

## Bin Yuan Healthcare Fund

SFDR status as of March 2021: Article 8  
April 2024



### Investment Review

The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) increased 2.7% for the month of April (net of fees) compared with a -0.79% return for the benchmark. As of the end of April, the Sub Fund was mainly invested in Healthcare Equipment & Parts and Services, with few positions in the Pharmaceuticals sector.

For the month, the Fund outperformed the benchmark by 3.49%. Positions that contributed most to the portfolio were KANGJI MEDICAL, AK MEDICAL HOLDI and SHENZHEN MINDR. Positions that contributed least were IRAY TECHNOLOGY, QINGDAO NOVELB and SINO BIOPHARM.

### Manager's Commentary

China's listed companies completed the release of their 2023 annual reports at the end of April. Although the Chinese healthcare industry has experienced fluctuations over the past year, in terms of performance, the results have shown strong resilience. The average revenue growth of all A-share healthcare companies is 2.2% in 2023. The average earnings' growth of our holdings is 13.6% in 2023.

Recently, we have seen some positive factors and structural changes happening in this industry. 'Replacing Policy' of healthcare equipment is being implemented, and most hospitals are actively reporting needs. As we mentioned in our last monthly report, the product efficiency has greatly improved in recent years. Considering that the production capacity of Chinese hospitals has always been tight, if less efficient equipment can be replaced with modern equipment, it will greatly improve the treatment efficiency of hospitals. We believe that the growth in orders for equipment will take place in the second half of this year. More importantly, Chinese medical equipment and consumables companies have made progress from "following" to "winning" in recent years, so they not only do import substitution domestically, but also play an increasingly important position in the global medical equipment and consumables industry chain.

Chinese biotech companies are also rapidly developing, gradually shifting from learning' to 'following'. Last year, for the first time, a Chinese biotech company was fully acquired by a US pharmaceutical company. It was also last year that China had its first biotech innovative drug approved in the United States. We have also heard more and more news about Chinese pharmaceutical companies 'license-out', not just 'license-in'.

Overall, Chinese companies are bound to become increasingly part of the global industry chain, which hasn't been priced in. So it is a very good time to take a look at Chinese healthcare industry.

### Key Information

NAV (30/04/24)	US\$ 59.82 (L1)	Strategy Assets	US\$ 3.2 m <sup>(a)</sup>
Total Fund Size	US\$ 3.2 m	Fund Launch Date	03-Dec-21

Monthly Performance (%) data from FPS/Pictet															
	2023									2024					ITD
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	Apr	YTD	
Bin Yuan HC Fund	-7.60	-4.98	4.34	-7.54	1.56	-0.81	3.75	-2.14	-18.13	-19.00	10.79	-5.58	2.70	-12.98	-40.18
Index <sup>(b)</sup>	-10.21	-6.15	8.44	-7.04	0.34	5.29	0.73	-8.99	-20.45	-20.89	10.71	-9.46	-0.79	-21.38	-57.15

Source: Bin Yuan, Pictet, FPS

## Risk and reward profile

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



The risk indicator assumes you keep the product for 4 years. We have classified this product as 6 out of 7, which is the second –highest risk.

This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact out capacity to pay you.

Please refer to the prospectus<sup>(d)</sup> for more information on the specific risks relevant to this product not included in the summary risk indicator. This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owned, you could lose your entire investment.

Top Ten Holding					
1	KANGJI MEDICAL H	10.28%	2	IRAY TECHNOLOG-A	6.29%
3	SHENZHEN MINDR-A	5.38%	4	INNOVENT BIOLOGI	4.83%
5	SHENZHEN NEW-A	4.01%	6	AK MEDICAL HOLDI	3.68%
7	SHANGHAI UNITE-A	3.41%	8	GIANT BIOGENE HO	3.11%
9	SONOSCAPE MEDI-A	2.95%	10	BEIGENE LTD	2.89%

### Investment Objective

The investment objective of the Compartment is to provide long term capital growth, measured in USD, primarily through investment in equities and equity-linked securities of Greater China Companies, as defined hereafter.

