

Bin Yuan Healthcare Fund
SFDR status as of March 2021: Article 8
June 2023

Investment Review

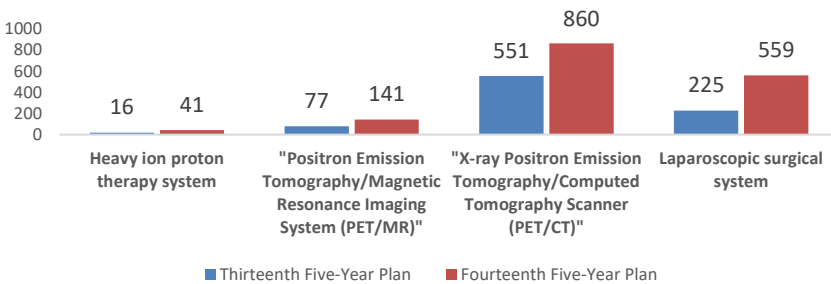
The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) depreciated 4.98% for the month of June (net of fees) compared to a -6.15% return for the benchmark. At the end of June, the Sub Fund was mainly invested in the Healthcare Equipment & Parts and Services sectors, with little weight in the Pharmaceuticals sector.

For the month, the Fund outperformed the benchmark 1.17%. In June, the positions that contributed the most to the portfolio's return were MICROPORT MEDBOT, HENGRUI PHARMACEUTICALS and YIFENG PHARMACY. The positions that contributed the least were INNOVENT BIOLOGICS, TIGERMED CONSULTING and ASYMCHM LABORATORIES.

Manager's Commentary

Although the healthcare sector continued to weaken in June, several positive policies have been released recently. These policies may bring opportunities to the entire sector in the second half of the year, including both equipment and pharmaceutical segments.

On the last day of June, the Chinese National Health Commission issued a notification regarding the "Fourteenth Five-Year Plan" outlining the allocation of large-scale medical equipment. This plan entails a substantial increase in the number of allocated devices, which will greatly facilitate the advancement of high-end medical equipment. Notably, the planned quantities for PET (Positron Emission Tomography) /MR (Magnetic Resonance) , PET/CT (Computed Tomography) , and Surgical Robots have experienced significant boosts. We believe that relevant enterprises can continue to benefit from such policy initiatives, including United Imaging (688271.SH) and Wiseking Surgical Robot (the subsidiary of Kangji (9997.HK)).



We also have observed a gradual shift towards a more moderate approach for Value-Based Purchasing Policy (VBP). For instance, the regulator's recently issued "Negotiated Drug Renewal Rules" have introduced adjustments to pricing and contract terms for VBP. These adjustments have significantly reduced reduction rates and relaxed the VBP threshold for negotiated drugs. These measures contribute to promoting moderation within the system. Overall, this trend fosters an efficient and supportive environment for the sustainable development and innovative research of leading pharmaceutical companies.

Key Information

NAV (30/06/23)	US\$ 69.7 (L1)	Strategy Assets	US\$ 12.7 m ^(a)
Total Fund Size	US\$ 12.7 m	Fund Launch Date	03-Dec-21

Monthly Performance (%) data from FPS/Pictet															
	2022							2023							ITD
	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	Apr	May	Jun	YTD	
Bin Yuan HC Fund	-6.89	-3.01	-6.87	4.63	5.02	5.54	-17.07	7.72	-5.48	-4.80	-2.51	-7.60	-4.98	-17.03	-30.34
Index ^(b)	-3.23	-4.54	-18.60	-3.10	22.05	6.02	-25.50	9.11	-9.91	-4.72	2.99	-10.21	-6.15	-18.72	-44.32

Risk and reward profile



Top Ten Holding					
1	KANGJI MEDICAL H	9.90%	2	IRAY TECHNOLOG-A	9.06%
3	WUXI BIOLOGICS C	6.14%	4	SHENZHEN MINDR-A	5.74%
5	WUXI APPTec CO-A	5.36%	6	JIANGSU HENGRU-A	5.07%
7	INNOVENT BIOLOGI	3.81%	8	ASYMCHEM LABOR-A	3.78%
9	NEW INDUSTRIALS	3.39%	10	AIER EYE HSPTL-A	3.38%

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)	4
Hong Kong	27

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	53
Services	27
Biotechnology	10
Pharmaceuticals	8

Valuation	Portfolio	Benchmark
Period	6/30/2023	6/30/2023
2023 PE (X) – Weighted Avg. Method	25.2	22.0
2023 PE (X) – Integral Method	25.0	30.9
2023 PB (X)	4.8	1.4
2023 Div. Yield (%)	0.8	1.1
2023 ROE (%)	19.1	6.2
Earning Growth (%) Forward 3 YR	26.1	14.0
2023 PEGY	0.9	1.5
FCF Yield	2.1	1.6

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	BLBH245

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

Order Transmission Information

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