

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2014**

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

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**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**ADMINISTRATION AND MANAGEMENT**

**Manager**

Shenyin Wanguo Asset Management (Asia) Limited  
Level 19,  
28 Hennessy Road  
Hong Kong

**Directors of the Manager**

Chu Xiaoming  
Lu Wenqing  
Lee Man Chun Tony  
Guo Chun  
Bai Youge  
Fu Xingyi

**Trustee and Registrar**

Bank of Communications Trustee Limited  
1/F, Far East Consortium Building  
121 Des Voeux Road Central  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
22/F Prince's Building  
Central  
Hong Kong

**Legal Adviser**

Deacons  
5/F, Alexandra House  
18 Chater Road, Central  
Hong Kong

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
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**REPORT OF THE MANAGER**

**Market Review:**

The equities markets' performance continued to diverge in 2014, even among developed markets. The US market consistently broke new highs on solid economic data readings. Japan market also surged significantly in the early 2014, mainly due to economic stimulating policies and monetary loosening. However, European markets remain flattish throughout the year, still struggling to the risk of deflation. Most emerging market has performed well in the first three quarters, due to carry trade. However, concerns on Fed interest rate decision and political risk reduce global investors' risk appetite, therefore, results in capital outflow and emerging market weakness.

In China, domestic economy continued to decelerate as GDP slowing down to 7.4% from 7.7% in 2013. PMI persistently hovered barely above 50. The economic weakness mainly dragged by FAI topping out and weak production activities. Chinese government started to accelerate the economic stimulation and monetary loosening since May, due to increasing downward pressure from Macro economic data. In Nov 2014, PBOC announced 40 bps interest rate cut, signaling another round of interest rate cutting cycle.

It also stimulated domestic stock market, Shanghai A share Index, which surged significantly in the last month of 2014. Leveraging and wealth allocation switching accelerated the rocket rise, which was up by more than 20% in month, almost 70% from its mid year low.

**Portfolio Review:**

SYWG China Policy Focus Fund(referred to as "CPF") was down by -4.03% in 2014. CPF is proactively chasing alpha since inception. The fund managing team dedicated to find policy beneficiaries and under-valued companies with potential to generate decent return. In 2014, we turned to more balanced sector allocation, adding more under-valued blue chips, like insurance, broker firms and infrastructure companies, catching up the rocket rising momentum.

**Market Outlook and Portfolio Strategy:**

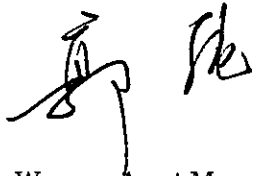
Most central banks chose to start another round of easing, results in more than sufficient liquidity over the world. And We believe Chinese government will continue to struggle among maintaining reasonable growth speed, reducing social funding cost and pushing structural reform. However, the systematic risk has released gradually, as PBOC more actively to respond to economic weakness, either through quantity or price instruments.

In addition, Chinese government has issued macro-economic plans, like "one belt one road", State Owned Enterprise(referred as "SOE"), capital market reforms, regional economic integration strategy and so on. We will continuously insist our investment philosophy, investing into policy driven sectors and stocks. The selection of each portfolio stocks will be based on in-depth research on industry analysis and macro study.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
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**REPORT OF THE MANAGER (CONTINUED)**

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Shen Yin Wang', written in a cursive style.

Shenyin Wanguo Asset Management (Asia) Limited

27 April 2015

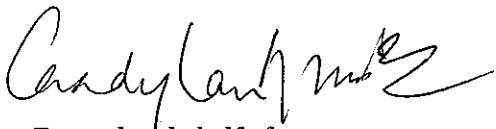
Investments are subject to investment risks, fund value may go up as well as down and past performance is not indicative of future performance. Please refer to the Explanatory Memorandum for details including the risk factors. Shenyin Wanguo Asset Management (Asia) Limited is the issuer of this report. This document has not been reviewed by the Securities and Futures Commission.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**REPORT OF THE TRUSTEE**

**To the unitholders of SWS Strategic Investment Funds**

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed the SWS Strategic Investment Funds - Shenyin Wanguo China Policy Focus Fund in accordance with the provisions of the Trust Deed dated 6 January 2012 and all its supplemental deeds for the year ended 31 December 2014.

