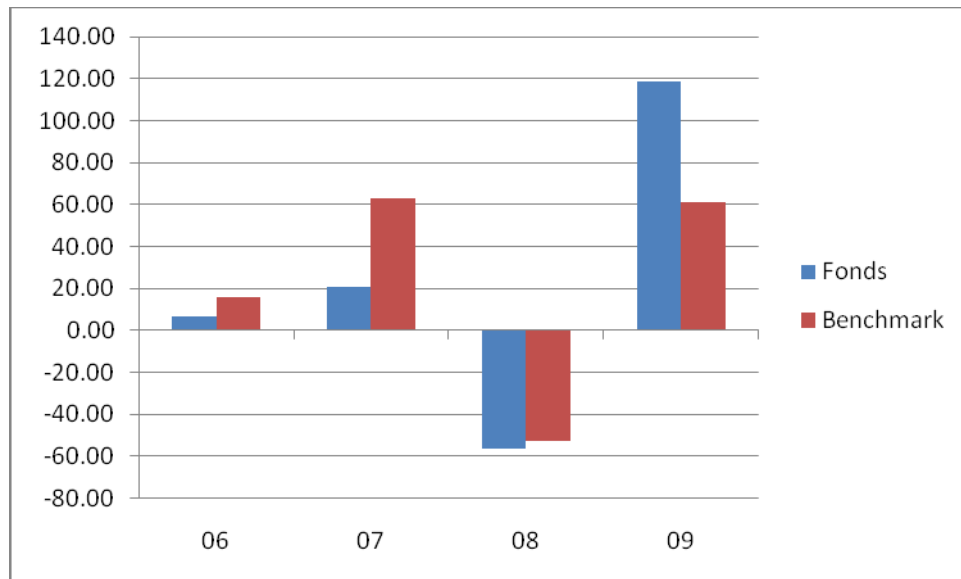
Based on its envisaged use of derivatives, this mutual fund qualifies as a "simple investment fund". For the assessment of risk, Commitment Approach II shall be applied. Commitment Approach II is an extended process. Both leverage and short-selling are permitted. The overall exposure of a mutual fund may thus be up to 200% of the net fund assets (or up to 210% after taking account of borrowing). The fund manager will ensure that the use of derivatives does not, even under extraordinary market circumstances, result in a deviation from the

investment objectives set out in the present simplified prospectus, in the fund contract, and in the prospectus, and that it does not alter the investment character of the mutual fund.

In addition to market risks, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss.

2.4 Performance of the mutual fund (change in the net asset value where distributions are reinvested)

2.4.1 HSZ China Fund USD class

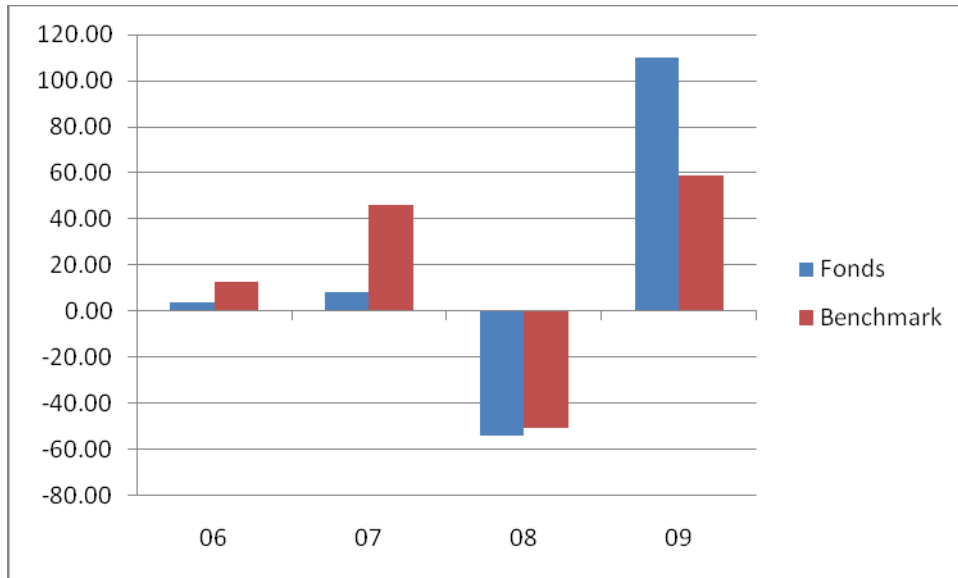


Year	Annual return	
	Fund	Benchmark
2006*	6.85%	16.14%
2007	20.96%	63.10%
2008	-56.26%	-52.58%
2009	118.66%	60.98%

