

Bin Yuan Healthcare Fund

SFDR status as of March 2021: Article 8

March 2025

RACE TO ZERO

Investment Review

The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) decreased -0.43% for the month of March (net of fees) compared with a 6.57% return for the benchmark. As of the end of March, the Sub Fund was mainly invested in Healthcare Equipment & Parts and Biotechnology, with few positions in the Pharmaceuticals sector.

For the month, the Fund underperformed the benchmark by 7%. Positions that contributed most to the portfolio were AK MEDICAL HOLDI, INNOVENT BIOLOGI and MAO GEPING. Positions that contributed least were SHENZHEN MINDR, SHANGHAI UNITE and HANGZHOU TIGER.

Manager's Commentary

Recently, China's policy support for innovative biopharma has continued to intensify. In January, the NHTA (National Healthcare Security Administration) held a symposium to support innovative drug development enterprises and explored the establishment of an Innovative Drug List to guide commercial health insurance in covering innovative drugs. In February, the draft "Notice on Establishing a First-Price Formation Mechanism for Newly Marketed Chemical Drugs to Encourage High-Quality Innovation" issued by the NHTA clarified market-driven pricing, accelerated listing processes, and allowed high returns. The 2025 State Council Government Work Report in March specifically proposed to "formulate an innovative drug catalog and support innovative drug development".

Fundamentally, we believe China's innovative biopharma have reached an inflection point. Internationally, Chinese innovative drugs are gaining rapid recognition, with 33 overseas licensing deals totaling over \$36.2 billion disclosed in Q1 2025. Domestically, companies like Innovent Bio (1801.HK) and Beigene (6160.HK) have achieved profitability, indicating that the substantial R&D investments in the past are gradually entering the harvest period.

We added some exposure on several innovative biopharma with big potential.

Table 1: Innovative Biopharma Growth and Upside

Ticker	6160.HK	1801.HK	0013.HK	9926.HK	600276.SH	1530.HK	1093.HK
Name	Beigene	Innovent Bio	Hutchmed	Akeso	Hengrui Pharma	3sbio	CSPC
Market Cap (million RMB)	221,242	76,024	19,721	71,206	325,584	29,232	58,955
2025E NIS	1,626	398	1,213	143	6,716	2,277	5,079
2028E NIS	16,827	5,822	3,567	7,220	11,662	3,248	6,708
2025E Revenue	37,893	11,721	6,220	3,722	29,645	9,932	31,106
2025 PE	136.1	191.0	16.3	497.9	48.5	12.8	11.6
2028 PE	13.1	13.1	5.5	9.9	27.9	9.0	8.8
2025 PS	5.8	6.5	3.2	19.1	11.0	2.9	1.9
25-28 NI CAGR	118%	145%	43%	270%	20%	13%	10%
25-28 Rev CAGR	30%	27%	24%	15%	20%	10%	8%
PEG	1.2	1.3	0.4	1.8	2.4	1.0	1.2
Market Cap TARGET 2028 E	504,810	159,523	84,181	216,600	472,311	53,285	87,875
Upside %	128%	110%	327%	204%	45%	82%	49%

Key Information

NAV (31/3/25) US\$ 53.63(L1)
Total Fund Size US\$ 2.5m

Strategy Assets US\$ 2.5 m^(a)
Fund Launch Date 03-Dec-21

Monthly Performance (%) data from FPS/Pictet

	2024										2025				ITD
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Jan	Feb	Mar	YTD	
Bin Yuan HC Fund	2.70	-2.74	-6.98	-0.81	-0.76	15.99	-10.07	0.36	-3.01	-21.31	-0.85	3.88	-0.43	2.55	-44.53
Index ^(b)	-0.79	-4.39	-3.84	4.08	3.30	22.74	-10.99	0.33	-4.87	-18.94	0.99	11.21	6.57	19.69	-47.13

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 owed, you could lose your entire investment.

Top Ten Holding					
1	BEIGENE LTD	7.78%	2	SHENZHEN MINDR-A	6.44%
3	AK MEDICAL HOLDI	6.35%	4	INNOVENT BIOLOGI	6.32%
5	JIANGSU YUYUE-A	5.33%	6	SHANGHAI UNITE-A	4.6%
7	ZHEJIANG XIAN-A	4.59%	8	SHENZHEN NEW-A	4.04%
9	CHINA RESOURCES	3.58%	10	IRAY TECHNOLOG-A	3.53%

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	52
Hong Kong (Discounted Dual Listing)	11
Hong Kong	33

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	50
Biotechnology	21
Services	15
Pharmaceuticals	10

Valuation ^(c)	Portfolio	Benchmark
Period	3/31/2025	3/31/2025
2025 PE (X) – Weighted Avg. Method	18.0	17.8
2025 PE (X) – Harmonic Avg. Method ^(c)	21.2	29.9
2025 PB (X)	2.6	2.7
2025 Div. Yield (%)	1.6	1.2
2025 ROE (%)	14.4	9.3
Earning Growth (%) Forward 3 YR	23.2	14.1
2025 PEGY	0.7	1.1
FCF Yield	1.4	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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