A handwritten signature in black ink, appearing to read 'Candy Lau', followed by a stylized flourish.

For and on behalf of  
Bank of Communications Trustee Limited  
27 April 2015

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(THE "SUB-FUND")**

**Report on the Financial Statements**

We have audited the financial statements of Shenyin Wanguo China Policy Fund (the "Sub-Fund"), a sub-fund of SWS Strategic Investment Funds (the "Trust") set out on pages 7 to 10, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 January 2012 (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing issued by the International Accounting Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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 judgment, 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 internal control relevant to the Sub-Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(THE "SUB-FUND") (CONTINUED)**

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2014, and of its financial transactions and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Other Matters**

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.



**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 27 April 2015



**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent	4(e)	1,467,161	1,444,044
Investments	4(e), 4(g)	53,273,800	27,373,100
Dividend receivable		9,406	-
Amounts due from brokers	6	897,955	467,500
Prepayments		1,334	1,334
<b>Total assets</b>		<b>55,649,656</b>	<b>29,285,978</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Amounts due to brokers	6	365,383	-
Amounts payable on redemption of units		-	500,000
Management fee payable	8(a)	49,852	39,035
Trustee fee payable	8(b)	67,700	65,648
Other payables and accruals		129,752	65,631
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>612,687</b>	<b>670,314</b>
<b>Net assets attributable to unitholders</b>		<b>55,036,969</b>	<b>28,615,664</b>
Represented by:			
Net assets attributable to unitholders (calculated in accordance with the Sub-Fund's Explanatory Memorandum)	9	55,318,531	29,027,316
Adjustments for preliminary expenses recognised	9	(281,562)	(411,652)

Approved by the Trustee and the Manager on 27 April 2015.

For and on behalf of  
BANK OF COMMUNICATIONS TRUSTEE LIMITED  
  
Authorized Signatures  
.....  
Bank of Communications Trustee Limited  
As the Trustee

  
.....  
Shenyin Wanguo Asset Management (Asia) Limited  
As the Manager

The notes on pages 11 to 25 are an integral part of these financial statements.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 HK\$	2013 HK\$
<b>Income</b>			
Net gains on investments	5	833,038	8,063,257
Net exchange loss		(1)	-
Dividend income		416,179	985,772
Interest income		59	118
<b>Total investment income</b>		<u>1,249,275</u>	<u>9,049,147</u>
<b>Expenses</b>			
Trustee fee	8(b)	748,800	748,801
Management fee	8(a)	413,875	596,902
Auditor's remuneration		163,000	167,999
Handling and transaction fees		274,850	633,828
Bank charges		8,220	7,470
Other expenses		93,797	69,430
<b>Total operating expenses</b>		<u>1,702,542</u>	<u>2,224,430</u>
<b>(Loss)/ profit before tax</b>		(453,267)	6,824,717
Taxation	7	(22,290)	(54,276)
<b>Total comprehensive (loss) / income</b>		<u>(475,557)</u>	<u>6,770,441</u>

The notes on pages 11 to 25 are an integral part of these financial statements.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Class A			Class I			Total
		Number of units	Net assets attributable to unitholders HK\$	Net asset value per unit HK\$	Number of units	Net assets attributable to unitholders HK\$	Net asset value per unit HK\$	
<b>As at 1 January 2013</b>		142,002,000	1,540,465	10.848	5,133,674,068	55,902,729	10.889	57,443,194
Issuance of units		343,386,253	3,751,424		-	-		3,751,424
Redemption of units		(11,000,000)	(112,332)		(3,228,247,628)	(39,237,063)		(39,349,395)
Total comprehensive income		-	484,172		-	6,286,269		6,770,441
<b>As at 31 December 2013 and 1 January 2014</b>	9	474,388,253	5,663,729	11.939	1,905,426,440	22,951,935	12.045	28,615,664
Issuance of units		-	-		2,537,643,678	30,000,000		30,000,000
Redemption of units		(240,061,308)	(2,863,138)		(20,393,719)	(240,000)		(3,103,138)
Total comprehensive income		-	(67,437)		-	(408,120)		(475,557)
<b>As at 31 December 2014</b>	9	234,326,945	2,733,154	11.663	4,422,676,399	52,303,815	11.826	55,036,969

