

## 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 85.132  
Class I: RMB 92.171

#### 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)  
RMB 100,000 (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 May, driven by the weaker-than-expected economic and financial data released in April, traditional domestic demand—particularly real estate and consumption—remained subdued. Against a backdrop of low inflation and weak recovery, the bond market delivered a generally steady performance, supported by a mild and relatively ample liquidity environment and a decline in risk appetite. By the end of May, the yield on the 10-year China government bond fell 4 bps from end-April to 1.71%, while the yield on the 1-year China government bond fell 3 bps to 1.14% over the same period. Credit bond yields continued to decline. Compression of spreads in intermediate-duration, high-quality credits remained one of the key themes. While valuation benefits continued to support demand, credit spread has entered a low-level consolidation phase. Convertible bonds moved in line with equity market adjustments, with a notably differentiated valuation structure across issues.

#### Market Outlook and Strategy

Looking ahead, liquidity conditions and the underlying macro fundamentals will continue to be the key drivers of trading in the bond market. With the 10-year China government bond yield already approaching the 1.7% level, the scope for further yield declines appears relatively limited, and investors should closely monitor any changes in the People's Bank of China's stance toward long-end interest rates. From a fundamentals perspective, the weak recovery trajectory sets an upper bound for how much yields can retract. Meanwhile, strong demand for bond allocation is unlikely to be disproven in the near term. In addition, both term spread and credit spread are likely to continue narrowing. On strategy, positioning should remain "stability-first," with flexible duration management: take profits in a staged manner during yield declines, and add exposure opportunistically when yields rise. For credit bonds, while balancing duration and liquidity, the portfolio can be appropriately tilted toward the 3–5 year segment to actively capture opportunities from coupon income and term spread dynamics.

#### Comments on portfolio

In May, the RQFII Fund (Class I) achieved a Net Asset Value (NAV) return of 0.06%, underperforming the China Bond Composite Full Price Index (CBCFPI), which rose by 0.31% over the month. As of the end of May, the portfolio held approximately 91.45% in bonds (including a 10.15% allocation to convertible bonds) and about 6.98% in public funds/equities. The vast majority of corporate bonds held are AAA-rated. By the end of May, the fund's average duration was 1.34 years, with an average coupon rate of 2.04%. The fund held 28 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                                     | 0.02%   | -0.34%   | 0.06%    | 0.03%  | -1.37%  | -2.65%  | -0.06% | 18.37%       |
| Class I                                     | 0.06%   | -0.22%   | 0.32%    | 0.54%  | 0.08%   | -0.48%  | 0.15%  | 25.30%       |

Source : Shenwan Hongyuan Asset Management (Asia) Limited

Last update: 29 May 2026

#### Top 5 Holdings (% of Total Assets)

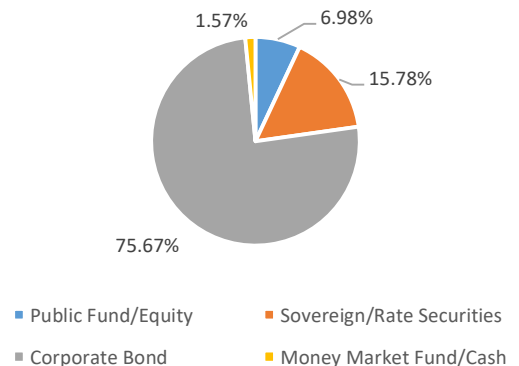
|                       |       |
|-----------------------|-------|
| CGB 1.42 11/15/27     | 9.48% |
| MIRAIL 2.02 03/19/30  | 6.41% |
| GZFINH 3 1/2 03/07/27 | 6.40% |
| TSSTEE 2.98 01/18/27  | 6.36% |
| GFSECU 1.85 07/18/28  | 6.33% |

#### Duration and coupon rate\*

|                          |      |
|--------------------------|------|
| Average duration (Years) | 1.34 |
| Average coupon rate (%)  | 2.04 |

\*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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