

# HSZ China Fund

Investment fund under Swiss law established under  
the category "Other traditional investment funds"

Unaudited semi-annual report as at June 30, 2023

# HSZ China Fund

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# HSZ China Fund

## ORGANISATION

<b>Fund Management Company</b>	FundPartner Solutions (Suisse) SA Route des Acacias 60, CH-1211 Geneva 73 Phone +41 (0) 58 323 37 77																										
<b>Custodian bank</b>	Banque Pictet & Cie SA Route des Acacias 60, CH-1211 Geneva 73 Phone +41 (0) 58 323 23 23																										
<b>Delegation of Investment Decisions</b>	HSZ (Hong Kong) Limited Unit 605A, 6/F, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, Hong Kong SAR																										
<b>Delegation of the operation of the IT system and calculation of the net asset value ("NAV")</b>	FundPartner Solutions (Europe) SA, Luxembourg																										
<b>Delegation of processing of subscription and redemption orders</b>	FundPartner Solutions (Europe) SA, Luxembourg																										
<b>Auditor</b>	PricewaterhouseCoopers SA Avenue Giuseppe-Motta 50, CH-1202 Geneva																										
<b>Paying Agent</b>	Banque Pictet & Cie SA																										
<b>Investment Objective</b>	The investment objective of the HSZ China Fund is to generate long-term capital gains, primarily through Chinese equity-related securities and security rights.																										
<b>Legal form</b>	HSZ China Fund is a contractual investment fund of the category "Other Funds for Traditional Investments" in accordance with Art. 25 et seq. in conjunction with Art. 68 et seq. of the Collective Investment Schemes Act (CISA) of June 23, 2006.  Last prospectus with integrated fund contract approved by the Swiss Financial Market Supervisory Authority (FINMA) on July 21, 2022, which came into effect on July 25, 2022.																										
<b>ISIN Codes and Launch dates</b>	<table><thead><tr><th>Sub-fund</th><th>Class of Units</th><th>ISIN Code</th><th>Launch date</th></tr></thead><tbody><tr><td rowspan="7">HSZ China Fund</td><td>-A USD-</td><td>CH0026828035</td><td>17/11/2006</td></tr><tr><td>-A CHF-</td><td>CH0026828068</td><td>17/11/2006</td></tr><tr><td>-A EUR-</td><td>CH0026828092</td><td>20/11/2006</td></tr><tr><td>-C USD-</td><td>CH0285686041</td><td>01/10/2015</td></tr><tr><td>-C CHF-</td><td>CH0285685803</td><td>01/10/2015</td></tr><tr><td>-I USD-</td><td>CH0368454085</td><td>26/03/2021</td></tr><tr><td>-I CHF-</td><td>CH0368452204</td><td>23/08/2017</td></tr></tbody></table>	Sub-fund	Class of Units	ISIN Code	Launch date	HSZ China Fund	-A USD-	CH0026828035	17/11/2006	-A CHF-	CH0026828068	17/11/2006	-A EUR-	CH0026828092	20/11/2006	-C USD-	CH0285686041	01/10/2015	-C CHF-	CH0285685803	01/10/2015	-I USD-	CH0368454085	26/03/2021	-I CHF-	CH0368452204	23/08/2017
Sub-fund	Class of Units	ISIN Code	Launch date																								
HSZ China Fund	-A USD-	CH0026828035	17/11/2006																								
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	-C USD-	CH0285686041	01/10/2015																								
	-C CHF-	CH0285685803	01/10/2015																								
	-I USD-	CH0368454085	26/03/2021																								
	-I CHF-	CH0368452204	23/08/2017																								
<b>Reference currency</b>	USD																										
<b>Issues &amp; redemptions</b>	Subscription and redemption orders received by the custodian bank by the time stated in the table at the end of the prospectus on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing).																										