The notes on pages 11 to 25 are an integral part of these financial statements.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 HK\$	2013 HK\$
<b>Cash flows from operating activities</b>		
Total comprehensive (loss) / income	(475,557)	6,770,441
Adjustments for:		
Dividend income	(416,179)	(985,772)
Interest income	(59)	(118)
Withholding tax	22,290	54,276
Operating (loss) / income before working capital changes	(869,505)	5,838,827
Net (increase)/decrease in investments	(25,900,700)	21,397,100
(Increase)/decrease in amounts due from brokers	(430,455)	1,227,113
Decrease in prepayments	-	1,743
Increase in amounts due to brokers	365,383	-
Increase /(decrease) in management fee payable, trustee fee payable and other payables and accruals	76,990	(46,839)
Cash (used in)/generated from operations	(26,758,287)	28,417,944
Dividend received	406,773	985,772
Interest received	59	118
Withholding tax paid	(22,290)	(54,276)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(26,373,745)</b>	<b>29,349,558</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	30,000,000	3,751,424
Payments on redemption of units	(3,603,138)	(38,849,395)
<b>Net cash generated from/ (used in) financing activities</b>	<b>26,396,862</b>	<b>(35,097,971)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,117</b>	<b>(5,748,413)</b>
Cash and cash equivalents at beginning of the year	1,444,044	7,192,457
<b>Cash and cash equivalents at end of the year</b>	<b>1,467,161</b>	<b>1,444,044</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	1,467,161	1,444,044

The notes on pages 11 to 25 are an integral part of these financial statements.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information**

SWS Strategic Investment Funds (the “Trust”) was constituted as an umbrella unit trust established under the laws of Hong Kong pursuant to a trust deed dated 6 January 2012 (the “Trust Deed”) and supplemental deed dated 6 January 2012, 10 January 2012, 26 September 2014 and 24 October 2014 (the “Supplemental Deed”) entered into between Shenyin Wanguo Asset Management (Asia) Limited (the “Manager”) and Bank of Communications Trustee Limited (the “Trustee”).

Shenyin Wanguo China Policy Focus Fund (the “Sub-Fund”) was constituted as a separate sub-fund of the Trust on 6 January 2012. The Sub-Fund is an open-ended unit trust and is authorised by Securities and Futures Commission of Hong Kong under Section 104(I) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the “SFC Code”).

A separate sub-fund can be created and established to which assets and liabilities attributable to the relevant sub-fund applied. A separate class of units relating exclusively to each sub-fund will be issued. As at 31 December 2014, another two sub-funds, SWS Strategic Investment Funds – Shenyin Wanguo RMB Mainland Investment Fund and Shenyin Wanguo RQFII PRC Government Bond Fund, existed. The assets and liabilities of each sub-fund of the Trust are separate and distinct from the assets and liabilities of the sub-fund of the Trust.

The investment objectives of the Sub-Fund is to achieve long-term capital appreciation by investing primarily in securities issued by companies operating in sectors and industries that in the Manager’s view, are likely to benefit from the macroeconomic policies of the People’s Republic of China’s government. These include, but are not limited to, China B-shares, shares of PRC enterprises which are listed in Hong Kong, China Red Chips, IPO Stocks, ADRs, and GDRs listed on international stock exchanges., rights issues and warrants, subject to the investment restrictions applicable to the Sub-Fund.

