

SWS STRATEGIC INVESTMENT FUNDS

Shenyin Wanguo RMB Mainland Investment Fund

申萬宏源投資管理(亞洲)有限公司
Shenwan Hongyuan Asset Management (Asia) Limited

The Product

The Shenyin Wanguo RMB Mainland Investment Fund (the "Sub-Fund") invests primarily in RMB-denominated and settled debt securities issued in the PRC through a RQFII quota of the RQFII Holder which is a holding company of the Fund Manager.

Risk Disclosure

- The investments of the Sub-Fund are concentrated on securities related to the PRC market. Investment in the PRC market is exposed to various emerging market risks including political, economic, regulatory, legal, foreign exchange, settlement and liquidity risks.
- The Sub-Fund invests in securities through a RQFII which is subject to applicable rules and regulations imposed by the PRC authorities. The RQFII rules are novel in nature, and their application may depend on the interpretation of the Chinese authorities. Any changes to the relevant rules may have an adverse impact on the investment of investors in the Sub-Fund.
- Renminbi is currently not freely convertible and is subject to exchange controls by the Chinese government. Investors may be adversely affected by the movement of the exchange rates between Renminbi and other currencies.
- The Sub-Fund may be exposed to risks associated with changes in PRC tax laws. Such changes may have retrospective effect and may adversely affect the Sub-Fund.
- Investment in the Sub-Fund is exposed to interest rate risk that applies to debt securities. The macro-economic policies and controls of the Chinese government will have significant influence over the capital markets in the Mainland China.
- The Sub-Fund is exposed to credit risk arising from issuers of the RMB denominated debt securities in which it invests. Such securities are typically unsecured debt obligations and are not supported by collateral. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.
- Investment grade securities invested by the Sub-Fund may be subject to the risk of being downgraded to below investment grade securities. The Manager may or may not dispose of the securities being downgraded. If the Sub-Fund continues to hold such securities, it will be exposed to additional risk of loss.
- The RMB denominated debt securities market is at a developing stage and the trading volume may be lower than those of more developed markets. The Sub-Fund may invest in debt securities which are not listed. Even if the debt securities are listed, the market for such securities may be inactive. The Sub-Fund may suffer losses in trading such instruments.
- Some of the RMB denominated debt securities invested by the Sub-Fund may be unrated or below investment grade. Such debt securities are exposed to greater risk.
- Valuation of the investments of the Sub-Fund may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations are proved to be incorrect, the Net Asset Value of the Sub-Fund may be adversely affected.
- Distributions of the Sub-Fund may be paid from income and/or capital of the Sub-Fund. The Sub-Fund or the Fund Manager may at its discretion pay dividend out of capital of the Sub-Fund. The payment of dividends out of capital represents and amounts to a return or withdrawal of part of original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit. The Sub-Fund or the Fund Manager may amend the Sub-Fund's distribution policy with respect to payment of dividend out of the capital of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Fund Manager upon request and on the website of the Fund Manager at <http://www.swhyhk.com>. Please note that the aforesaid website has not been reviewed by the Securities and Futures Commission of Hong Kong.

Fund Objective

The Sub-Fund aims at providing medium to long-term capital appreciation by investing primarily in RMB-denominated and settled debt securities issued in the PRC through a RQFII quota of the RQFII Holder which is a holding company of the Manager.

Fund Manager

Shenwan Hongyuan Asset Management (Asia) Limited

Base Currency RMB

Launch Date 5 March 2012

Unit NAV Class A: RMB 85.105
Class I: RMB 92.091

Dividend Policy Quarterly (Dividend policy is subject to the Manager's discretion. Periodic distribution of dividend is not guaranteed. If distributed, dividend amount is not guaranteed. Please also see footnote 1))

Minimum Subscription Amount Class A: RMB 10,000 (Initial)
RMB 5,000 (Subsequent)
Class I: RMB 10,000,000 (Initial)
RMB100,000 (Subsequent)

Bloomberg Class A: SHWRMBA HK
Class I: SHWRMBI HK

ISIN Class A: HK0000098407
Class I: HK0000098415

Reuters Class A: 68125485
Class I: 68125486

Subscription Fee Class A & Class I: Up to 5%

Management Fee Class A: 1.2% p.a.
Class I: 0.5% p.a.

Trustee Fee Class A & Class I: Up to 1% p.a. (subject to a minimum monthly fee of RMB33,000 for two classes of units)

RQFII Custodian Fee Class A & Class I: Up to 0.5% p.a. (excluding transaction charges)

Performance Fee N/A

Redemption Fee N/A

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Market Review

In April, the bond market strengthened, driven by easing geopolitical tensions, sustained loose liquidity, and the implementation of the issuance plan for ultra-long-term special treasury bonds. By the end of April, the 10-year CGB yield fell by 6bps from the end of March to 1.75%, while the 1-year CGB yield fell by 5bps to 1.17%. As short-term bond yields dropped to low levels, the elevated term spread attracted institutional investors to extend duration, leading to capital flow into long-term bonds. The credit bond market saw robust supply and demand, with yields generally trending downward and credit spreads fluctuating at low levels. The convertible bond market experienced a recovery, fueled by a rebound in the equity market, rising risk appetite, and valuation restoration.