# HSZ China Fund

## ORGANISATION (continued)

Payment day	Four bank business days after the valuation day.																
Appropriation of net income	The net income of the investment fund shall be distributed annually to investors within four months of the end of the financial year in the reference currency of the unit class concerned. The fund management company may make additional interim distributions from the income.																
Taxes	Distributions of income made by the investment fund to investors domiciled in Switzerland are subject to Swiss federal withholding tax (source tax) at 35%.																
Compensation of the fund management company	<p>1. The fund management company and custodian bank are entitled to the following commissions:</p> <p>a) Compensation of the fund management company</p> <p>The fund management company's commission is made up as follows:</p> <ul style="list-style-type: none"><li>- for the management of the investment fund, the fund management company will charge an annual commission of a maximum of 0.12% of the fund's net asset value, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out quarterly.</li><li>- for the asset management and distribution of the investment fund, the fund management will charge an annual fee of the fund's net asset value according to the table below, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out monthly. The management fee may be charged to the investment fund and transferred directly to the asset manager and/or distribution partner.</li></ul> <table border="1"><thead><tr><th>Class of Units</th><th>Management Fee</th></tr></thead><tbody><tr><td>-A USD-</td><td>1.35%</td></tr><tr><td>-A CHF-</td><td>1.35%</td></tr><tr><td>-A EUR-</td><td>1.35%</td></tr><tr><td>-C USD-</td><td>0.90%</td></tr><tr><td>-C CHF-</td><td>0.90%</td></tr><tr><td>-I USD-</td><td>0.90%</td></tr><tr><td>-I CHF-</td><td>0.90%</td></tr></tbody></table>	Class of Units	Management Fee	-A USD-	1.35%	-A CHF-	1.35%	-A EUR-	1.35%	-C USD-	0.90%	-C CHF-	0.90%	-I USD-	0.90%	-I CHF-	0.90%
Class of Units	Management Fee																
-A USD-	1.35%																
-A CHF-	1.35%																
-A EUR-	1.35%																
-C USD-	0.90%																
-C CHF-	0.90%																
-I USD-	0.90%																
-I CHF-	0.90%																
	<p>b) Compensation of the custodian bank</p> <p>For the tasks of the custodian bank, such as the safekeeping of the assets of the investment fund, the handling of payment transactions and the other tasks listed in § 4, the custodian bank will charge an annual commission of a maximum of 0.10% of the fund's net asset value, which will be charged pro rata temporis to the fund's assets each time the net asset value is calculated and paid out quarterly.</p>																
Restrictions	Fund units may not be offered, sold or delivered within the United States. Shares in the investment fund may not be offered, sold or delivered to US citizens or persons resident in the US and/or other natural or legal persons whose income and/or profits, regardless of their origin, are subject to US income tax, or to persons who are US persons under Regulation S of the US Securities Act of 1933, as amended, and/or the US Commodity Exchange Act, as amended..																
Domicile	Switzerland																
Rights of unitholders and potential investors	The prospectus with integrated fund contract, the Key Investor Information Document (KIID) and the latest annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.																
Publications	<a href="http://www.swissfunddata.ch">www.swissfunddata.ch</a>																

# HSZ China Fund

## STATEMENT OF NET ASSETS

	30.06.2023	31.12.2022
	USD	USD
Due from banks, including fiduciary deposits with third-party banks, broken down into:		
- Sight deposits	1,576,632.64	1,566,992.03
Dividends receivable	328,481.84	58,324.97
Securities, including those on loan and under repurchase agreements, broken down into:		
- Structured products	19,160,807.30	20,707,486.63
- Shares and other equity securities and rights	142,476,606.44	180,545,320.59
Derivative financial instruments:		
- Warrants	5,230,516.65	6,693,759.37
<b>TOTAL ASSETS OF THE FUND</b>	<b>168,773,044.87</b>	<b>209,571,883.59</b>
<b>Less:</b>		
- Other liabilities	226,604.73	272,521.47
<b>NET ASSETS OF THE FUND</b>	<b>168,546,440.14</b>	<b>209,299,362.12</b>
<b>Number of units outstanding</b>		
-A USD- units	185,130.360	255,798.360
-A CHF- units	198,368.250	185,189.670
-A EUR- units	2,957.230	2,098.230
-C USD- units	74,703.280	78,610.040
-C CHF- units	73,110.920	81,988.920
-I USD- units	80,000.000	80,000.000
-I CHF- units	417,973.760	417,973.760
<b>Net asset value per unit (in class currency)</b>		
-A USD- units	186.95	215.57
-A CHF- units	131.43	154.97
-A EUR- units	220.84	258.80
-C USD- units	194.65	223.96
-C CHF- units	137.25	161.46
-I USD- units	194.65	223.96
-I CHF- units	136.01	160.01

