

### Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share class L1) depreciated 11.74% for the month of March (net of fees) compared to a -8.31% return for the benchmark. At the end of March, the Sub Fund was mainly invested in Health Care, Information Technology, Industrials and high end Materials, with zero weights in the Energy, Utilities, Commodities and Real Estate sectors.

For the month, the Fund underperformed the benchmark by 3.43%. In March, the positions that contributed the most to the portfolio's return were AUTOWELL, ORIENTAL YUHONG and KANGJI MEDICAL. The positions that contributed the least were IRAY, ECOVACS and SUNNY OPTICAL.

### Manager's Commentary

We had expected March would be the month where the China market started to stabilize after the late December and January sell-offs. However, the start of the Russia-Ukraine war and the new outbreaks of Omicron in China brought new worries to the equity market. Investors sold off China stocks bringing the index to a 12 month low in mid March with geopolitical concerns, the impact of energy price hikes, and an economic slowdown all weighing down on sentiment.

The immediate concerns include stretched supply chains, soft demand and geopolitical risk. We have therefore focused on more defensive high valued added companies, resilient and emerging consumption demand, and companies that are domestically focused, which are less vulnerable to the short-term risks.

From our past investment experience, short term market volatility has always been a ripple in the river of history, and it is the tide that leads the future direction that we focus on. We are focusing on: 1) The deeper penetration of digitalization, including internet of things, cybersecurity and artificial intelligence. 2) The rapid rollout of green sectors such as EV and solar. 3) Fast-growing healthcare expenditures. 4) The reshaping of global supply chains. 5) The rising awareness of social justice.

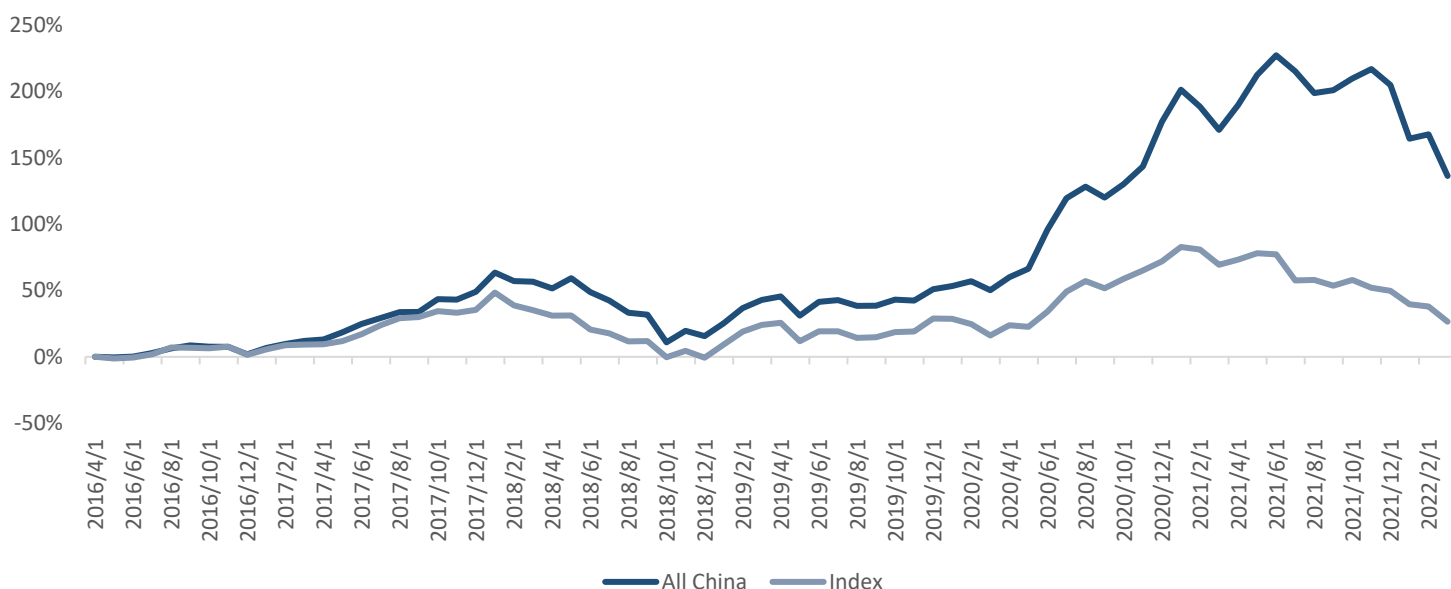
Bin Yuan runs a portfolio that resonates with the long term trends of China and globally over the next decade, the fundamentals of which are even enhanced by recent events. One of our investment principles is not to react on a top down basis to macro events, but to assess the long term fundamentals of individual companies from a bottom up perspective. While short term volatility is difficult to predict, with short term risks largely reflected in prices, the current very attractive valuations provide a great window for long term investors to buy Bin Yuan portfolio companies.