As at 31 December 2014, there were 2,537,643.678 units of the Sub-Fund that were held by Shenyin Wanguo Trading (HK) Limited, a fellow subsidiary of the Manager, which is considered as a related party of the Sub-Fund.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standard Board (“IASB”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee and Manager to exercise their judgment in the process of applying the Sub-Fund’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (continued)**

New standards and amendments to existing standards effective 1 January 2014

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2013 that would be expected to have a material impact on the Sub-Fund.

New standards and amendments to standards that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The standard is not expected to have a significant impact on the Sub-Fund's position or performance as it is expected that the Sub-Fund will continue to classify its financial assets and liabilities at fair value through profit or loss.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Sub-Fund.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(b) Investments**

Classification

The Sub-Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Management at fair value through profit or loss at inception. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Sub-Fund's documented investment strategies. The Sub-Fund's policies require the Management to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition / derecognition

Purchases and sales of investments are accounted for on the trade date basis. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Measurement

Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the period in which they arise.

Fair value estimation

The Sub-Fund adopted IFRS 13 "Fair value measurement" for fair value estimation of financial assets at fair value through profit or loss. The fair value of investments that are listed or traded on an exchange is based on quoted market prices at close of trading on the reporting date.

**(c) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(d) Income**

Dividend income on equity securities is recorded on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Fund's right to receive payment is established.

Interest income is recognised on a time proportionate basis using the effective interest method. Other income is recognised on an accruals basis.

**(e) Expenses**

Expenses are accounted for on an accruals basis.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

**(g) Translation of foreign currencies**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates ("the functional currency"). The performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong dollar. The Manager considers the Hong Kong dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong dollar, which is the Sub-Fund's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within "exchange gains/(losses)".

Foreign exchange gains and losses relating to the financial assets and financial liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "net gains/(losses) on investments".

**(h) Redeemable units**

Net assets attributable to unitholders

The Sub-Fund issues redeemable units, namely Class A units and Class I units, which are redeemable at the unitholder's option and are classified as financial liabilities.

The holder of redeemable units can redeem the units on each Hong Kong business day but excluding 24 and 31 of December and Lunar New Year's Eve of each year or such other day or days determined by the Manager and Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to unitholders of the relevant class. Class A units are subject to management fee at 1.5% per annum while Class I units are subject to management fee at 1.0% per annum.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net assets attributable to unitholders per unit at the time of issue or redemption. The Sub-Fund's net assets attributable to unitholders of redeemable unit is calculated by dividing the net assets attributable to unitholders by number of units in issue.

Redemption of units are on each business day (Dealing Date) and redemption proceeds are usually settled within 7 business days from the Dealing Date.



**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(h) Redeemable units (continued)**

Distributions to unitholders

The Manager does not intend to make distribution in respect of the Sub-Fund and any income earned by the Sub-Fund will be reinvested in that Sub-Fund and reflected in the value of units of the relevant classes of that Sub-Fund.

Proceeds and payments on issue and redemption of units

The net asset value of the Sub-Fund is computed daily. Prices for issues and redemption are based on the latest available valuation. Proceeds and payment for units issued and redeemed are shown as movements in the statement of changes in net assets attributable to unitholders.

**(i) Amount due from/to brokers**

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

Amounts due to brokers includes payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date.

**3 Critical accounting estimates and assumptions**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management**

**(a) Strategy in using financial instruments**

The Sub-Fund's objective in managing risk is the creation and protection of unitholder value. Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to relevant controls. The process of risk management is critical to the Sub-Fund's continuing profitability.

The investments in the Sub-Fund are subject to normal market fluctuations and other risks inherent in trading in securities and derivatives. There can be no assurance that any appreciation in value will occur. The value of investments may fluctuate and therefore the value of the units can fall as well as rise.

**(b) Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Sub-Fund's market price risk is managed through diversification of the investment portfolio. The Sub-Fund's overall market positions are monitored on a regular basis by the Manager.