# HSZ China Fund

## INCOME STATEMENT

	01.01.2023 30.06.2023	01.01.2022 31.12.2022
	USD	USD
Income from securities, broken down by:		
- Shares and other equity securities and rights, including income from bonus shares	2,138,060.26	2,551,933.13
Current net income paid in on issued units	-8,611.85	-14,828.59
<b>TOTAL INCOME</b>	<b>2,129,448.41</b>	<b>2,537,104.54</b>
<b>Less:</b>		
Negative interest (long position)	-	1,360.15
Passive interest (short position)	2,916.28	2,592.45
Audit expenses	8,048.14	13,397.94
Remunerations to the following in accordance with the fund regulations:		
- to the fund management company (1)	74,835.02	184,923.05
- to the custodian bank (2)	74,632.81	184,249.16
- to the asset manager (3)		
-A USD- units	337,382.83	884,185.67
-A CHF- units	209,291.39	456,612.73
-A EUR- units	4,488.40	11,638.33
-C USD- units	77,384.57	227,466.94
-C CHF- units	60,238.20	208,325.25
-I USD- units	77,845.67	185,629.55
-I CHF- units	315,252.80	699,283.17
Other expenses	6,565.10	29,137.64
Partial transfer of expenditure on realised capital gains and losses (4)		
-A USD- units	-	-17,179.54
-A CHF- units	-	-7,820.93
-A EUR- units	-	-307.83
Current net income paid out on redeemed units	21,259.42	-106,003.31
<b>TOTAL EXPENSES</b>	<b>1,270,140.63</b>	<b>2,957,490.42</b>
<b>NET INCOME</b>	<b>859,307.78</b>	<b>-420,385.88</b>
Realised capital gains and losses	-23,130,970.13	15,379,186.35
<b>REALISED NET INCOME</b>	<b>-22,271,662.35</b>	<b>14,958,800.47</b>
Unrealised capital losses (variation)	-3,437,553.23	-80,012,012.69
<b>TOTAL NET INCOME</b>	<b>-25,709,215.58</b>	<b>-65,053,212.22</b>
Net income per unit:		
-A USD- units	0.66	-1.00
-A CHF- units	0.52	-0.79
-A EUR- units	0.85	-1.22
-C USD- units	1.18	-0.03
-C CHF- units	0.92	-0.02
-I USD- units	1.18	-0.03
-I CHF- units	0.91	-0.02

# HSZ China Fund

## INCOME STATEMENT

Actual rates of remuneration (in % of net asset value):

	(1) to the fund management company		(2) to the custodian bank		(3) to the asset manager	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022
-A USD- units	0.08%	0.08%	0.07%	0.08%	1.35%	1.35%
-A CHF- units	0.08%	0.08%	0.08%	0.08%	1.35%	1.35%
-A EUR- units	0.08%	0.08%	0.08%	0.07%	1.35%	1.35%
-C USD- units	0.08%	0.08%	0.07%	0.07%	0.90%	0.90%
-C CHF- units	0.08%	0.08%	0.07%	0.07%	0.90%	0.90%
-I USD- units	0.08%	0.08%	0.08%	0.07%	0.90%	0.90%
-I CHF- units	0.08%	0.08%	0.08%	0.08%	0.90%	0.90%

(4) Transfer solely at financial year end

# HSZ China Fund

## NUMBER OF UNITS OUTSTANDING AND CHANGES IN NET ASSETS OF THE FUND

		Number of units		Number of units	
<b>-A USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	255,798.36	01.01.2022	302,449.36	
Units issued		7,182.00		9,593.00	
Units redeemed		-77,850.00		-56,244.00	
Statement as at	30.06.2023	185,130.36	31.12.2022	255,798.36	
<b>-A CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	185,189.67	01.01.2022	188,429.83	
Units issued		17,324.01		6,695.61	
Units redeemed		-4,145.43		-9,935.77	
Statement as at	30.06.2023	198,368.25	31.12.2022	185,189.67	
<b>-A EUR- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	2,098.23	01.01.2022	3,688.23	
Units issued		859.00		0.00	
Units redeemed		0.00		-1,590.00	
Statement as at	30.06.2023	2,957.23	31.12.2022	2,098.23	
<b>-C USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	78,610.04	01.01.2022	146,986.02	
Units issued		7,606.99		7,140.04	
Units redeemed		-11,513.75		-75,516.02	
Statement as at	30.06.2023	74,703.28	31.12.2022	78,610.04	
<b>-C CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	81,988.92	01.01.2022	167,375.92	
Units issued		3,092.00		12,603.00	
Units redeemed		-11,970.00		-97,990.00	
Statement as at	30.06.2023	73,110.92	31.12.2022	81,988.92	
<b>-I USD- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	80,000.00	01.01.2022	100,000.00	
Units issued		0.00		0.00	
Units redeemed		0.00		-20,000.00	
Statement as at	30.06.2023	80,000.00	31.12.2022	80,000.00	