### Key Information

NAV (31/03/22)	US\$ 153.75(L1)/145.46(L2)/107.20(AI)/84.81(AI EUR)/76.41(AI GBP)/110.59(BI)/167.27(CB)/110.03(DB A)/101.87(DB A NOK)/111.24(DI A)/177.49(CI)/79.10(CI GBP)/82.24(PB EUR)	Strategy Assets	US\$ 1,272 m <sup>(a)</sup>
Total Fund Size	US\$ 646.7m	Fund Launch Date	16-Apr-18

#### Period Performance (%) data from FPS/Pictet/Bin Yuan

	2022	2021	2020	2019	2018	2017	Cumulative	Annualized
Bin Yuan All China Strategy <sup>(b)</sup>	-22.49	10.02	83.51	30.60	-22.46	44.69	136.17	15.63
Index <sup>(c)</sup>	-15.53	-12.91	33.41	29.74	-26.64	33.37	26.42	4.04



## Monthly Performance (%) data from FPS/Pictet

	2021										2022			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021	Jan	Feb	Mar	YTD
Bin Yuan GC Fund	6.90	7.84	4.76	-3.72	-5.17	0.72	2.93	2.27	-3.79	10.02	-13.24	1.23	-11.74	-22.49
Index <sup>(c)</sup>	2.31	2.80	-0.48	-11.13	0.22	-2.71	2.78	-3.70	-1.52	-12.91	-6.73	-1.23	-8.31	-15.53

## Risk and reward profile



Top Ten Holding					
1	IRAY Technolog-A	9.60%	2	China Merch BK-A	5.14%
3	Ecovacs Roboti-A	4.95%	4	Chipsea Techno-A	4.68%
5	Jiangsu Cnano-A	4.25%	6	Wuxi Autowell-A	4.12%
7	Shanghai Frien-A	4.01%	8	Kangji Medical H	3.67%
9	Hunan Baili EN-A	3.42%	10	Sunny Optical	3.35%

Sectoral Breakdown <sup>(e)</sup>	% of Assets
Health Care	27
Information Technology	23
Industrials	12
Materials	9
Consumer Staples	9
Consumer Discretionary	6
Financials	5

## 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.

Since Inception <sup>(d)</sup>	Bin Yuan All China	Index
Volatility	19.19%	17.54%
Sharp Ratio	0.86	0.23
Information Ratio	1.26	
Tracking Error	9.89%	
Active Shares	95%	
Beta	1.00	

Market Breakdown	% of Assets
A Share (Connect + QFI)	75
Hong Kong	16



Valuation	Portfolio	Benchmark	Benchmark (excluding Financials)
Period	20220331	20220331	20220331
2022 PE (X)	26.6	11.9	21.5
2022 PB (X)	5.7	1.4	2.9
2022 Div. Yield (%)	0.8	2.5	1.3
2022 ROE (%)	21.4	11.6	13.5
Earning Growth (%) Forward 3 YR	27.8	10.2	11.6
2022 PEGY	0.9	0.9	1.7
FCF Yield	1.3	3.0	0.2

Fund Codes						
Share Class	AI	AI GBP	AI EUR	BI	CI	CI GBP
Bloomberg	HEYGCAU LX	HEYGCAU LX	HEYGCAE LX	HEYGCBU LX	HFBYCIU LX	HEYGCGA LX
TK	040149630	040149699	040149698		040149734	040149736
ISIN	LU1778252558	LU1778252715	LU1778252632	LU1778253952	LU1778254844	LU1778255064
Lipper ID	68617991	68666625	68677482	68625053	68563916	68684500
Sedol	BMV2Q30	BNLYXY6	BN4BFL5	BMV1994	BMWWFG8	BP466G6

Fund Details	
Dealing Day <sup>(d)</sup>	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	Pictet & Cie (Europe) S.A. 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

Annual Management Charge   TERs as at end September 2021	
Share Class A	1.25%   1.45%
Share Class B	1.00%   1.21%
Share Class C	0.75%   0.95%
Share Class D	0.50%   0.71%

Minimum Investment	
Share Class A	\$100,000 Minimum initial subscription & holding
Share Class B	\$5,000,000 Minimum initial subscription & holding
Share Class C	\$10,000,000 Minimum initial subscription & holding
Share Class D	\$100,000,000 Minimum initial subscription & holding

## Order Transmission Information

FundPartner Solutions (Europe) S.A.

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) The graph depicts the Bin Yuan All China Strategy (Reference Strategy) from inception in May 2016 to the fund launch on 16/4/18. After launch date actual fund data of Share Class L1 is used. The fund follows the same strategy as the Reference Strategy and simulated returns of the Reference Strategy are net of a modeled fee of 0.75% pa and expenses of 0.40%.

(c) MSCI Inc. discontinued MSCI All China Index and the transition to MSCI China All Shares Index took effect on 27 November 2019. MSCI All China Index Total USD return including dividends (Bloomberg ticker M1ACN Index) was used as benchmark from the inception of April 2018 to November 26, 2019. MSCI China All Shares Net Total USD Return (Bloomberg ticker MXCNANM Index) is used as benchmark since November 27, 2019.

(d) Data depict the Bin Yuan All China Strategy since inception of May 2016 as of April 2018. The fund follows the same strategy. After a longer period after the fund launch, we will use the Hereford Funds Bin Yuan Greater China Fund Share Class L1 in the table.

(e) We set sector exposure according to GICS classification, and the maximum exposure will not exceed 40%. The reason we set at 40% is some industrial and communication service companies are misclassified as information technology in GICS.

Disclaimer:

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