

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.
- Renninbi 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 84.030
Class I: RMB 91.151

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

For enquiries, please contact

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Market Review

China's economic performance continues to exhibit the characteristics of strong external demand alongside weak domestic demand, as well as a K-shaped divergence. In August, the divergence between long-end and short-end bond market trends widened further: fueled by rising expectations of monetary easing due to the weak economic recovery, long-end yields shifted downward and broke through the previous range-bound; conversely, short-end yields moved upward due to the central bank's fine-tuned liquidity operations and money market volatility. Regarding interest rate bonds, as of the end of August, the 10-year CGB yield dropped by 2 bps compared to the end of July to 1.69%, while the 1-year CGB yield rose by 5 bps to 1.20%. Credit bond yields reflected a similar pattern with short-end yields mostly rising and long-end yields mostly falling, leaving credit spreads across most tenors near historical lows. Convertible bonds diverged from the equity market's rebound in August, allowing previously elevated valuation pressures to be relieved and compressed to some extent during the month.

Market Outlook and Strategy

Looking ahead to September, while the bond market will face temporary supply shocks from increased issuance of interest rate bonds, the market overall is expected to maintain a range-bound pattern, supported by core tailwinds such as relatively ample liquidity and a weak economic recovery. It should be emphasized that domestic economic momentum shows no signs of a rapid slowdown, policy support remains ongoing, and macroeconomic fundamentals have not yet created room for aggressive monetary easing. Although the market continues to trade on easing expectations, the core stance of monetary policy at this stage remains focused on activating existing liquidity capacity and strengthening coordination with fiscal policy. Strong quantitative tools, such as RRR or interest rate cuts, will still depend on further observation of the economic trajectory. For credit bonds, given that credit spreads remain at historical lows, we do not prefer moving down the credit quality spectrum. The approach of actively adding allocations during market pullbacks remains valid; specifically, strategies focused on 3–5 years high-grade credit bond carry are preferred.

Comments on portfolio

In August, the Net Asset Value (Class I) return of the RQFII Fund was -0.10%, whereas the ChinaBond Composite Full Price Index (CBCFPI) rose by 0.10% over the month, with the fund underperforming the index. As of the end of August, approximately 93.40% of the portfolio's holdings were in fixed-income assets, including 9.91% in convertible bonds; additionally, 6.60% was held in public funds/equities. The vast majority of corporate bonds were rated AAA. As of the end of August, the average duration of the fund was 1.44 years, and the average coupon rate was 1.93%. The fund held a total of 27 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	-0.14%	-0.85%	-1.18%	-1.52%	-0.63%	-4.12%	-0.91%	17.36%
Class I	-0.10%	-0.73%	-0.95%	-1.04%	0.83%	-1.96%	-0.59%	24.38%

Source : Shenwan Hongyuan Asset Management (Asia) Limited

Last update: 31 August 2026

Top 5 Holdings (% of Total Assets)

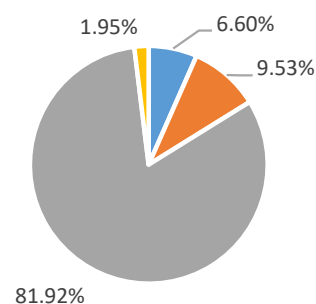
CGB 1.42 11/15/27	9.53%
SHEYAN 2.65 04/15/29	6.50%
MIRAIL 2.02 03/19/30	6.45%
GZFINH 3 1/2 03/07/27	6.40%
HUADIA 2.17 09/02/27	6.38%

Duration and coupon rate*

Average duration (Years)	1.44
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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