# HSZ China Fund

## NUMBER OF UNITS OUTSTANDING AND CHANGES IN NET ASSETS OF THE FUND

		Number of units		Number of units	
<b>-I CHF- UNITS OUTSTANDING</b>					
Statement as at	01.01.2023	417,973.76	01.01.2022	420,073.76	
Units issued		0.00		0.00	
Units redeemed		0.00		-2,100.00	
Statement as at	30.06.2023	417,973.76	31.12.2022	417,973.76	
		USD		USD	
<b>CHANGE IN NET ASSETS OF THE SUB-FUND</b>					
Net assets of the Subfund	01.01.2023	209,299,362.12	01.01.2022	349,882,111.79	
Balance of unit movements		-15,043,706.40		-75,529,537.45	
Total result		-25,709,215.58		-65,053,212.22	
Net assets of the Subfund	30.06.2023	168,546,440.14	31.12.2022	209,299,362.12	

# HSZ China Fund

## ADDITIONAL INFORMATION

1) Derivative financial instruments	Information as at 30.06.2023	Total	% of the sub-fund's net assets
		USD	
	The sub-fund's net assets	168,546,440.14	100.00%
	Total gross liabilities resulting from derivatives	24,197,470.56	14.36%
	Total net liabilities resulting from derivatives	24,197,470.56	14.36%
	Liabilities resulting from securities lending and repurchase operations	0.00	0.00%

The information as at 30.06.2023, is presented using the "Commitment II" approach

2) Securities Lending On the balance sheet date, no transferable securities were the object of a securities lending agreement.

3) Repurchase agreements On the balance sheet date, no transferable securities were the object of a repurchase agreement.

4) Performance (%) (dividends reinvested)	01.01.2023 30.06.2023	2022	2021
-A USD- units	-13.28	-27.19	-4.50
-A CHF- units	-15.19	-26.54	-0.90
-A EUR- units	-14.67	-22.81	3.80
-C USD- units	-13.09	-26.86	-4.10
-C CHF- units	-14.99	-26.21	-0.50
-I USD- units (*)	-13.09	-26.86	6.10
-I CHF- units	-15.00	-26.21	-0.50

*For the units -A CHF-, -A EUR-, -C CHF- and -I CHF-, the performance was calculated on the basis of the net asset value in the currency of the shareclass.*

*(\*) Shareclass -I USD- launched on March 26, 2021.*

Past performance does not constitute a guarantee of future performance. Performance data does not take into account fees received in respect of the issue and redemption of units.

The fund contract does not mention an index since the objective of the fund is not to overperform an index, but to generate an absolute performance.

# HSZ China Fund

## ADDITIONAL INFORMATION (continued)

5) Total Expense Ratio (%)	01.07.2022 30.06.2023	01.01.2022 31.12.2022
-A USD- units	1.52	1.52
-A CHF- units	1.52	1.52
-A EUR- units	1.52	1.52
-C USD- units	1.07	1.07
-C CHF- units	1.07	1.07
-I USD- units	1.07	1.07
-I CHF- units	1.07	1.07

6) Disclosure of the soft commission agreements The Fund Management Company did not conclude soft commission agreements.

