Issuer: Shenwan Hongyuan Asset Management (Asia) Limited

PRODUCT KEY FACTS

SWS STRATEGIC INVESTMENT FUNDS

Shenyin Wanguo RMB Mainland Investment Fund

April 2025

- ***This statement provides you with key information about Shenyin Wanguo RMB Mainland Investment Fund (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of SWS Strategic Investment Funds.***
- ***You should not invest in this Sub-Fund based on this statement alone.***

Quick facts

Manager:	Shenwan Hongyuan Asset Management (Asia) Limited
QFI Holder:	Shenwan Hongyuan (International) Holdings Limited
Trustee:	Bank of Communications Trustee Limited
QFI Custodian:	Bank of Communications Co., Ltd.
Dealing frequency:	Daily
Base currency:	RMB
Dividend policy:	Currently on a quarterly basis in March, June, September and December each year (or at more frequent intervals), subject to the Manager's discretion. The Sub-Fund or the Manager may at its discretion pay dividends out of capital of the Sub-Fund. 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 dividend policy with respect to payment of dividend out of the capital of the Sub-Fund may be amended by the Sub-Fund or the Manager subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.
Ongoing charges over a year#:	Class A: 2.88% Class I: 2.18% #The ongoing charges figures are calculated based on the ongoing expenses chargeable to the relevant class of the Sub-Fund for the 12-month period ended 31 December 2024 expressed as a percentage of the average net asset value of the relevant class of the Sub-Fund for the same period. This figure may vary from year to year. Starting from 1 January 2025, the ongoing charges figure will be capped at a maximum of 3.00% of the average net asset value of the relevant class of the Sub-Fund. Any ongoing expenses of the relevant class of the Sub-Fund will be borne by the Manager and will not be charged to the relevant class of the Sub-Fund if such expense would result in the ongoing charges figure exceeding 3.00%. An increase or removal of the cap is subject to prior approval of the SFC and one month's prior written notice to unitholders. The figures are updated on the basis that there is an expected decrease in ongoing expenses effective since 1 January 2025 primarily due to reductions in audit fee and trustee fee.
Financial year end of this Sub-Fund:	31 December
Min. investment:	Class A: RMB10,000 initial, RMB5,000 additional Class I: RMB10,000,000 initial, RMB100,000 additional
Min. holding:	Class A: Units with aggregate minimum value of RMB10,000 Class I: Units with aggregate minimum value of RMB10,000,000

Min. redemption:	Class A: Not applicable Class I: Not applicable

What is this product?

Shenyin Wanguo RMB Mainland Investment Fund (the "Sub-Fund") is a sub-fund of SWS Strategic Investment Funds which is a Hong Kong domiciled umbrella structure unit trust governed by the laws of Hong Kong. The Sub-Fund primarily invests in RMB-denominated and settled debt securities issued in the PRC through Bond Connect and the QFI status of the QFI Holder.

The Sub-Fund is denominated in RMB. Subscription moneys and redemption proceeds must be paid in RMB.

Objective and Investment Strategy

Investment Objective

The investment objective of the Sub-Fund is to provide medium to long term capital appreciation by investing primarily in RMB-denominated and settled debt securities issued in the PRC through Bond Connect and the QFI status of the QFI Holder which is a holding company of the Manager.

The Sub-Fund will invest not less than 80% of its net asset value in (A) RMB-denominated and settled debt securities issued in the PRC which include, but are not limited to government treasury, local government bond, financial bond, central bank paper, enterprise bond, listed company bond, medium term note, commercial paper and convertible bonds and (B) fixed income funds which are authorised by the China Securities Regulatory Commission ("CSRC") for offer to the retail public in the PRC.

In addition, the Sub-Fund may invest up to 20% of its net asset value in (A) RMB denominated and settled equity securities (i.e. China A-Shares) which are listed on the Beijing, Shanghai or Shenzhen Stock Exchanges or other eligible mainland China onshore markets through the QFI status of the QFI Holder and (B) equity funds which are authorised by the CSRC for offer to the retail public in the PRC. In particular, the Sub-Fund may invest in the ChiNext Board of the Shenzhen Stock Exchange and the Science and Technology Innovation Board of the Shanghai Stock Exchange.

