

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 85.623 Class I: RMB 92.543
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

Fees and Charges

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 February 2026, bond yields first fluctuated and then declined, with the bond yield curve exhibiting a bullish flattening movement. The 10-year government bond yield rose to 1.90%. At the beginning of the month, the bond market maintained a volatile pattern. On February 5, rumors about the central bank lowering the interest rate for buyback-style repo operations ignited a wave of enthusiasm for long positions in the bond market, leading to a broad decline in spot bond yields. After the Spring Festival holiday, the stock market began an upward trend, with a noticeable increase in market risk appetite. Coupled with new real estate regulations in Shanghai implemented ahead of the National People's Congress and the Chinese People's Political Consultative Conference, spot bond yields quickly rebounded, driven by profit-taking activities. On the afternoon of February 28, a joint attack by the U.S. and Israel on Iran heightened market risk aversion, causing spot bond yields to rapidly decline. On the liquidity front, the overall funding environment remained balanced this month. The DR001 rate slightly declined from 1.33% at the beginning of the month to 1.32%, while the DR007 rate fell from 1.59% at the start of the month to 1.50%.

Market Outlook and Strategy

Looking ahead to March, the Two Sessions are about to convene, and the external environment remains complex and volatile. Geopolitical tensions between the U.S. and Iran, as well as uncertainties surrounding tariff policies, are expected to influence bond market expectations. On the policy front, the central bank released the monetary policy report for the fourth quarter of 2025 in early February, reaffirming the continuation of a moderately loose monetary policy. Any reserve requirement ratio (RRR) cuts will depend on marginal changes in liquidity, while interest rate cuts will need to comprehensively consider factors such as banks' net interest margins and the progress of economic recovery. As for liquidity, the central bank is expected to maintain a balanced stance in March. In February, the central bank had already conducted excess rollovers of 3-month, 6-month buyback repos, and 1-year MLF operations, providing ample long-term liquidity to support bond issuance. It is expected that the central bank will continue to provide liquidity support.

Comments on portfolio

This month, the RQFII fund's net asset value (Class I) returned 0.00%, while the ChinaBond Composite Full Price Index (CBCFPI) increased by 0.22% for the month. The fund slightly underperformed the index, primarily due to a slight decline in equity assets during the month. As of the end of February, the portfolio held approximately 92.17% in bonds, with convertible bonds accounting for 11.27%, unchanged from the previous period. Public funds/equities accounted for 6.64%, primarily affected by a decline in market value. Most of the corporate bonds held were investment-grade. As of the end of February, the fund's average duration was 1.44 years, and the average yield to maturity was 2.15%.

Cumulative Return (Footnote 1 & Footnote 2)	1 month	3 months	6 months	1 year	3 years	5 years	YTD	Since Launch
Class A	-0.05%	0.55%	-0.47%	0.92%	-1.51%	-1.65%	0.38%	18.77%
Class I	0.00%	0.73%	-0.12%	1.51%	-0.05%	0.54%	0.50%	25.58%

Source: Shenwan Hongyuan Asset Management (Asia) Limited

Last update: 28 FEB 2026

Top 5 Holdings (% of Assets)

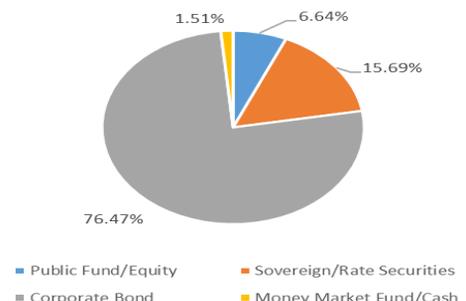
CGB 1.59 04/25/25 SH	9.41%
GZFINH 3.5 03/07/27	6.39%
TSSTEE 2.98 01/18/27	6.34%
GDCOMM V3.83 04/20/29	6.31%
CICCHK V2.69 07/24/28	6.30%

Duration and YTM*

Average Duration (Year)	1.44
Average Yield to Maturity (%)	2.15

*Average Duration and Average YTM do not include the data of Money Market Fund and Cash.

Asset Allocation (%)



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 to NAV (RMB), with dividends reinvested, 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.