# HSZ China Fund

## INVENTORY OF THE FUND ASSETS AS AT 30.06.2023

Titles	Total as at 31.12.2022	Purchases	Sales	Total as at Currency 30.06.2023	Market value (in USD)	% of the total assets of the fund
<b>BANK RECEIVABLE</b>						
<b>- DEPOSITS AT SIGHT</b>						
CHF				CHF	89,603.25	0.05
CNY				CNY	65,374.15	0.04
EUR				EUR	344,094.79	0.20
HKD				HKD	22,174.08	0.01
USD				USD	1,055,386.37	0.63
<b>TOTAL DEPOSITS AT SIGHT</b>					<b>1,576,632.64</b>	<b>0.93</b>
<b>TOTAL BANK RECEIVABLE</b>					<b>1,576,632.64</b>	<b>0.93</b>
<b>STRUCTURED PRODUCTS</b>						
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>						
<b>HONG KONG</b>						
CENTRE TEST 'A' P-NOTE (CICC) 21/24	3,455,000	0	0	3,455,000	USD 9,383,089.00	5.56
MIDEA GRP 'A' P-NOTE (CICC) 22/25	354,000	0	170,000	184,000	USD 1,496,762.72	0.89
					10,879,851.72	6.45
<b>SINGAPORE</b>						
OPT MAC VITECH'A'P-NOTE(CLSA) 21/26	360,253	0	0	360,253	USD 8,280,955.58	4.91
					8,280,955.58	4.91
<b>TOTAL STRUCTURED PRODUCTS</b>					<b>19,160,807.30</b>	<b>11.35</b>
<b>SHARES AND OTHER EQUITY SECURITIES AND RIGHTS</b>						
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING</b>						
<b>BERMUDA</b>						
MAN WAH HOLDINGS	0	4,591,200	0	4,591,200	HKD 3,064,273.89	1.82
					3,064,273.89	1.82
<b>CAYMAN ISLANDS</b>						
ALIBABA GROUP HOLDING	1,183,100	0	185,200	997,900	HKD 10,340,528.39	6.13
CHINA EDUCATION GROUP HOLDINGS S	8,349,000	309,413	0	8,658,413	HKD 6,740,122.85	3.99
ESR GROUP	4,552,400	0	4,552,400	0	HKD 0.00	0.00
TENCENT HOLDINGS	0	170,200	0	170,200	HKD 7,202,342.29	4.27
					24,282,993.53	14.39
<b>CHINA</b>						
A-LIVING SMART CITY SER. 'H' 144A/S	6,682,750	0	6,682,750	0	HKD 0.00	0.00
BEIJING ORIENTAL YUHONG WATER 'A'	535,100	0	0	535,100	CNY 2,008,077.37	1.19
CALB	1,324,600	0	0	1,324,600	HKD 3,367,237.62	2.00
CHINA YANGTZE POWER 'A'	2,060,710	2,274,500	2,060,710	2,274,500	CNY 6,907,344.06	4.09
CHONGQING FULING ZHACAI GROUP 'A'	2,317,215	695,164	0	3,012,379	CNY 7,593,073.35	4.50
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	78,957	63,165	0	142,122	CNY 4,476,287.67	2.65
FOCUS TECHNO 'A'	0	603,640	0	603,640	CNY 3,323,974.18	1.97
FOSHAN HAITIAN FLAV.& FOOD CO 'A'	1,039,707	160,121	239,100	960,728	CNY 6,196,260.72	3.67

The purchases include the following transactions: purchases, new shares from subscription rights, new shares based on portfolio securities, conversions, distribution of securities, exchanges, assets allocation, subscriptions, split/spin off, bonus shares, transfers, etc. The sales include the following transactions: exchanges, exercises of subscription rights and options, repayments/payoffs, reverse-splits, exits at maturity date, drawing lots, transfers, sales, etc.