Notwithstanding the above, the Sub-Fund's investment in both fixed income funds and equity funds which are authorised by the CSRC for offer to the retail public in the PRC will not in aggregate exceed 10% of the net asset value of the Sub-Fund.

The debt securities in which the Sub-Fund may invest include those which are issued by the PRC Central Government, local governments of the PRC, local government financing vehicles, financial issuers and corporate issuers. These debt securities may comprise of bonds which are traded on the PRC interbank bond market and/or the PRC exchange bond market.

Where appropriate, the Sub-Fund may invest up to 100% of the Sub-Fund's net asset value in urban investment bonds (城投債) (i.e. debt instruments issued by local government financing vehicles ("LGFVs") in China and traded in the PRC exchange bond markets and PRC interbank bond market). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for local development, public welfare investment and infrastructure projects.

There is no minimum credit rating requirement in respect of the debt securities that the Sub-Fund may invest. Depending on Manager's discretion, the Sub-Fund may invest in below investment grade or unrated bonds. For the purpose of the Sub-Fund, investment grade bonds are bonds rated BBB- or above while below investment grade bonds are bonds rated BB+ or below. The rating should be carried out by any credit rating agencies that have been recognised or permitted by the PRC authorised authority in conducting credit rating activities. When investing in bonds, the Manager will first consider the credit rating of the bond itself and only if such credit rating is not available, the Manager will then consider the credit rating of its issuer as the implied credit rating of the bond. If neither the bond nor its issuer has a credit rating, the bond would be classified as unrated. The exposure to below investment grade or unrated bonds can be up to 100% of the Sub-Fund's net asset value.

The Sub-Fund will not invest in debt securities issued outside the PRC. The Sub-Fund will not invest in derivative instruments, structured products, structured deposits or asset backed securities (including asset backed commercial papers) for hedging or non-hedging purposes.

The Manager currently does not intend to enter into any securities lending sale and repurchase or reverse repurchase transactions in respect of the Sub-Fund. The Manager will seek the prior approval of the SFC and provide at least one month's prior notice to unitholders before the Manager engages in any such transactions.

Investment Strategy

The Sub-Fund's fundamental investment strategy is value-oriented, counter-balanced with prudent reward-risk portfolio management.

In the initial strategic asset allocation stage, the Manager will adopt a top-down approach in deciding the Sub-Fund's allocation for each asset class (e.g. bond, equities and cash). This approach is premised on fundamental factors such as value, current prices, potential worth, economic cycle, liquidity, bond-equity yield gap, monetary and fiscal conditions, government policy and risk factors.
In addition, the Manager will adopt a bottom-up approach in security selection level. The Manager will consider both the upside potential as well as downside risk of intended investments in securities. In the selection of debt securities (e.g. bonds), the following are important considerations for investment decisions: macroeconomic cycle, interest rate trends, currency outlook, current and expected inflation, monetary and fiscal policy, liquidity, yield, credit risk of downgrading or default, duration, term structure and sector allocation.

Whilst on the equities portion, important strategies employed by the Manager can be capital biased, income (dividend) biased, tactical biased etc. Investment decisions can be influenced by: growth potential, mis-pricing, potential for corporate action (merger, acquisition, takeover), higher cashflow generation, high dividend payout and merger arbitrage etc.

Use of derivatives / investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

- **Risks relating to the PRC market**
- The investments of the Sub-Fund are concentrated on securities related to the PRC market. Investment in the PRC market is subject to various emerging market risks including political, economic, regulatory, legal, foreign exchange and liquidity risks.
- Settlement procedures in the PRC are less developed and less reliable and may involve the Sub-Fund's delivery of securities before receipt of payment for their sale. Significant delays in settlement may occur, which could result in substantial losses for the Sub-Fund if investment opportunities are missed or if the Sub-Fund is unable to acquire or dispose of a security as a result.
- **Risks relating to QFI**
- The Sub-Fund invests in securities through a QFI which is subject to applicable regulations imposed by the PRC authorities. Although repatriation by QFIs are currently not subject to repatriation restrictions or prior approval, there is no assurance that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests from the unitholders.