Market Outlook and Strategy

Looking ahead, abundant interbank liquidity and the investment demand driven by the shift of deposits to non-bank financial institutions will continue to support the bond market. Meanwhile, attention should be paid to potential liquidity shocks, rising supply pressure from ultra-long-term special treasury bonds, and shifts in risk appetite. The 10-year CGB yield is expected to exhibit a range-bound pattern in the second quarter, characterized by a "ceiling at the top and a floor at the bottom. Regarding allocation, the portfolio will prioritize stability with a flexible duration strategy. We will take profits in stages as yields decline and increase positions when yields experience upward spikes due to market disturbances. For credit bonds, while controlling duration, we will focus on carry strategies for 3-5 year tenors, remain vigilant against insufficient credit spread protection, and avoid credit quality deterioration.

Comments on portfolio

In April, the RQFII Fund (Class I) achieved a Net Asset Value (NAV) return of 0.60%, outperforming the China Bond Composite Full Price Index (CBCFPI), which rose by 0.29% over the month. This outperformance was primarily attributed to the recovery of the fund's equity assets. As of the end of April, the portfolio held approximately 91.70% in bonds (including a 10.95% allocation to convertible bonds) and about 6.56% in public funds/equities. The vast majority of corporate bonds held are AAA-rated. By the end of April, the fund's average duration was 1.41 years, with an average coupon rate of 2.03%. The fund held 29 individual securities, maintaining a fully diversified profile.

| Cumulative Return (Footnote 1 & Footnote 2) | 1 month | 3 months | 6 months | 1 year | 3 years | 5 years | YTD | Since Launch |
|---|---------|----------|----------|--------|---------|---------|--------|--------------|
| Class A | 0.54% | -0.40% | -0.25% | 0.36% | -2.23% | -2.30% | -0.08% | 18.34% |
| Class I | 0.60% | -0.28% | 0.00% | 0.89% | -0.80% | -0.12% | 0.08% | 25.22% |

Source : Shenwan Hongyuan Asset Management (Asia) Limited
Last update: 30 Apr 2026

Top 5 Holdings (% of Total Assets)

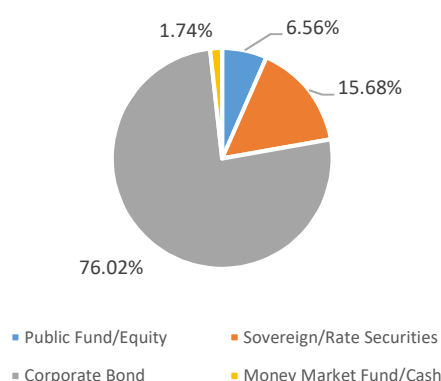
| | |
|-----------------------|-------|
| CGB 1.42 11/15/27 | 9.41% |
| GZFINH 3 1/2 03/07/27 | 6.37% |
| MIRAIL 2.02 03/19/30 | 6.35% |
| TSSTEE 2.98 01/18/27 | 6.32% |
| CICCHK 2.69 07/24/28 | 6.29% |

Duration and coupon rate*

| | |
|--------------------------|------|
| Average duration (Years) | 1.41 |
| Average coupon rate (%) | 2.03 |

*Average duration and average coupon rate do not include the data of Money Market Fund and Cash

Asset Allocation (% of Total Assets)



Footnote 1: The investment returns are denominated in RMB. US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/RMB exchange rate.

Footnote 2: Performance is calculated on NAV (RMB), with dividends reinvested and net of fees. The performance data are compared to include all dividends that have been distributed.

Warning Statement

This Document is for information purpose only and does not constitute a prospectus, an offer or an invitation to subscribe any securities, or a recommendation in relation to any securities. Investment involves risks. Investors should not make investment decisions based on this material alone; before making any investment decision, investors should carefully read the explanatory memorandum and the product key facts statement of the Sub-Fund for further details including the risk factors. Past performance information presented are not indicative of future performance. Though the Sub-Fund has been authorized by the Securities and Futures Commission of Hong Kong, such authorization does not imply any official recommendation. The Sub-Fund may not be suitable for individual investor and may not be suitable for everyone. Information contained in this report has been obtained from sources believed to be reliable but Shenwan Hongyuan Asset Management (Asia) Limited does not guarantee the accuracy and completeness of the information provided by third party. This material has not been reviewed by the Securities and Futures Commission of Hong Kong.
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