

**SHENYIN WANGUO RQFII A SHARE STRATEGY FUND
(A SUB-FUND OF SWS STRATEGIC INVESTMENT
FUNDS)**

INTERIM REPORT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

SHENYIN WANGUO RQFII A SHARE STRATEGY FUND
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)

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Management and Administration

Manager

Shenwan Hongyuan Asset Management (Asia) Limited
6/F, Three Pacific Place
1 Queen's Road East
Wan Chai
Hong Kong

Directors of the Manager

Xia Mingrui
Liang Jun

Trustee and Registrar

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

Auditor

KPMG
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

Legal Adviser

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

RQFII Custodian

Bank of Communications Co., Ltd.
188 Yin Cheng Zhong Road
Shanghai 200120
The People's Republic of China

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Report of the Manager

Market Review:

In the first half of 2025, the CSI 300 Index increased 0.03%, a modest gain masking strong volatility. After a brief post-CNY holiday rally, the index plunged in March and April amid renewed U.S.-China trade tensions and property-default fears, only to rebound in mid-April to mid-May following heavy intervention by the “national team” through purchase of ETFs. The net result was a “W”-shaped trajectory, contrasting with 2024’s “A”-shaped pattern.

The market exhibited stark sector divergence, with leadership coming from economy sensitive and policy-backed industries. Non-ferrous metals surged, buoyed by global commodity cycles, while banks rose on dividend stability and rate cut tailwinds. In contrast, traditional defensive sectors lagged: coal plummeted amid energy transition pressures, and real estate and consumer staples struggled with weak demand and muted policy support. Technology themes thrived – AI and gaming stocks outperformed on adoption breakthroughs – while green energy faced headwinds. Solar and wind stocks declined broadly, though niche segments like silicon wafers and batteries attracted selective capital.

The market’s swing mirrored an economy caught between sluggish domestic demand and fragile growth. First-half GDP expanded 5.3%, on track for Beijing’s 5% annual target, but the property sector was a persistent drag. Home prices in smaller cities remain in negative territory year-on-year. Consumer inflation edged up slightly, while core inflation hovering near zero, underscoring weak consumption. As 10-year government bond yield dips, investors piled into index heavyweights-stocks favored by stabilization funds.

Portfolio Review:

The fund’s NAV per unit decreased by 6.2% in the first half of this year, due to unfavorable market environment.

Market Outlook and Portfolio Strategy:

China’s A-share market is poised for a cautiously optimistic second half of 2025, supported by policy tailwinds and improving external conditions. The July Politburo meeting’s emphasis on “economic stabilization” signals targeted fiscal and monetary measures - including potential RRR cuts and accelerated infrastructure spending – but also a more measured stimulus compared to previous cycles. This reflects growing concerns about debt sustainability and the need for structural reforms, particularly in the property sector where new-home sales decline despite policy easing.

The external environment presents both opportunities and risks for Chinese equities. With the Federal Reserve expected to begin cutting in September, China may gain additional policy flexibility, though the PBoC appears inclined toward targeted easing rather than broad stimulus. The temporary stalemate in U.S.-China trade tensions provides breathing room, but structural competition in technology and advanced manufacturing remains intense. A-share’s valuations compared to the S&P 500 suggest attractive relative value, particularly in policy-supported sectors.

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Looking ahead, we anticipate continued divergence across sectors as the market consolidated in first-half trend upwards amid recovery. Non-bank financials stand to benefit from ongoing capital market reforms, while defense and technology sectors should see sustained policy support as China prioritizes strategic industries. Our fund will continue to adopt a balanced allocation strategy, considering both top-down and bottom-up stock selection - continuing to invest in high-quality companies with stable profitability and improving fundamentals.

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Statement of Financial Position
as at 30 June 2025 (Unaudited)
(Expressed in Renminbi)

	30 Jun 2025 RMB	31 Dec 2024 RMB
Assets		
Current assets		
Cash and cash equivalent	176,865	107,235
Bank deposits	5,040	4,831
Prepayments	-	-
Financial assets at fair value through profit or loss	3,138,594	3,544,778
Amount due from broker	661,665	-
Interest receivable	2	5
	<hr/>	<hr/>
Total assets	3,982,166	3,656,849
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Liabilities		
Current liabilities		
Amount due to broker	658,779	-
Commission payable	2,071	5,710
Management fee payable	4,140	4,904
Sub-custodian fee payable	134	285
	<hr/>	<hr/>
Total liabilities	665,124	10,899
	<hr/>	<hr/>
Equity		
Net assets attributable to unitholders	3,317,042	3,645,950
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**SHENYIN WANGUO RQFII A SHARE STRATEGY FUND
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Statement of Comprehensive Income (Unaudited)
for the six months ended 30 June 2025
(Expressed in Renminbi)