- Investment in securities through a QFI will be subject to custodial risk of the QFI Custodian appointed for purpose of safekeeping assets in the PRC. In addition, the execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers in the PRC. If the QFI Custodian or the PRC brokers default, the Sub-Fund may not be able to recover all of its assets and may incur a substantial or even a total loss.

- The application of QFI rules may depend on the interpretation of the Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund.

- **Risks associated with Bond Connect**

- Investing in the China Interbank Bond Market via Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the China Interbank Bond Market via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant mainland China authorities suspend account opening or trading on the China Interbank Bond Market or trading through Bond Connect, the Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

- In addition, trading through Bond Connect is performed through newly developed trading platforms and operational systems. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. Where the Sub-Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

- **Risks relating to RMB currency**

- Renminbi is currently not freely convertible and is subject to exchange controls by the Chinese government.

- There is no guarantee that RMB will not depreciate. Investors may be adversely affected by movements of the exchange rates between Renminbi and other currencies. If investors convert Hong Kong Dollar or any other currency into RMB so as to invest in the Sub-Fund and subsequently convert the RMB redemption proceeds back into Hong Kong Dollar or any other currency, they may suffer a loss if RMB depreciates against Hong Kong Dollar or such other currency.

- **Risks relating to PRC taxation**

- The Sub-Fund may be subject to the risks associated with changes in the PRC laws and regulations, including PRC tax laws, and such changes may have retrospective effect and may adversely affect the Sub-Fund.
- Based on professional and independent tax advice, the Sub-Fund will make the following tax provisions:
    - a withholding income tax ("WIT") provision of 10% on interests received from RMB denominated debt instruments issued by PRC tax resident enterprises if the relevant tax is not withheld at source, except (i) PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council and (ii) interest income from investments in PRC onshore bonds received for the period from 7 November 2018 to 31 December 2025;
    - a WIT provision of 10% on dividends derived from China A-Shares if the relevant tax is not withheld at source; and
    - a provision of 6.72% on interests from RMB denominated debt instruments issued by PRC tax residents for value added tax and local surtaxes if the relevant tax is not withheld at source, except (i) PRC government bonds which are issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council and (ii) interest income from investment in PRC onshore bonds received for the period from 7 November 2018 to 31 December 2025.
- Such provisions may be excessive or inadequate to meet the actual tax liabilities. Any shortfall between

the provision and the actual tax liabilities, which will be debited from the fund's assets, will adversely affect the fund's NAV. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

- **Risks relating to debt securities**

Interest rate risk

- Investment in the Sub-Fund is subject to interest rate risk that apply to debt securities. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. The Chinese government's macro-economic policies and controls will have significant influence over the capital markets in the Mainland China. Changes in fiscal policy such as interest rate policies, may have an adverse impact on the pricing of debt securities and thus, the return of the Sub-Fund.

Credit risk

- The Sub-Fund is exposed to the credit risk of issuers of the RMB denominated debt securities it invests in. 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.

Downgrading risk

- 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 subject to additional risk of loss.

Liquidity risk

- 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. The bid and offer spread of the price of such securities may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

Credit rating risk

- As the credit ratings of the debt instruments of the Sub-Fund are largely assigned by the credit agencies in the PRC, the methodologies adopted by the local rating agencies might not be consistent with the other international rating agencies. As a result, such rating system may not provide an equivalent standard be comparable to the debt instruments that are being rated by other international rating agencies.

Risk relating to below investment grade / unrated debt securities

- Some of the RMB denominated debt securities invested by the Sub-Fund may be unrated or below investment grade. Such debt securities are subjected to greater risk because of generally lower credit worthiness and liquidity, greater fluctuation in value and higher chance of default than investment grade bonds.

Valuation risk

- Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may be adversely affected.

