

Bin Yuan Greater China Fund

SFDR status as of March 2021: Article 8
March 2023



Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share class L1) depreciated 2.44% for the month of March (net of fees) compared to a 2.58% return for the benchmark, underperforming the benchmark by 5.02%. During this month, Communication Services and Information Technology were the top contributors. Compared to the benchmark, Real Estate outperformed while Health Care underperformed. Stock selection in communication services and real estate sectors contributed positively to the return. The index performance was mainly driven by active funds buying oversold mega internet stocks, SOEs in the telecom, energy, financials and construction sectors, and also ChatGPT themes, which hurt our relative performance.

In March, the positions that contributed the most to the portfolio's return were KINGSOFT, BILIBILI and BAIDU. The positions that contributed the least were IRAY TECHNOLOGY, CHINA EDUCATION and CHINA MERCHANT BANK.

Manager's Commentary

Recovery post the country's reopening continued to broaden in March. China has also seen an increase in overseas visitors. The government received visits of political leaders from various countries and international organizations, and executives from multinational corporations in different industries, such as Brazil, France, Malaysia, New Zealand, the EU, the IMF, etc.; and consumer electronics giant Apple, chips behemoth Qualcomm, mining heavyweight BHP, global pharma leader Pfizer, etc.

Echoing the increasing interest in China are planned visits to our office from clients and prospects. We have received onsite meeting requests from prospects in Europe, US, Australia, Canada, Latam and Africa in the second quarter. We expect the peak of visits to be in September.

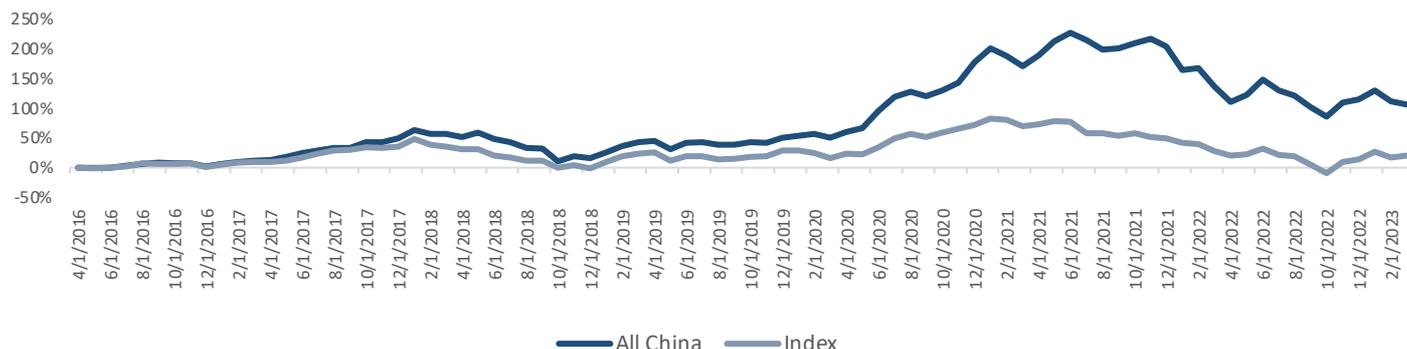
We recently went to North America to visit clients and prospects. The main takeaway from the trip is that the decision making of North American public pension plans has become more geopolitically influenced. The board level and trustees are negative on China in line with local political views, while the manager selection teams are more positive. Private institutions such as family offices, endowments, foundations are less bearish. They emphasize their fiduciary duty is for their asset owners and expect China to recover post the exit of the Zero Covid policy. They are more interested in public equities than private equities due to the better liquidity and cheaper valuations in the former.

Our conviction remains strong on the economic recovery and the structural opportunities arising from the next phase of growth.

Key Information

NAV (31/03/23)	US\$ 134.53(L1)/127.90(L2)/93.33(AI)/75.61(AI EUR)/70.84(AI GBP)/96.53(BI)/146.36(CB)/96.52(DB A)/107.04(DB A NOK)/97.58(DI A)/155.30(CI)/73.71(CI GBP)/73.86(PB EUR)	Strategy Assets	US\$ 1,362 m ^(a)
Total Fund Size	US\$ 758.7 m	Fund Launch Date	16-Apr-18

Period Performance (%) data from FPS/Pictet/Bin Yuan								
	2023	2022	2021	2020	2019	2018	Cumulative	Annualized
Bin Yuan All China Strategy ^(b)	-3.87	-29.45	10.02	83.51	30.60	-22.46	106.65	11.06
Index ^(c)	5.01	-23.61	-12.91	33.41	29.74	-26.64	20.06	2.68



Monthly Performance (%) data from FPS/Pictet

	2022										2023			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	YTD
Bin Yuan GC Fund	-10.84	5.76	11.25	-7.34	-3.75	-8.76	-7.68	12.87	2.33	-29.45	7.20	-8.07	-2.44	-3.87
Index ^(c)	-6.27	1.82	7.82	-8.07	-1.61	-12.26	-13.52	21.29	4.02	-23.61	11.06	-7.82	2.58	5.01

Risk and reward profile



Top Ten Holding					
1	IRAY TECHNOLOG-A	8.67%	2	BAIDU INC-A	5.14%
3	CHINA MERCH BK-A	5.12%	4	KANGJI MEDICAL H	4.16%
5	BILIBILI INC-Z	4.15%	6	ALIBABA GROUP HO	4.13%
7	H WORLD GP LTD	3.68%	8	CHIPSEA TECHNO-A	3.60%
9	HAICHANG OCEAN P	3.59%	10	NARI TECHNOLOG-A	3.55%

Sectoral Breakdown ^(e)	% of Assets
Health Care	22
Consumer Discretionary	19
Information Technology	15
Industrials	12
Communication Services	9
Financials	7
Consumer Staples	7
Materials	5
Real Estate	3

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 ^(d)	Bin Yuan All China	Index
Volatility	20.61%	20.72%
Sharpe Ratio	0.57	0.13
Information Ratio	0.83	
Tracking Error	11.03%	
Active Shares	91%	
Beta	0.90	

Market Breakdown	% of Assets
A Share (Connect + QFI)	64
Hong Kong	34
US ADR	1

Valuation	Portfolio	Benchmark (excluding Financials)	Benchmark
Period	3/31/2023	3/31/2023	3/31/2023
2023 PE (X) – Weighted Average Method*	23.8	24.0	22.8
2023 PE (X) – Integral Method*	16.1	13.0	11.8
2023 PB (X)	4.6	3.0	2.3
2023 Div. Yield (%)	1.1	1.5	2.3
2023 ROE (%)	19.3	12.5	10.0
Earning Growth (%) Forward 3 YR	25.2	13.5	10.8
2023 PEGY	0.9	1.6	1.7
FCF Yield	1.6	-1.1	2.6

Note: Valuation dynamics impacted by corporate quality.

*PE Weighted Avg. Method: The PE of each security in the portfolio/benchmark is multiplied by its weight and then is summed to a final PE;

*PE Integral Method: The PE is calculated by dividing the summary of each security's market capitalization in the portfolio/benchmark by the summary of each security's earning.

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	BMY2Q30	BNLYXY6	BN4BFL5	BMY1994	BMWWFG8	BP466G6

Fund Details	
Dealing Day ^(d)	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.

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