As at 31 December 2014 and 2013, the Sub-Fund invested only in listed equities. The net exposures to industry sectors at 31 December 2014 and 2013 were as follows:

	2014 % of net asset value	2013 % of net asset value
Basic Materials	2.60	2.98
Communications	9.05	11.69
Consumer, Cyclical	4.28	15.70
Consumer, Non - cyclical	5.08	8.03
Energy	7.46	6.58
Financial	35.30	29.16
Industrial	27.95	10.75
Technology	4.58	9.41
Total	<u>96.30</u>	<u>94.30</u>

The Sub-Fund's net assets attributable to unitholders is impacted by the increases/(decreases) of the underlying securities to which the Sub-Fund is exposed. As at 31 December 2014, if the underlying securities had increased/decreased by the 5% (2013: 5%), the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of HK\$2,588,752 (2013: HK\$1,300,219).

The Manager has used their view of what would be a "reasonable possible shift" in each key market to estimate the change for use in the market sensitivity analysis.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management (Continued)**

**(c) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Sub-Fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at 31 December 2014, the Sub-Fund had bank balances of HK\$1,467,161 (2013: HK\$1,444,044) and is therefore exposed to minimal interest rate risk on these bank balances.

**(d) Foreign exchange risk**

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund mainly invests in securities and other investments that are denominated in HK\$, the functional currency of the Sub-Fund. Accordingly, the Manager considers that the sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

**(e) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

The Sub-Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of investments and bank balances. The Sub-Fund limits its exposure to credit risk by transacting the majority of its investments and contractual commitment activities with brokers, banks and regulated exchanges with high credit ratings and that the Sub-Fund considers to be well established.

All transactions in listed securities are settled/paid for upon delivery using approved and reputable custodian or brokers. The risk of default is considered minimal as delivery of securities sold is only made once the custodian has received payment. Payment is made on a purchase once the securities have been received by the custodian. The trade will fail if either party fails to meet its obligation.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management (Continued)**

**(e) Credit risk (Continued)**

The table below summarises the net exposure to the Sub-Fund's counterparties together with their credit ratings.

	HK\$	Credit rating	Source of credit rating
<b>As at 31 December 2014</b>			
<u>Investments</u>			
Citibank, N.A.	53,273,800	A2	Moody's
<u>Bank balances</u>			
Citibank, N.A.	1,411,558	A2	Moody's
Bank of Communications Co.,Ltd., Hong Kong Branch*	55,603	A2	Moody's
<u>Balance with broker</u>			
Shenyin Wanguo Futures (H.K.) Limited	467,500	Not rated	Not rated
<b>As at 31 December 2013</b>			
<u>Investments</u>			
Citibank, N.A.	27,373,100	A2	Moody's
<u>Bank balances</u>			
Citibank, N.A.	925,590	A2	Moody's
Bank of Communications Co.,Ltd., Hong Kong Branch*	518,454	A3	Moody's
<u>Balance with broker</u>			
Shenyin Wanguo Futures (H.K.) Limited	467,500	Not rated	Not rated

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position.

None of the assets is impaired nor past due but not impaired.

\*It is one of the branches of Bank of Communications Co., Ltd.

**(f) Liquidity risk**

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption calculated in accordance with the Sub-Fund's Trust Deed.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management (Continued)**

**(f) Liquidity risk (Continued)**

The Manager monitors the Sub-Fund's liquidity position on a daily basis. The Manager may limit the aggregate number of units relating to the Sub-Fund redeemed on any dealing day to 10% of the total value of the units in issue of the Sub-Fund. In this event, the limitation will apply pro rata so that all unitholders wishing to redeem units on that dealing day will redeem the same proportion by value of those units, and units not redeemed are carried forward for redemption, subject to the same limitation, on the next dealing day.