Market Breakdown	% of Assets
A Share	54
Hong Kong (Discounted Dual Listing)	4
Hong Kong	30

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	56
Biotechnology	17
Services	11
Pharmaceuticals	4

Valuation <sup>(c)</sup>	Portfolio	Benchmark
Period	04/30/2024	04/30/2024
2024 PE (X) – Weighted Avg. Method	19.2	16.7
2024 PE (X) – Harmonic Avg. Method <sup>(c)</sup>	21.5	27.8
2024 PB (X)	2.9	2.4
2024 Div. Yield (%)	1.1	1.4
2024 ROE (%)	20.3	7.4
Earning Growth (%) Forward 3 YR	19.0	14.5
2024 PEGY	0.9	1.0
FCF Yield	2.3	0.9

The Sub-Fund is actively managed. The benchmark index of the Sub-Fund is MSCI China Health Care Index. It is used for the calculation of the performance fee and for performance comparison purposes. The Investment Manager is not in any way constrained by the benchmark index in its portfolio positioning. This means the Investment Manager is taking investment decisions without reference to a benchmark index. The Sub-Fund can deviate significantly from the index.

Annual Management Charge   TERs as at end September 2021	
Share Class L1	0.50%   NA
Share Class A	1.00%   NA
Share Class P	0.50% with 10% Performance Fee   NA
Minimum Investment	
Share Class L1	\$100,000 Minimum initial subscription & holding
Share Class A	\$100,000 Minimum initial subscription & holding
Share Class P	\$100,000 Minimum initial subscription & holding

Fund Codes	
Share Class	L1
Bloomberg	HEFYHUA LX
TK	
ISIN	LU2413982427
Lipper ID	
Sedol	BLBHZ45

Entry / Exit fees ; 0

All the costs are not disclosed into the factsheet, please refer to the prospectus for additional information.

Fund Details	
Dealing Day	Daily
Dividends	None – income accumulated within the fund
Investment Manager	Bin Yuan Capital Room 1505, 15/F, 299QRC 287-299 Queen’s Road Central Sheung Wan, Hong Kong
Management Company	FundPartner Solutions (Europe) S.A. 15, Avenue John F Kennedy , L-1855 Luxembourg
Custodian	Bank Pictet & Cie (Europe) AG, Succursale de Luxembourg 15, Avenue John F Kennedy, L-1855 Luxembourg
Legal Advisors	Elvinger Hoss Prussen S.A. 2, Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte Audit S.à r.l. 560, route de Neudorf, L-2220 Luxembourg

Fund Codes	
Share Class	L1
Bloomberg	HEFYHUA LX
TK	
ISIN	LU2413982427
Lipper ID	
Sedol	BLBHZ45

### Order Transmission Information

Bank Pictet & Cie (Europe) AG, Succursale de Luxembourg  
15, Avenue John F Kennedy,  
L-1855 Luxembourg  
Via fax +352 46 71 71 7667 or SWIFT PICTLULXTAS

Footnote:

(a) This refers to the total assets invested in the reference strategy managed by the Investment Manager.

(b) MSCI China Health Care Index (Bloomberg Ticker MXCNOHC Index).

(c) The harmonic average, also known as the harmonic mean, is a type of average that is useful in situations where calculating an average rate or ratio. It's particularly effective when the values we are averaging are defined in terms of a ratio of two quantities (like speed, which is distance per unit of time).

The formula for the harmonic average is:

Harmonic Mean =  $N / \sum (1/Value_i)$

Where:

- (N) is the total number of values.

-  $\{Value_i\}$  is each individual value in the set.

(d) Prospectus (English) and KIDs (English, French, German)

Disclaimer:

- This document should be read as a marketing communication.
- Risk Disclaimer - This current risk profile is based on historical data and may not be a reliable indication of the future risk profile of the Sub-Fund. - The risk category shown is not guaranteed and may shift over time. - The lowest category, which corresponds to Number 1, cannot be regarded as being risk-free. - The Sub-Fund does not provide any capital guarantee or asset protection measures. Why is this Sub-Fund in this category? The investment objective of the Sub-Fund is to generate long-term capital growth and income by investing in equities and equity-linked securities of Greater China Companies. Hence, the risk/reward profile of the SubFund should correspond to a high risk category on the risk/reward scale. The contents of this document are communicated by, and the property of, Hereford Funds. This document is for information purposes and internal use only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined individually for each investor, and the financial instruments described above may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Please consult your own professional advisers in order to evaluate and judge the matters referred to herein. An investment should be made only on the basis of the prospectus, the annual and any subsequent semi-annual reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained from the Fund, from FundPartner Solutions (Europe) SA, 15 avenue J. F. Kennedy, L-1855 Luxembourg, and any distributor or intermediary appointed by the Fund. You can obtain a summary of investors rights to the following link : <https://www.group.pictet/media/sd/176b100ab205a6e6aef82b0250138f889675b903>
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