

Investment Review

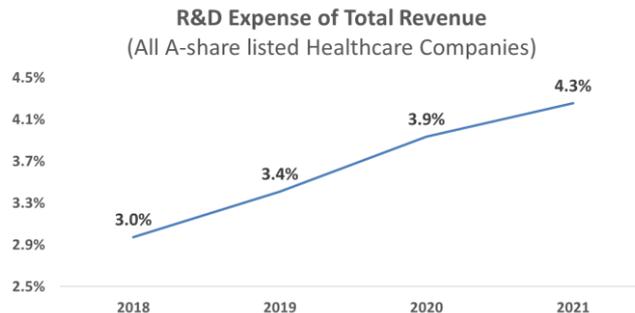
The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) depreciated -6.87% for the month of September (net of fees) compared to a -18.60% return for the benchmark. At the end of September, the Sub Fund was mainly invested in the Healthcare Equipment & Parts and Services sectors, with little weight in the Pharmaceuticals sector.

For the month, the Fund outperformed the benchmark by 11.73%. In September, the positions that contributed the most to the portfolio's return were AUTOBIO DIAGNO, QINGDAO NOVELB and AK MEDICAL. The positions that contributed the least were WUXI BIOLOGICS, WUXI APTEC CO and KANGJI MEDICAL.

Manager's Commentary

China CXO giants Wuxi Bio (2269.HK) and Wuxi Apptec (603259.CH/2359.HK) plunged on panic selling after the news that US President Biden is poised to sign an executive order to help expand US biomanufacturing and reduce reliance on China. Actually, that was not new news as the concept was initially brought up by Obama back in 2008. This has been largely priced in YTD and see less likelihood for US to completely decouple from China in the healthcare supply chain in the mid-term, as US is also controlling medical insurance costs as part of the effort to curb high inflation pressure, so they still need to outsource R&D and manufacturing to lower cost, where China boasts clear edge in R&D cost as taking up 30-60% of that of developed countries.

Although the internal and external environment seems not so friendly to medical companies in recent years, as shown in the figure below, Chinese healthcare enterprises still devote increasingly resources to R&D to help them replace imported products. Taking the newly listed Shanghai United Imaging Healthcare Co. (688271.SH) as an example, Magnetic Resonance Imaging (MRI) was once regarded as a product that could not be produced by Chinese enterprises. But now, the company has not only successfully produced MR, but also recently got CFDA approval for its 5T MR, which marks that Chinese enterprises have also taken the lead in imaging equipment in the world. We firmly believe that many high-tech China's healthcare companies are in the turning point to enjoy high growth in the long run.



Key Information

NAV (30/09/22) US\$ 72.4 (L1)

 Strategy Assets US\$ 15.2 m^(a)

Total Fund Size US\$ 15.2 m

Fund Launch Date 03-Dec-21

Monthly Performance (%) data from FPS/Pictet

	2021	2022												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Bin Yuan HC Fund	1.24	-12.74	1.37	-5.34	-9.33	0.03	11.97	-6.89	-3.01	-6.87				-28.49
Index ^(b)	-8.04	-14.76	-2.43	-5.72	-10.43	-1.88	14.66	-3.23	-4.54	-18.60				-40.58

Risk and reward profile



Top Ten Holding					
1	IRAY TECHNOLOG-A	8.49%	2	SHENZHEN MINDR-A	8.22%
3	KANGJI MEDICAL H	7.10%	4	WUXI BIOLOGICS C	5.80%
5	WUXI APPTec CO-A	5.71%	6	SHENZHEN NEW-A	4.56%
7	AIER EYE HSPTL-A	4.50%	8	AUTOBIO DIAGNO-A	4.40%
9	SUZHOU NANOMIC-A	4.21%	10	BLOOMAGE BIOTE-A	3.95%

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	71
Hong Kong (Discounted Dual Listing)	1
Hong Kong	24

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	57
Services	28
Biotechnology	8
Pharmaceuticals	3

Valuation	Portfolio	Benchmark
Period	20220930	20220930
2023 PE (X)	25.7	35.6
2023 PB (X)	5.0	2.8
2023 Div. Yield (%)	0.9	1.0
2023 ROE (%)	19.4	7.7
Earning Growth (%) Forward 3 YR	28.4	14.0
2023 PEGY	0.9	2.4
FCF Yield	3.0	0.3

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

Order Transmission Information

FundPartner Solutions (Europe) S.A.
15, Avenue John F Kennedy,
L-1855 Luxembourg
Via fax +352 46 71 71 7667 or SWIFT PICTLULXTAS

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