	Notes	For the six months ended 30 Jun 2025 RMB	For the six months ended 30 Jun 2024 RMB
Income			
Dividend income		26,401	34,342
Interest income on bank deposits		87	385
Net gains/(losses) on financial assets at fair value through profit or loss		(309,056)	(375,126)
Net exchange (losses)/gains		(1,147)	-
Reimbursement from Manager		166,347	166,579
Total net loss		<u>(117,368)</u>	<u>(173,820)</u>
Expenses			
Management fee		(25,891)	(22,352)
Trustee fee		(83,309)	(83,541)
Sub-custodian fee		(1,096)	(1,317)
Auditor's remuneration		(83,038)	(83,038)
Commission and brokerage fee	2	(18,142)	(12,810)
Other expenses		(10,637)	(3,748)
Total operating expenses		<u>(222,113)</u>	<u>(206,806)</u>
Loss before taxation		(339,481)	(380,626)
Taxation		(2,649)	(3,455)
Loss and total comprehensive income for the period		<u><u>(342,130)</u></u>	<u><u>(384,081)</u></u>

SHENYIN WANGUO RQFII A SHARE STRATEGY FUND
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Changes in Net Assets attributable to Unitholders (Unaudited)
for the six months ended 30 June 2025
(Expressed in Renminbi)

	Class A HKD units		
	<i>Number of units</i>	<i>Net assets attributable to unitholders RMB</i>	<i>Net asset value per unit RMB</i>
As at 1 January 2024	71,587.347	3,265,877	45.621
Issuance of units	129.170	5,480	
Redemption of units	-	-	
Loss and total comprehensive income for the period	-	(384,081)	
As at 30 June 2024	71,716.517	2,887,276	40.260
As at 1 January 2025	77,403.007	3,645,950	47.103
Issuance of units	969.488	43,558	
Redemption of units	(639.000)	(30,336)	
Loss and total comprehensive income for the period	-	(342,130)	
As at 30 June 2025	77,733.495	3,317,042	42.672

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Investment Portfolio (Unaudited)

as at 30 June 2025

Investments	Holdings	Fair value RMB	% of net asset value
Listed Equity securities			
China			
37 Interactive Entertainment Network Technology Group Co Ltd	10,000	172,900	5.21
Changjiang Publishing & Media Co Ltd	18,000	167,040	5.04
China Merchants Bank Co Ltd	3,000	137,850	4.16
GD Power Development Co Ltd	10,000	48,400	1.46
GF CSI Hong Kong Brand Name Drug ETF QDII	160,000	181,760	5.48
Hangzhou Tigermed Consulting Co Ltd	3,000	159,960	4.82
Harvest SSE STAR Chip ETF	50,000	77,650	2.34
Huatai-PineBridge CSOP Hang Seng TECH Index ETF QDII	180,000	127,800	3.85
Inner Mongolia Yili Industrial Group Co Ltd	3,000	83,640	2.52
Invesco Great Wall CSI Hong Kong Connect Technology ETF	100,000	71,800	2.16
Kingsemi Co Ltd	2,000	214,400	6.46
New China Life Insurance Co Ltd	5,000	292,500	8.82
SF Holding Co Ltd	5,000	243,800	7.35
Shandong Gold Mining Co Ltd	2,000	63,860	1.93
Shanghai Bairun Investment Holding Group Co Ltd	10,000	256,100	7.72
Shenzhen Rongda Photosensitive & Technology Co Ltd	1,800	66,870	2.02
Suzhou Centec Communications Co Ltd	1,800	109,944	3.31
Tianfeng Securities Co Ltd	50,000	246,500	7.43
Verisilicon Microelectronics Shanghai Co Ltd	1,000	96,500	2.91
Wolong Electric Group Co Ltd	6,000	118,620	3.58
Zhejiang Haikong Nanke Huatie Digital Intelligence and Technology Co Ltd	18,000	200,700	6.05
Total investment portfolio, at fair value		3,138,594	94.62
Other net assets		178,448	5.38
Net assets value as at 30 Jun 2025		3,317,042	100
Total investment at cost		3,084,975	

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Statement of Movement in Portfolio Holdings (Unaudited)
for the six months ended 30 June 2025

	% holdings of net assets as at 30 June 2025	% holdings of net assets as at 31 December 2024
<u>Industry Sector</u>		
Basic Materials	3.95	-
Consumer Discretionary	-	11.34
Consumer, Non-cyclical	21.11	-
Consumer Staples	-	4.61
Communication services	8.35	12.70
Financials	20.41	9.67
Funds	13.83	-
Industrials	10.93	15.59
Technology	14.58	43.32
Utilities	1.46	-
	<hr/>	<hr/>
Total investment portfolio	94.62	97.23
Other net assets	5.38	2.77
	<hr/>	<hr/>
Net assets	100	100
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Notes to the financial statements (Unaudited)
for the six months ended 30 June 2025

1. Basis of preparation and accounting policies

The accounting policies adopted in preparing the unaudited interim reports for the six months ended 30 June 2025 are consistent with those adopted in the financial statements of the Sub-Fund for the year ended 31 December 2024.

In preparing the interim financial statements, the management of the Sub-Fund assesses the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

2. Investment transactions cost paid to connected persons of the Manager

	Total commission paid RMB
For the six months ended 30 June 2025	
Shenwan Hongyuan Securities Co., Ltd.	18,142
For the six months ended 30 June 2024	
Shenwan Hongyuan Securities Co., Ltd.	12,810