* Truncated year

Average annual return	Fund	Benchmark
Last 3 years	4.98%	7.58%
Since launch	7.04%	12.55%

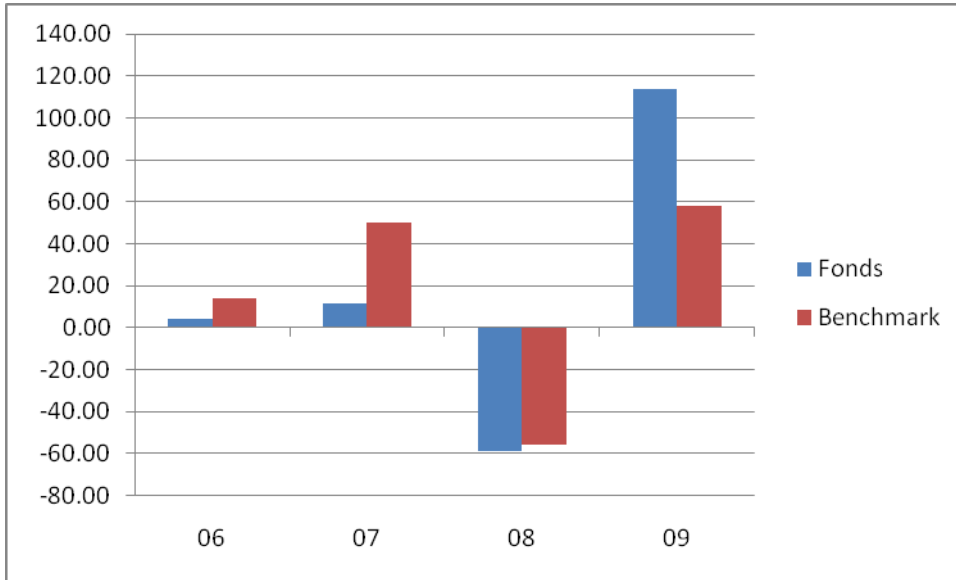
2.4.2 HSZ China Fund EUR class



Year	Annual return	
	Fund	Benchmark
2006*	3.85%	12.74%
2007	8.34%	46.31%
2008	-54.06%	-50.73%
2009	110.29%	59.11%

Average annual return	Fund	Benchmark
Last 3 years	1.53%	4.68%
Since launch	2.71%	8.59%

2.4.3 HSZ China Fund CHF class



Year	Annual return	
	Fund	Benchmark
2006*	4.50%	13.80%
2007	11.54%	50.40%
2008	-58.95%	-55.64%
2009	113.81%	58.29%

* Truncated year

Average annual return	Fund	Benchmark
Last 3 years	-0.70%	1.38%
Since issue	0.73%	6.08%

Past performance is no indication of the future returns of the mutual fund. This will depend on how the Asian equity markets perform and on how successfully the asset manager implements the investment policy.

2.5 Profile of the typical investor

The fund is suitable for investors with a long-term investment horizon who are primarily seeking growth in their invested capital. Investors are able to accept stronger fluctuations and a more protracted decline in the net asset value of the fund units. They are aware of the main risks involved in equity investments.

The mutual fund provides an opportunity to achieve attractive long-term growth, but requires a willingness specifically to accept the significant fluctuations in value that may arise in the short term owing to sharp increases in interest rates. The relationship between risk and return may be markedly improved by investing on a long-term basis. We recommend a minimum holding period of five years.

2.6 Dividend policy

The net income of the mutual fund shall be distributed annually to the investors by the end of April in the reference currency of the individual unit class.

2.7 Unit classes

The mutual fund is divided into the following unit classes:

- USD class, which is issued in US dollars;
- EUR class, which is issued in euros;
- CHF class, which is issued in Swiss francs

3. Financial information

3.1 Fees and incidental costs

	2006/2007	2008	2009
Fees and incidental costs charged directly to investors on the purchase and redemption of units:			
Maximum issue commission	5%	5%	5%
Maximum redemption commission	none	0.5%	0.5%
Fees and incidental costs charged to the mutual fund's assets on an ongoing basis:			
Maximum management fee charged by the fund manager	1.5%	1.5%	1.5%
Performance fee on the outperformance in relation to a hurdle rate of 5%	10%	10%	10%
Actual charge in USD	6'984'991.00	-	-
Custodian's commission	0.15%	0.15%	0.15%
Additional costs in line with actual expenses incurred (annual fees for the supervision of the mutual fund in Switzerland, printing of the annual and semi-annual reports, etc., excluding securities transaction costs)	0.002%	0.08%	0.05%
Total expense ratio (TER) (excluding securities transaction costs)			
USD class			
• With Performance Fee	5.82%	1.69%	1.74%
• Without Performance Fee	1.86%	1.69%	1.74%
CHF class			
• With Performance Fee	6.00%	1.69%	1.74%
• Without Performance Fee	1.87%	1.69%	1.74%
EUR class			
• With Performance Fee	5.81%	1.69%	1.73%
• Without Performance Fee	1.86%	1.69%)	1.73%
Portfolio turnover rate (PTR) as per EU standard	62.02%	38.32%	104.75%

*) Data not known at the time the simplified prospectus was issued. The figures for the previous year allow a provisional assessment of the probable amount in the current year.

The management fee may be used in full or part for trailer fees and/or reimbursements to certain categories of investor.

3.2 Fee-sharing agreements and pecuniary benefits ("soft commissions")

There are no fee-sharing agreements.

The fund manager has not concluded any agreements in respect of "soft commissions".

3.3 Tax information (mutual fund)

This open-ended mutual fund is subject to Swiss law, in accordance with which it is not in principle subject to tax on either income or capital.

The Swiss federal withholding tax deducted from the mutual fund's domestic income will be reclaimed in full for the mutual fund by the fund manager.

Income and capital gains realized outside Switzerland may be subject to the relevant withholding tax deductions imposed by the country of investment. Insofar as is possible, these taxes will be reclaimed by the fund manager on behalf of investors domiciled in Switzerland under the terms of double taxation treaties or other corresponding agreements.

3.4 Tax information (investors resident for tax purposes in Switzerland)

Distributions of income made by the mutual fund to investors domiciled in Switzerland are subject to Swiss federal withholding tax (source tax) at 35%. Any capital gains paid on a separate coupon are not subject to withholding tax. Investors domiciled in Switzerland can reclaim the withholding tax deducted by means of a declaration in their tax return or through separate application for repayment of withholding tax.

3.5 Tax information (investors resident for tax purposes outside Switzerland)

Distributions of income from the mutual fund to investors domiciled abroad are made without the deduction of Swiss withholding tax, provided at least 80% of income derives from foreign sources, subject to presentation of a confirmation from a bank stating that the units in question are held at the bank in the custody account of an investor domiciled outside Switzerland, and that the distributions of income are credited to this investor's account (declaration of domicile/affidavit). It cannot be guaranteed that at least 80% of the earnings will derive from foreign sources.

If an investor resident abroad is charged withholding tax as a result of the absence of a bank declaration, the investor can, under Swiss law, reclaim the tax deducted directly from the Swiss Federal Tax Administration in Berne.

The income distributed and/or the interest realized on the sale or redemption of units is subject in Switzerland to EU savings tax.

4. Information concerning trading

4.1 Publication of prices

The net asset value per unit is published each day on which units are issued and redeemed, and at least twice monthly (on the first and third Monday) on the electronic platform of the Swiss Fund Data AG (www.swissfunddata.ch).

The fund manager can also announce prices in newspapers or other electronic media.

4.2 Modalities for purchasing and redeeming units

Subscriptions and redemptions of fund units will be accepted on every bank working day.

Subscriptions and redemptions must be submitted to the custodian by 2.30 p.m. on a bank working day in Zurich (order date). They are executed on the following bank working day (trade date) based on the NAV calculated on this day (forward pricing). Settlement takes place three bank working days after the trade date (T+3).

5. Brief profile of the mutual fund

Launch date of the mutual fund	August 2, 2006
Financial year	January 1 to December 31
Security ID	USD class 2682803 CHF class 2682806 EUR class 2682809
ISIN	USD class CH0026828035 CHF class CH0026828068 EUR class CH0026828092
Life (of the mutual fund)	indefinite
Offering financial institution (promoter)	HSZ Group
Fund manager	Swiss Investment Company SIC Ltd, Claridenstrasse 19, CH-8002 Zurich
Asset manager	HSZ (Hong Kong) Limited, Unit 605A, 6/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, Hong Kong SAR .
Custodian	Clariden Leu Ltd., Bahnhofstrasse 32, CH-8001 Zurich
Auditors	KPMG Ltd., Badenerstrasse 172, CH-8004 Zurich
Supervisory authority	Swiss Financial Market Supervisory Authority FINMA, Berne
Contact	In Switzerland: Clariden Leu AG, Bahnhofstrasse 32, CH-8001 Zurich