As of 31/7/2026

SWS STRATEGIC INVESTMENT FUNDS
Shenyin Wanguo RMB Mainland Investment Fund

申萬宏源香港
SHENWAN HONGYUAN
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 84.198 Class I: RMB 91.278
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

Given weak but gradual recovery in fundamentals, a restrained policy stance, and tight but balanced conditions in capital flows, the domestic bond market in July continued to show a pattern of narrow-range fluctuations. For interest-rate bonds, as of the end of July, the yield on the 10-year government bond fell by 2 bps from end-June to 1.71%, while the yield on the 1-year government bond rose by 3 bps to 1.15%. Most credit-bond yields declined slightly, and overall the market still exhibited the characteristic of "both yields and credit spreads remaining low." Against the backdrop of deep adjustments in the equity market, convertible bonds demonstrated notable defensive resilience. At the end of July, the Political Bureau meeting emphasized "implementing even more proactive fiscal policies and appropriately accommodative monetary policies," and proposed "timely planning and introducing pragmatic incremental policies that are effective." The monetary-policy wording focused on "applying" and "adjusting," suggesting that the policy toolkit has entered a standby state, rekindling market expectations of reserve-requirement ratio cuts and interest-rate cuts within the year.

Market Outlook and Strategy

Because the issuance pace of central government bonds and local government bonds in the first half of the year was slower than the same period last year, August and September are likely to see a peak in supply of interest-rate bonds. Currently, the 10-year government bond yield has already reached the lower end of its trading range (around 1.7%). In the near term, under the interplay of multiple forces—such as a weak fundamental backdrop and solid allocation/support (forming support), as well as the constraints from the central bank's preferred interest-rate range and expectations of increased supply (forming resistance)—the bond market is likely to maintain narrow-range fluctuations. In the absence of strong catalysts that could break the pattern, yields are unlikely to experience a sustained trend upward or downward. For credit bonds, given that recent regulatory efforts to rectify rating-related practices have intensified, some companies face the risk of rating downgrades; therefore, we still do not recommend moving down the credit quality spectrum. On investment strategy, it is recommended to stay prudent and neutral in positioning, emphasizing the coupon/interest income strategy of high-quality credit bonds with maturities of 3 to 5 years, and to continue the investment approach of "adding exposure on opportunities during pullbacks/adjustments."

Comments on portfolio

In July, the Net Asset Value (Class I) return of the RQFII Fund was -1.10%, whereas the ChinaBond Composite Full Price Index (CBCFPI) rose by 0.27% over the month, with the fund underperforming the index. As of the end of July, approximately 93.64% of the portfolio's holdings were in fixed-income assets, including 10.18% in convertible bonds; additionally, 6.36% was held in public funds/equities. The vast majority of corporate bonds were rated AAA. As of the end of July, the average duration of the fund was 1.34 years, and the average coupon rate was 1.78%. The fund held a total of 26 underlying assets, maintaining a fully diversified profile.

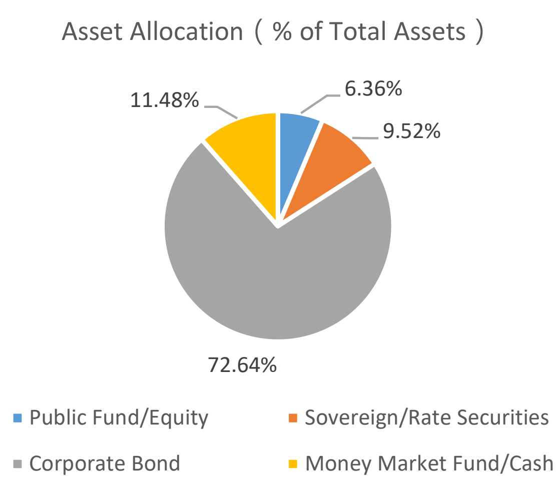
Cumulative Return（Footnote 1 & Footnote 2)	1 month	3 months	6 months	1 year	3 years	5 years	YTD	Since Launch
Class A	-1.11%	-0.68%	-1.08%	-0.84%	-1.68%	-3.62%	-0.76%	17.53%
Class I	-1.10%	-0.57%	-0.85%	-0.35%	-0.25%	-1.45%	-0.49%	24.51%

Source : Shenwan Hongyuan Asset Management (Asia) Limited
Last update: 31 July 2026

Top 5 Holdings (% of Total Assets)	
CGB 1.42 11/15/27	9.52%
SHEYAN 2.65 04/15/29	6.50%
MIRAIL 2.02 03/19/30	6.44%
GZFINH 3 1/2 03/07/27	6.40%
TSSTEE 2.98 01/18/27	6.37%

Duration and coupon rate*	
Average duration (Years)	1.34
Average coupon rate (%)	1.78

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

Issued by: Shenwan Hongyuan Asset Management (Asia) Limited.