The table below analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	On demand HK\$	Less than 1 month HK\$	Total HK\$
<b>As at 31 December 2014</b>			
Amounts due to brokers	-	365,383	365,383
Management fee payable	-	49,852	49,852
Trustee fee payable	-	67,700	67,700
Other payables and accruals	-	129,752	129,752
Net assets attributable to unitholders	-	55,036,969	55,036,969
	-	55,649,656	55,649,656
<b>As at 31 December 2013</b>			
Amounts payable on redemption of units	-	500,000	500,000
Management fee payable	-	39,035	39,035
Trustee fee payable	-	65,648	65,648
Other payables and accruals	-	65,631	65,631
Net assets attributable to unitholders	-	28,615,664	28,615,664
	-	29,285,978	29,285,978

Units are redeemed on demand at the unitholder's option. With a view to protecting the interest of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Funds redeemed on any dealing day to 10% of the total number of units in issue. As at 31 December 2014, there were 3 (2013: 3) unitholders holding more than 10% of the Sub-Fund's units.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management (Continued)**

**(f) Liquidity risk (Continued)**

The following table illustrates the expected liquidity of assets held:

	On demand HK\$	Less than 1 month HK\$	Total HK\$
<b>As at 31 December 2014</b>			
Total assets	<u>1,467,161</u>	<u>54,181,161</u>	<u>55,648,322</u>
<b>As at 31 December 2013</b>			
Total assets	<u>1,444,044</u>	<u>27,840,600</u>	<u>29,284,644</u>

**(g) Fair value estimation**

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund utilises the last traded market price as its fair valuation inputs for both financial assets and financial liabilities.

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial risk management (Continued)**

**(g) Fair value estimation (Continued)**

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2014 and 2013:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>As at 31 December 2014</b>				
Investments				
- Equity securities	53,273,800	-	-	53,273,800
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>As at 31 December 2013</b>				
Investments				
- Equity securities	27,373,100	-	-	27,373,100
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include actively listed equity securities and quoted debt securities. The Sub-Fund does not adjust the quoted price for these instruments.

During the year ended 31 December 2014, there were no transfers between levels.

The carrying amount of cash and cash equivalents, amounts due from/to brokers, prepayments, amounts payable on redemption of units, management fee payable, trustee fee payable, other payables and accruals and net assets attributable to unitholders approximated their fair values and are presented in the statement of financial position. There are no financial assets and financial liabilities not carried at fair value but for which the fair value is disclosed.

**(h) Capital risk management**

The Sub-Fund's objectives for managing capital are:

- (i) To invest the capital in investments for achieving its investment objectives;
- (ii) To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivatives and other capital markets and by using various investment strategies and hedging techniques; and
- (iii) To maintain sufficient liquidity to meet the expenses of the Sub-Fund and redemption requests as they arise.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**5 Net changes in fair value on investments**

	2014 HK\$	2013 HK\$
Change in unrealised gains/(losses) of investments	(1,574,394)	935,594
Net realised gains on sale of investments	2,407,432	7,127,663
	<u>833,038</u>	<u>8,063,257</u>

**6 Amounts due from/ to brokers**

	2014 HK\$	2013 HK\$
Amounts due from brokers:		
Receivables for securities sold	430,455	-
Margin account held by broker <sup>1</sup>	467,500	467,500
	<u>897,955</u>	<u>467,500</u>

<sup>1</sup> Margin account held by broker represents holding by Shenyin Wanguo Futures (H.K.) Limited, a fellow subsidiary of the Manager and does not bear any interest.

	2014 HK\$	2013 HK\$
Amounts due to broker:		
Payables for securities purchased	365,383	-

**7 Taxation**

**(a) Hong Kong**

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

**(b) China**

Under current PRC tax law and regulations, the Sub-Fund is not directly subject to PRC corporate income tax, unless it is considered to have established a permanent establishment in the PRC or being regarded as a tax resident enterprise in the PRC.

The Sub-Fund is subject to PRC withholding tax of 10% on dividends and interests paid by PRC corporations, which are listed on the Hong Kong Stock Exchange.



**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**8 Transactions with the Trustee, Manager and connected persons**

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Fund and the Trustee, the Manager and their Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with Connected Persons except for those disclosed below.

