

**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.swwhyhk.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 85.523  
 Class I: RMB 92.660
**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 100,000 (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 &amp; 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 &amp; Class I: Up to 0.5% p.a. (excluding transaction charges)

**Performance Fee**

N/A

**Redemption Fee**

N/A

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Email: [swaminfo@swwhyhk.com](mailto:swaminfo@swwhyhk.com)Website: [www.swwhyhk.com](http://www.swwhyhk.com)**Market Review**

The PBOC indicated that it will further advance the refined management of short-term liquidity by narrowing the short-term interest rate corridor and introducing overnight reverse repo tools. Economic and financial data validated a "K-shaped" divergence pattern within the domestic economy. Weak real-economy financing and a sluggish recovery in domestic demand continued to provide solid support for the bond market. In June, the bond market exhibited range-bound pattern. By the end of June, the yield on the 10-year Government Bond edged up slightly by 1 BP compared to the end of May to 1.73%, while the 1-year Government Bond yield declined by 4 BPs to 1.12%. The credit bond market maintained its range-bound yet strong momentum, with the dual characteristics of low yields and narrow spreads becoming entrenched, prompting institutions to generally adopt duration-extension strategies. Although supply saw some recovery during the month, the "asset famine" pattern remained unchanged; on the demand side, seasonal dampening was observed, yet structural support persisted. As for convertible bonds, they fluctuated downward under the influence of diverging styles in the equity market, with individual bond returns highly dependent on the prosperity of their respective sectors.

**Market Outlook and Strategy**

Given the low probability of strong stimulus policies being rolled out in the short term, credit demand from the real economy is expected to remain soft, and liquidity within the banking system will stay ample. As quarter-end effects fade and wealth management funds see seasonal inflows, asset allocation demand in the bond market is poised for a bottoming-out recovery. Looking ahead, the bond market will highly likely continue its range-bound consolidation, with the core narrative anchored to fundamental floors alongside policy and liquidity support. With the issuance of special sovereign bonds and newly added local government special bonds expected to peak in the third quarter, close attention should be paid to the rising supply-side pressure and the central bank's corresponding coordinated liquidity offsetting operations. In terms of portfolio strategy, the Manager maintains a neutral and robust portfolio positioning, opportunistically adding positions when interest rates rebound significantly, while actively capturing structural opportunities from the narrowing of long-end spreads. For high-quality issuers, duration can be moderately extended to 3-5 years, with a primary focus in medium-to-long-end, high-grade credit bonds.

**Comments on portfolio**

In June, the RQFII Fund's Net Asset Value (Class I) returned 0.47%, while the China Bond Composite Full Price Index (CBCFPI) fell by 0.03% over the month, outperforming the index. As of the end of June, approximately 92.06% of the portfolio was allocated to fixed-income assets, which included 9.84% in convertible bonds; the remaining 7.94% was held in public funds/equities. The vast majority of the corporate bonds held are AAA-rated. By the end of June, the fund's average duration stood at 1.25 years, with an average coupon rate of 1.93%. The fund held a total of 26 underlying assets, 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	0.41%	0.98%	0.35%	0.19%	-1.81%	-2.28%	0.35%	18.86%
Class I	0.47%	1.13%	0.62%	0.71%	-0.37%	-0.07%	0.62%	25.89%

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

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

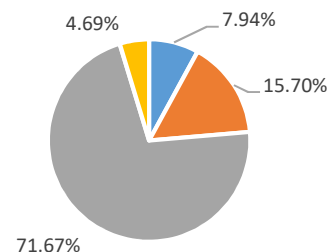
CGB 1.42 11/15/27	9.43%
MIRAIL 2.02 03/19/30	6.38%
GZFINH 3 1/2 03/07/27	6.36%
TSSTEE 2.98 01/18/27	6.32%
GFSECU 1.85 07/18/28	6.29%

**Duration and coupon rate\***

Average duration (Years) 1.25

Average coupon rate (%) 1.93

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

**Asset Allocation ( % of Total Assets )**

Public Fund/Equity

Sovereign/Rate Securities

Corporate Bond

Money Market Fund/Cash

**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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