Risk associated with urban investment bonds

- Urban investment bonds are issued by LGFVs. Although local governments may be seen to be closely connected to urban investment bonds, such bonds are typically not guaranteed by local governments or the central government of the PRC. As such, local governments or the central government of the PRC are not obliged to support any LGFVs in default. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the net asset value of the Sub-Fund could be adversely affected.

- **Risk relating to distribution out of capital**

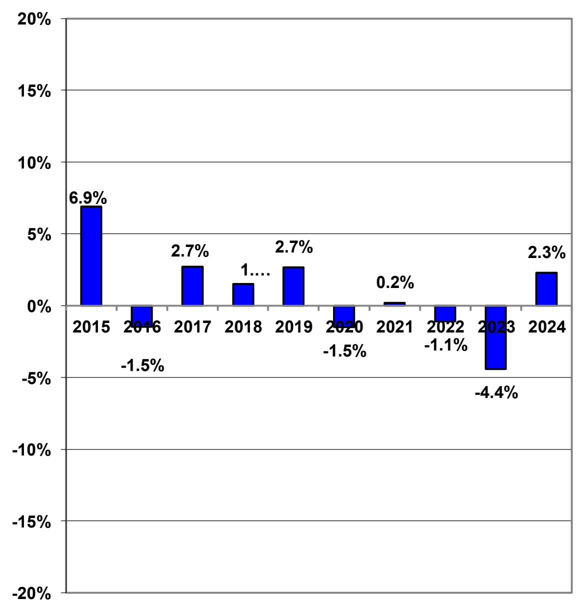
- The Sub-Fund or the Manager may at its discretion pay dividends out of capital of the Sub-Fund. The dividend policy with respect to payment of dividend out of the capital of the Sub-Fund may be amended by the Sub-Fund or the Manager subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's 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.

- **Investment risks**

- The Sub-Fund is an investment fund. The Sub-Fund mainly invests in various RMB denominated securities and these instruments may fall in value. Investors may suffer losses as a result. The Sub-Fund is not principal guaranteed and the purchase of its units is not the same as investing directly in the relevant securities or placing RMB funds on deposit with a bank.

- There is also no guarantee of dividend or distribution payments during the period an investor holds the units of the Sub-Fund.

How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class A increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- When no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 2012
- Class A launch date: 2012
- The Manager views Class A, being the only unit class offered to Hong Kong retail investors, as the most appropriate representative unit class.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	What you pay
Subscription Fee (Initial Charge)	Class A and Class I: Up to 5% of the subscription amount
Redemption Fee (Redemption Charge)	Class A and Class I: Nil
Switching Charge	Class A and Class I: Up to 1% of the amount being switched out of the existing class

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Sub-Fund's net asset value)
Management Fee	Class A: 1.2% p.a.* Class I: 0.5% p.a.*
Trustee Fee	Class A and Class I: Up to 1% p.a., subject to a minimum monthly fee of RMB 33,000 (or equivalent)
QFI Custodian Fee	Class A and Class I: Up to 0.5% p.a.
Performance Fee	Class A and Class I: Not applicable

* May be increased up to a specified permitted maximum by giving unitholders not less than one month's prior notice.

Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value after the Manager or the authorised distributors receives your request in good order on or before 12:00 p.m. (Hong Kong time) on the relevant dealing day, which is each HK & PRC Business Day as defined in the Explanatory Memorandum. Switching from a non-RMB-denominated sub-fund to the Shenyin Wanguo RMB Mainland Investment Fund is not allowed.
- The Sub-Fund provides for daily dealing and a dealing day is each HK & PRC Business Day as defined in the Explanatory Memorandum.
- The net asset value per unit of the Sub-Fund is calculated on each dealing day and will be published on every dealing day on the website of the Manager at http://www.swhyhk.com/. Please note that the aforesaid website has not been reviewed by the SFC.
- Compositions of the dividends (i.e. relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Manager upon request and on the website of the Manager at http://www.swhyhk.com/. Please note that the aforesaid website has not been reviewed by the SFC.
- For further information on the past performance of other unit class offered to Hong Kong investors, please refer to http://www.swhyhk.com/. Please note that the aforesaid website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.