**(a) Management fee**

The Manager is entitled to receive a management fee from the Sub-Fund, at a rate of 1.5% per annum for Class A and 1% per annum for Class I with respect to the units of the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears.

The management fee for the year was HK\$413,875 (2013: HK\$596,902). As at 31 December 2014, the management fee of HK\$49,852 (2013: HK\$39,035) was payable to the Manager.

**(b) Trustee fee**

The Trustee is entitled to receive a trustee fee from the Sub-Fund, at a rate of 0.11% per annum for both Class A and Class I of the net asset value of the Sub-Fund and subject to a minimum monthly fee of USD4,000 for each class of units calculated and accrued on each dealing day and are paid monthly in arrears.

The trustee fee for the year was HK\$748,800 (2013: HK\$748,801). As at 31 December 2014, the trustee fee of HK\$67,700 (2013: HK\$65,648) was payable to the Trustee.

**(c) Holding in the Sub-Fund**

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected person at the reporting date were as follows.

Details of Class I units held by a fellow subsidiary of the Manager, Shenyin Wanguo Trading (H.K.) Limited, are as follows:

	2014 Units	2013 Units
At the beginning of the year	-	3,015,378.429
Subscription	2,537,643.678	-
Redemption	-	(3,015,378.429)
At the end of the year	<u>2,537,643.678</u>	<u>-</u>

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**8 Transactions with the Trustee, Manager and connected persons (Continued)**

**(d) Investment transactions with connected persons of the Manager**

	Aggregate value of purchase and sales of securities HK\$	Total commission paid HK\$	% of Sub-Fund's total transactions during the year %	Average commission rate %
<b>2014</b>				
Shenyin Wanguo Securities (HK) Limited	18,908,116	27,903	21.77	0.15
<b>2013</b>				
Shenyin Wanguo Futures (HK) Limited	85,292,700	8,688	26.39	0.01
Shenyin Wanguo Securities (HK) Limited	86,104,168	150,705	26.64	0.18

**(e) Bank deposits held by the Trustee's affiliates**

The Sub-Fund's maintained a bank account with, Bank of Communications Co., Ltd., Hong Kong Branch, a bank under the same group as the Trustee. Further details of the balances held are described in Note 4(e) to the financial statements. During the year, interest income on these bank balances was HK\$36 (2013: HK\$76).

**9 Net assets attributable to unitholders**

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders as determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2014 HK\$	2013 HK\$
Published net assets attributable to unitholders	55,318,531	29,027,316
Adjustment to preliminary expenses (a)	(281,562)	(411,652)
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>55,036,969</u>	<u>28,615,664</u>

Note:

- (a) The explanatory memorandum provides for the amortisation of preliminary expense over the first 5 years of operation of the Sub-Fund, instead of those amounts being expensed as incurred during the current period, as required under IFRSs.

The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**NOTES TO THE FINANCIAL STATEMENTS**

**10 Soft commission arrangements**

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Since the inception of the Sub-Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund.

**11 Approval of financial statements**

The financial statements of the Sub-Fund were approved by the Trustee and the Manager on 27 April 2015.

