

Bin Yuan Healthcare Fund

SFDR status as of March 2021: Article 8

April 2025

RACE TO ZERO

Investment Review

The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) decreased -0.09% for the month of April (net of fees) compared with a -0.06% return for the benchmark. As of the end of April, the Sub Fund was mainly invested in Healthcare Equipment & Parts and Biotechnology, with few positions in the Services sector.

For the month, the Fund ended flat with the benchmark. Positions that contributed most to the portfolio were INNOVENT BIOLOGI, SHANGHAI UNITE and CSPC PHARMACEUTI. Positions that contributed least were ZHEJIANG XIAN, SHENZHEN MINDR and BEIGENE LTD.

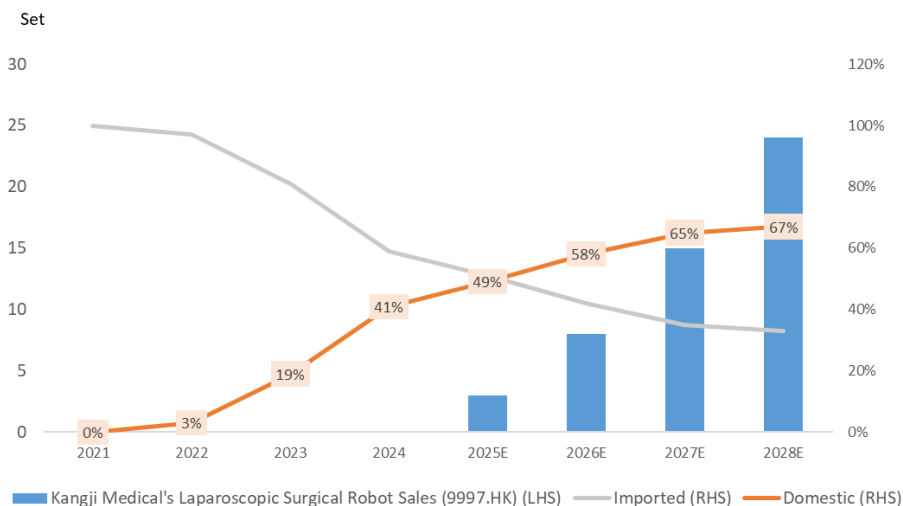
Manager's Commentary

This month, we continued to increase our position in biotech innovative drug companies within the portfolio. The top two holdings: BEIGENE (6160.HK) and INNOVENT (1801.HK), will benefit from China's import substitution in biotech innovative drugs field.

Wiseking, a subsidiary of Kangji Medical (9997.HK), received regulatory approval from China's National Medical Products Administration for its four-arm laparoscopic surgical robot in late April.

China's laparoscopic surgical robot annual sales around 100 units in 2024, but the number is expected to double in 2025. China's laparoscopic surgical robot installed is close to 500 units, robots per million people is 0.36, compared with Japan's 4.6 and the United States 11.3 there is a large space for development. It is predicted that total laparoscopic surgical robots in China stalled will reach 2,300 in 2030. Currently, more than 85% of laparoscopic surgical robots installed in China are made by Intuitive Surgical, but only 60% of new purchased are made by Intuitive Surgical in 2024. In the future, with the iteration of domestic robot products and the emergence of localization advantages, the domestic rate is expected to exceed 65% in 2028 (Chart 1).

Chart 1: Market Share of Laparoscopic Surgical Robot



Kangji Medical, as the largest local manufacturer of surgical instruments and consumables in China, has a wide range of channels covering various surgical departments, which are in line with those required for laparoscopic surgical robots, thus Wiseking is able to use the original channels to rapidly expand the market.

Moreover, leveraging Kangji's in-depth understanding of the needs of clinical surgeons, Kangji and Wiseking plan to launch a series of innovative robotic consumable products in the future, just as Mr. Zhong, the founder of Kangji, said, "I firmly believe that surgical robots will, in the long run, be a business centered around consumables." For example, to ease the fatigue of doctors who perform a lot of surgeries every day, Wiseking's surgical robots use new lighter materials to reduce the fatigue of doctors' work, which is highly recognized by doctors. Once doctors get accustomed to using certain surgical robots and consumable products, their stickiness shall even be higher than that of the current minimally invasive surgical consumables.

We expect Wiseking to achieve sales of 3-5 units in 2025 and reach 30 units in 2027, with a market share of 9% in that year, equivalent to revenue of 250mn RMB and break-even. In 2030, Wiseking can realize 700mn RMB revenue, 30% of that comes from consumable sales. This will account for 25% of Kangji's annual revenue for that year. At that time, Kangji shall be the leading player in both minimally invasive surgery and robotic surgery fields in China.



Hereford Funds

Signatory of:



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Key Information

NAV (30/4/25) US\$ 55.42(L1)
Total Fund Size US\$ 2.2m

Strategy Assets US\$ 2.2 m^(a)
Fund Launch Date 03-Dec-21

Monthly Performance (%) data from FPS/Pictet

	2024									2025					ITD
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	Apr	YTD	
Bin Yuan HC Fund	-2.74	-6.98	-0.81	-0.76	15.99	-10.07	0.36	-3.01	-21.31	-0.85	3.88	-0.43	-0.09	2.46	-44.58
Index ^(b)	-4.39	-3.84	4.08	3.30	22.74	-10.99	0.33	-4.87	-18.94	0.99	11.21	6.57	-0.06	19.63	-47.16

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 our capacity to pay you.

Please refer to the prospectus^(d) 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 owed, you could lose your entire investment.

Top Ten Holding

1	BEIGENE LTD	9.43%	2	INNOVENT BIOLOGI	8.12%
3	JIANGSU YUYUE-A	5.94%	4	AK MEDICAL HOLDI	5.84%
5	SHANGHAI UNITE-A	5.15%	6	ZHEJIANG XIAN-A	4.66%
7	SHENZHEN MINDR-A	4.59%	8	AKESO INC	3.91%
9	APT MEDICAL IN-A	3.79%	10	KANGJI MEDICAL H	3.65%

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	42
Hong Kong (Discounted Dual Listing)	11
Hong Kong	37

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	41
Biotechnology	27
Pharmaceuticals	12
Services	10

Valuation ^(c)	Portfolio	Benchmark
Period	4/30/2025	4/30/2025
2025 PE (X) – Weighted Avg. Method	17.7	17.6
2025 PE (X) – Harmonic Avg. Method ^(c)	19.2	29.5
2025 PB (X)	2.6	2.7
2025 Div. Yield (%)	1.5	1.1
2025 ROE (%)	14.7	9.1
Earning Growth (%) Forward 3 YR	23.6	14.2
2025 PEGY	0.7	1.1
FCF Yield	1.0	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	HF Arode Asset Management S.A. 93, Route d'Arlon , L-1140 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 MXCN0HC 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.

- $\sum (1/Value_i)$ 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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- Marketing communications should indicate that the decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus.