

### Investment Review

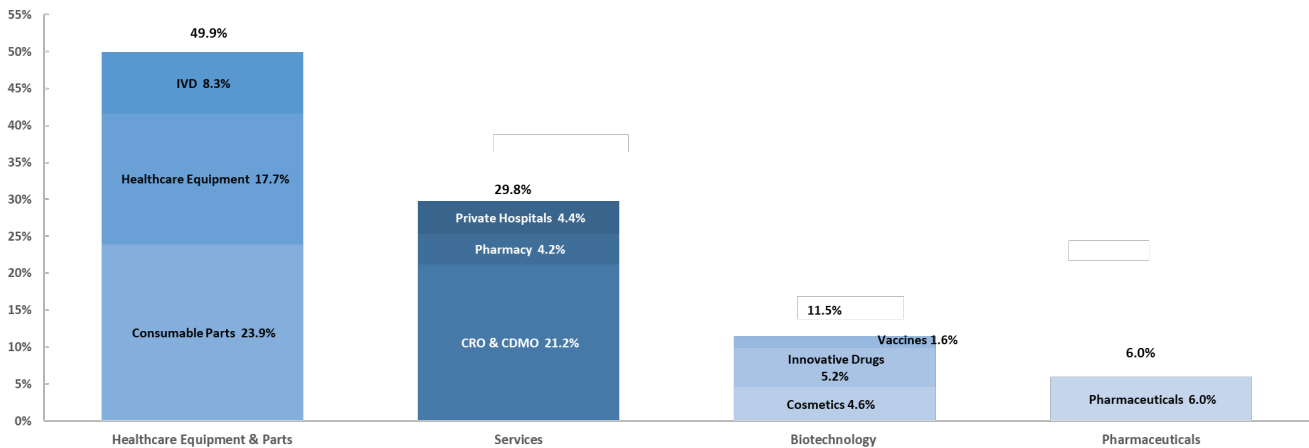
The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) depreciated 5.48% for the month of February (net of fees) compared to a -9.91% return for the benchmark. At the end of February, the Sub Fund was mainly invested in the Healthcare Equipment & Parts and Services sectors, with little weight in the Pharmaceuticals sector.

For the month, the Fund outperformed the benchmark by 4.42%. In February, the positions that contributed the most to the portfolio’s return were NEW INDUSTRIES, KANGJI MEDICAL and AK MEDICAL. The positions that contributed the least were WUXI BIOLOGICS, WUXI APTEC and IRAY TECHNOLOGY.

### Manager’s Commentary

The market took a breather from the previous months’ rebounds. But the pullback provides a great window for investors to buy China, especially as the economic recovery post the reopening continued to broaden.

Although we significantly overweight healthcare equipment and services, some biopharmaceutical companies are already very cheap and worth taking a look at. Investing in publicly listed biopharmaceutical companies is relatively difficult due to the uncertainties arising from their technical capabilities, long time-horizon for research and development, tight cash flow, and other issues. Relatively speaking, companies with cash cow products, well-established production capacity and commercial teams would be better choices. Innovent Biologics (1801.HK) is one of the candidates. Please see details in this month’s monthly letter “Chinese Innovative Bio-Pharma – Follow the Global Giants”.



### Key Information

NAV (28/02/23)	US\$ 85.5 (L1)	Strategy Assets	US\$ 17.8 m <sup>(a)</sup>
Total Fund Size	US\$ 17.8 m	Fund Launch Date	03-Dec-21

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

	2022											2023			ITD
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	YTD	
Bin Yuan HC Fund	-5.34	-9.33	0.03	11.97	-6.89	-3.01	-6.87	4.63	5.02	5.54	-17.07	7.72	-5.48	1.81	-14.52
Index <sup>(b)</sup>	-5.72	-10.43	-1.88	14.66	-3.23	-4.54	-18.60	-3.10	22.05	6.02	-25.50	9.11	-9.91	-1.70	-32.66

### Risk and reward profile



Top Ten Holding					
1	KANGJI MEDICAL H	9.42%	2	WUXI BIOLOGICS C	7.11%
3	SHENZHEN MINDR-A	6.12%	4	WUXI APTEC CO-A	5.73%
5	IRAY TECHNOLOG-A	5.62%	6	NEW INDUSTRIES BIOMEDICAL	4.90%
7	BLOOMAGE BIOTE-A	4.62%	8	AIER EYE HSPTL-A	4.45%
9	INNOVENT BIOLOGI	4.37%	10	ASYMCHEM LABOR-A	4.30%

### 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	67
Hong Kong (Discounted Dual Listing)	1
Hong Kong	29

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	50
Services	30
Biotechnology	11
Pharmaceuticals	6

Valuation	Portfolio	Benchmark
Period	2/28/2023	2/28/2023
2023 PE (X) – Weighted Avg. Method	23.6	20.3
2023 PE (X) – Integral Method	29.4	46.8
2023 PB (X)	4.4	1.3
2023 Div. Yield (%)	1.0	0.9
2023 ROE (%)	18.8	6.2
Earning Growth (%) Forward 3 YR	26.0	14.0
2023 PEGY	0.9	1.4
FCF Yield	1.8	-0.7

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

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).

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	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

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