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 31 DECEMBER 2014**

<b>Investments</b>	<b>Holdings</b>	<b>Fair value HK\$</b>	<b>% of net asset value</b>
<b>Listed Equity securities</b>			
<b>Hong Kong</b>			
Aluminum Corporation of China Limited	400,000	1,436,000	2.60%
China Construction Bank Corporation	200,000	1,274,000	2.30%
China Galaxy Securities Company Limited	75,000	729,750	1.32%
China Minsheng Banking Corporation Limited	110,000	1,122,000	2.03%
China Overseas Land & Investment Limited	80,000	1,844,000	3.33%
China Pacific Insurance Group Company Limited	50,000	1,970,000	3.56%
China Petroleum & Chemical Corporation	300,000	1,875,000	3.39%
China Railway Group Limited	300,000	1,914,000	3.46%
China Singyes Solar Technologies Holdings Limited	100,000	1,080,000	1.95%
China South City Holdings Limited	160,000	566,400	1.02%
CITIC Securities Company Limited	103,000	3,007,600	5.44%
CNOOC Limited	140,000	1,461,600	2.64%
CSR Corporation Limited	270,000	2,818,800	5.10%
CT Environmental Group Limited	140,000	1,115,800	2.02%
FIH Mobile Limited	370,000	1,291,300	2.33%
GCL-Poly Energy Holdings Limited	440,000	792,000	1.43%
Goldpac Group Limited	80,000	428,000	0.77%
Greentown China Holdings Limited	233,000	1,794,100	3.24%
Haier Electronics Group Company Limited	80,000	1,476,800	2.67%
Haitong Securities Company Limited	150,000	2,928,000	5.30%
Hisense Kelon Electrical Holdings Company Limited	130,000	890,500	1.61%
Industrial & Commercial Bank of China Limited	200,000	1,132,000	2.05%
Kangda International Environmental Company Limited	560,000	1,920,800	3.47%
NVC Lighting Holding Limited	300,000	528,000	0.95%
Phoenix Healthcare Group Company Limited	145,500	2,080,650	3.76%
Ping An Insurance Group Company of China Limited	30,000	2,373,000	4.29%
Semiconductor Manufacturing International Corporation	2,600,000	1,846,000	3.34%
Shanghai Fudan Microelectronics Group Company Limited	100,000	688,000	1.24%
Sound Global Limited	270,000	2,424,600	4.38%
Sunac China Holdings Limited	100,000	789,000	1.43%
Sunny Optical Technology Group Company Limited	150,000	2,007,000	3.63%
Tencent Holdings Limited	33,000	3,712,500	6.72%
Tong Ren Tang Technologies Company Limited	30,000	300,600	0.54%
Tongda Group Holdings Limited	1,800,000	1,656,000	2.99%
Total investment portfolio, at fair value		53,273,800	96.30%
Other net assets		2,044,731	3.70%
Net assets value as at 31 December 2014 (calculated in accordance with the Sub-Fund's explanatory memorandum)		55,318,531	100.00
Total investment at cost		48,099,260	

**SHENYIN WANGUO CHINA POLICY FOCUS FUND  
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Holdings as at 31.12.2014	Holdings as at 31.12.2013
<u>Industry Sector</u>		
Basic Materials	2.60	2.98
Communications	9.05	11.69
Consumer, Cyclical	4.28	15.70
Consumer, Non - cyclical	5.08	8.03
Energy	7.46	6.58
Financial	35.30	29.16
Industrial	27.95	10.75
Technology	4.58	9.41
	<hr/>	<hr/>
Total investment portfolio	96.30	94.30
Other net assets	3.70	5.70
	<hr/>	<hr/>
Net assets	100.00	100.00
	<hr/>	<hr/>

**SHENYIN WANGUO CHINA POLICY FOCUS FUND**  
**(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**PERFORMANCE TABLE (UNAUDITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Net asset value**

(calculated in accordance with the Sub-Fund's explanatory memorandum)

	Net asset value per unit HK\$	Total net asset value HK\$
As at 31 December 2014		
CLASS A	11.724	2,747,321
CLASS I	11.886	52,571,210
As at 31 December 2013		
CLASS A	12.111	5,745,787
CLASS I	12.218	23,281,529
As at 31 December 2012 <sup>1</sup>		
CLASS A	10.951	1,555,083
CLASS I	10.992	56,431,201

<sup>1</sup> Year of establishment

**Highest issue price and lowest redemption price per unit**

(calculated in accordance with the Sub-Fund's explanatory memorandum)

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$
Year ended 31 December 2014		
CLASS A	12.545	10.079
CLASS I	12.664	10.185
Year ended 31 December 2013		
CLASS A	12.176	9.471
CLASS I	12.279	9.530
Period from 6 January 2012 (date of establishment) To 31 December 2012		
CLASS A	10.904	9.054
CLASS I	10.945	9.074