

Bin Yuan Healthcare Fund

SFDR status as of March 2021: Article 8
August 2024



Investment Review

The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) decreased -0.76% for the month of August (net of fees) compared with a 3.3% return for the benchmark. As of the end of August, the Sub Fund was mainly invested in Healthcare Equipment & Parts and Services, with few positions in the Pharmaceuticals sector.

For the month, the Fund underperformed the benchmark by 4.06%. Positions that contributed most to the portfolio were BEIGENE LTD, INNOVENT BIOLOGI and SHENZHEN NEW. Positions that contributed least were IRAY TECHNOLOG, SONOSCAPE MEDI and QINGDAO NOVELB.

Manager's Commentary

Impacted by last year's high base and delayed healthcare equipment bidding process, the earning results of the overall healthcare sector in the first half of this year was lackluster. Compared with the first half of last year, revenue and profit were flat. In the sub sectors, vaccines were most significantly affected by the high base number, with a 22% drop in revenue. In medical devices segment, the use of medical consumables is relatively rigid, with an increase of 7%, while medical equipment showed a negative growth of 2%.

The overall performance of our portfolio is significantly better than that of the whole industry. our portfolio recorded 8.7% and 19.4% revenue and profit growth in the first half of this year. Top holdings: Kangji (9997.HK) had 14% revenue growth and 12% earnings' growth. Its full-year guidance confirmed at 15-20% (close to 20%). Wiseking (subsidiary of Kangji) has submitted filing for its 4-arms surgery robot and waited for approval around 2025 Spring Festival. Kangji may increase their shares of Wiseking. iRay (688301.SH)'s revenue grew 7% in H1. Its DR detector in the dental field increased by 15% by taking market share. Growth of other core components of non-detectors nearly doubled. Q2 operating cash flow was RMB 228 million, a new high. Mindray (300970.SZ) delivered 17% first half profit growth, which is very strong compared with peers. Innovent (1801.HK) had 46% revenue growth and narrowed its losses, beat the market. Its blockbuster innovative drug – GLP-1 is expected to be approved to the market in the early next year.

According to what we learned from hospitals and manufacturers, the bidding for medical equipment has been restarted recently, and we anticipate that our holdings will continue to deliver strong earnings results over the next quarters, providing fundamental support for share price performance.

Key Information

NAV (31/08/24)	US\$ 53.27 (L1)	Strategy Assets	US\$ 2.7 m ^(a)
Total Fund Size	US\$ 2.7 m	Fund Launch Date	03-Dec-21

Monthly Performance (%) data from FPS/Pictet															
	2023					2024								ITD	
	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		YTD
Bin Yuan HC Fund	1.56	-0.81	3.75	-2.14	-18.13	-19.00	10.79	-5.58	2.70	-2.74	-6.98	-0.81	-0.76	-22.51	-46.73
Index ^(b)	0.34	5.29	0.73	-8.99	-20.45	-20.89	10.71	-9.49	-0.79	-4.39	-3.84	4.08	3.30	-22.26	-57.64

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^(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 owned, you could lose your entire investment.

Top Ten Holding					
1	KANGJI MEDICAL H	8.80%	2	IRAY TECHNOLOG-A	5.45%
3	SHENZHEN MINDR-A	5.03%	4	INNOVENT BIOLOGI	4.83%
5	CHINA RESOURCES	4.54%	6	SINOPHARM-H	4.00%
7	ZHEJIANG XIAN-A	3.61%	8	BEIGENE LTD	3.52%
9	SHENZHEN NEW-A	3.50%	10	JIANGZHONG PHM-A	3.33%

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	57
Hong Kong (Discounted Dual Listing)	5
Hong Kong	28

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	51
Services	15
Biotechnology	13
Pharmaceuticals	11

Valuation ^(c)	Portfolio	Benchmark
Period	08/31/2024	08/31/2024
2024 PE (X) – Weighted Avg. Method	15.5	17.1
2024 PE (X) – Harmonic Avg. Method ^(c)	15.8	29.2
2024 PB (X)	2.3	2.1
2024 Div. Yield (%)	2.3	1.5
2024 ROE (%)	18.2	8.1
Earning Growth (%) Forward 3 YR	19.1	14.5
2024 PEGY	0.7	1.1
FCF Yield	2.1	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.

- $(1/Value_i)$ 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>
- No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Potential investors shall be aware that the value of investments can fall as well as rise and that they may not get back the full amount invested. Past performance is no guide to future performance. Future Performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Returns may increase or decrease as a result of currency fluctuations. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the prospectus of the Fund. Whilst great care is taken to ensure that information contained herein is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee or recipient only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document.
- According to the SFC climate-related disclosure requirement, please find our disclosure of [Management and Disclosure of Climate-related Risks by Fund Managers](#).
- 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.