# HSZ China Fund

## INVENTORY OF THE FUND ASSETS AS AT 30.06.2023

Titles	Total as at 31.12.2022	Purchases	Sales	Total as at Currency 30.06.2023	Market value (in USD)	% of the total assets of the fund	
LIANCHUANG ELECTRONIC TECH. 'A'	0	4,428,400	0	4,428,400	CNY 5,919,509.36	3.51	
LONGI GREEN ENERGY TECH. 'A'	1,040,250	1,066,000	537,000	1,569,250	CNY 6,193,547.46	3.67	
LUXSHARE PRECISION INDUSTRY 'A'	2,893,586	0	1,917,600	975,986	CNY 4,359,914.06	2.58	
MIDEA GROUP 'A'	1,377,581	0	587,600	789,981	CNY 6,407,653.58	3.80	
NINGBO ORIENT WIRES&CABLES 'A'	830,287	0	0	830,287	CNY 5,604,150.26	3.32	
NONGFU SPRING 'H' 144A/S	1,013,700	0	0	1,013,700	HKD 5,594,937.48	3.32	
PING AN INSURANCE 'A'	2,165,115	0	560,000	1,605,115	CNY 10,252,830.40	6.07	
S.F. HOLDING 'A'	1,286,970	0	0	1,286,970	CNY 7,988,556.26	4.73	
SUNGROW POWER 'A'	563,200	0	0	563,200	CNY 9,042,584.20	5.36	
					95,235,938.03	56.43	
<b>TAIWAN</b>							
TAIWAN SEMICONDUCTOR -ADR SPONS.-	163,600	0	68,600	95,000	USD 9,560,800.00	5.66	
					9,560,800.00	5.66	
<b>UNITED STATES</b>							
YUM CHINA HOLDINGS	207,900	0	24,550	183,350	HKD 10,332,600.99	6.12	
					10,332,600.99	6.12	
<b>TOTAL SHARES AND OTHER EQUITY SECURITIES AND RIGHTS</b>						<b>142,476,606.44</b>	<b>84.42</b>
<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>							
<b>WARRANTS</b>							
<b>SINGAPORE</b>							
YUHONG WATERPR 'A'P-NOTE(CLSA)22/27	1,389,779	0	0	1,389,779	USD 5,230,516.65	3.10	
					5,230,516.65	3.10	
<b>TOTAL WARRANTS</b>						<b>5,230,516.65</b>	<b>3.10</b>

### SPLIT OF INVESTMENTS IN THE FOLLOWING THREE VALUATION CATEGORIES

	Market value (in USD)	% of the total assets of the fund
(a)	166,867,930.39	98.87
(b)	0.00	0.00
(c)	0.00	0.00

(a) trading of investments listed in a stock exchange or in another regulated market open to the public and valued according to the prices in the primary market (Art. 88 para 1 CISA)

(b) investments that are not priced according to let. a whose value is based on market-observed parameters

(c) investments whose value cannot be based on market-observed parameters and are valued with suitable valuation models taking account of the current market circumstances

CURRENCY	EXCHANGE RATE
CHF	1.109324
CNY	0.137664
EUR	1.084600
HKD	0.127614

The purchases include the following transactions: purchases, new shares from subscription rights, new shares based on portfolio' securities, conversions, distribution of securities, exchanges, assets allocation, subscriptions, split/spin off, bonus shares, transfers, etc. The sales include the following transactions: exchanges, exercises of subscription rights and options, repayments/payoffs, reverse-splits, exits at maturity date, drawing lots, transfers, sales, etc.

# HSZ China Fund

## NOTES TO THE FINANCIAL STATEMENTS

**Net asset value ("NAV") calculation** The NAV of each subfund and the share of the different classes therein are calculated at market value at the end of the financial year and on each day that units are issued or redeemed, in the currency unit (CU) of the corresponding subfund (USD). The NAV is not calculated on days when stock exchanges or markets in the countries where the subfund is most active are closed, such as on bank holidays and public holidays.

Investments traded on a stock exchange or on a regulated market open to the public must be valued at their price on the principal market on which they are traded. Other investments or those for which no price is available for a given day must be valued at the best price which could be obtained if they were sold at the time of valuation. In such a case, the fund managers use suitable, commonly accepted valuation models and principles to determine market value.

The value of money market instruments not traded on a stock exchange or a regulated market open to the public is calculated as follows: the valuation price of such investments is successively adapted to the redemption price on the basis of the net acquisition price, while maintaining a constant calculated investment return. In the event of a marked change in market conditions, the basis on which the various investments are valued is adapted to reflect new market yields. If no current market price is available, the valuation is usually based on the valuation of money market instruments with identical characteristics (quality and location of the issuer, issue currency, duration).

Cash at banks is valued at the total amount plus accrued interest. In the event of a marked change in market conditions or the institution's solvency, the basis on which term deposits are valued is adapted to reflect the new conditions.

The NAV per unit of a subfund is equal to the share, at market value, of the assets of the subfund, less any commitments of the subfund, divided by the number of outstanding units. It is rounded to the nearest 0.01 in the currency unit of the subfund in question.

**Subscription/redemption** The issue and redemption price of units is based on the net asset value per unit on the valuation day calculated on the basis of the closing prices pursuant to § 16. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18 and, in the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.