

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 84.468
Class I: RMB 91.349

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 March, long-term bonds experienced corrections due to factors such as soaring oil prices caused by geopolitical conflicts fueling inflation expectations, and better-than-expected economic data. Short-term bonds, however, were supported by ample liquidity and risk aversion. By the end of March, the yield on 10-year Chinese government bonds had risen 3 basis points from the end of February to 1.81%, while the yield on 1-year Chinese government bonds had fallen 10 basis points from the end of February to 1.20%, resulting in a steeper yield curve. Credit bonds performed similarly to interest rate bonds, with short-to-medium-term bonds outperforming, and credit spreads remaining near historically low levels. Regarding convertible bonds, valuations, which had been pushed up earlier, were compressed due to declining risk appetite in the equity market. The equity market experienced a significant correction under pressure from valuation adjustments and dragging down from external markets, with the CSI 300 Index falling 5.5% in March.

Market Outlook and Strategy

Looking ahead, for the bond market, attention should be paid to: first, the short-term disruptions caused by the issuance of special government bonds and the central bank's corresponding monetary operations; second, the speed of inflation recovery and the risk of substantial imported inflation priced in market trading; and third, whether the first-quarter economic data continues the strong trend. The impact on the bond market of above factors is expected to weaken, with attention focused on allocation opportunities arising from expectation gaps. The credit bond market is expected to maintain a relatively stable pattern, with high-rated bonds remaining a key focus for allocation. In the equity market, the progress of the Middle East conflict is difficult to predict, but given the US's focus on controlling inflation risks and the midterm elections, the conflict is unlikely to last too long. Historically, Middle East conflicts or black swan events have typically had the greatest impact on the stock market within the first month, with subsequent declines limited. Conversely, if the conflict eases, the risk appetite that previously drove the market down is expected to recover quickly.

Comments on portfolio

In March, the RQFII fund's net asset value (Class I) returned -0.87%, while the ChinaBond Composite Full Price Index (CBCFPI) decreased by 0.04% for the month. The fund underperformed the index, primarily due to the decline of equity assets during the month. As of the end of March the portfolio held approximately 92.35% in bonds, with convertible bonds accounting for 11.01%. And Public funds/equities accounted for 5.84%. Most of the corporate bonds held were rated as AAA-grade. As of the end of March, the fund's average duration was 1.20 years, and the average yield to maturity was 2.16%. There were 29 underlying assets in the fund, which offered enough diversification.

Cumulative Return (Footnote 1 & Footnote 2)	1 month	3 months	6 months	1 year	3 years	5 years	YTD	Since Launch
Class A	-0.90%	-0.62%	-0.87%	-0.12%	-2.63%	-2.43%	-0.62%	17.70%
Class I	-0.87%	-0.51%	-0.63%	0.39%	-1.22%	-0.28%	-0.51%	24.48%

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

Top 5 Holdings (% of Assets)

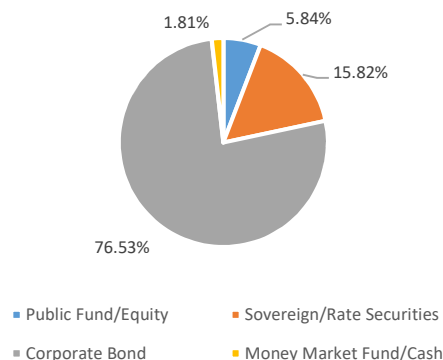
CGB 1.42 11/15/27 SH	9.50%
GZFINH 3.5 03/07/27	6.43%
TSSTEE 2.98 01/18/27	6.39%
CICCHK V2.69 07/24/28 A	6.35%
SHNNFN 2.09 08/09/27	6.34%

Duration and YTM*

Average Duration (Years)	1.20
Average Yield to Maturity (%)	2.16

*Average Duration and Average YTM 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 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.
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