



February 2024



Who is Bin Yuan Capital

Shanghai Based China Manager

- Experienced Investment Committee - Ping Zhou, Cicy Wu and Lily Qian - with 40+ years experience managing US\$5 billion GE Emerging Market and China funds
- 20+ strong team - 10 investment professionals
- Investment team has a combined 100+ years of professional experience
- US\$1.4 billion AUM
- Established extensive business network throughout China
- Top-tier institutional client base
- Regulated by the US SEC, HK SFC, and China's AMAC

Approach

- Active, mid-growth cycle focused, bottom-up research driven process
- Invest in quality companies at a discounted price
- **Sustainable Investing (ESG)** has been embedded in the research and investment process since inception and we joined the UNPRI in 2019

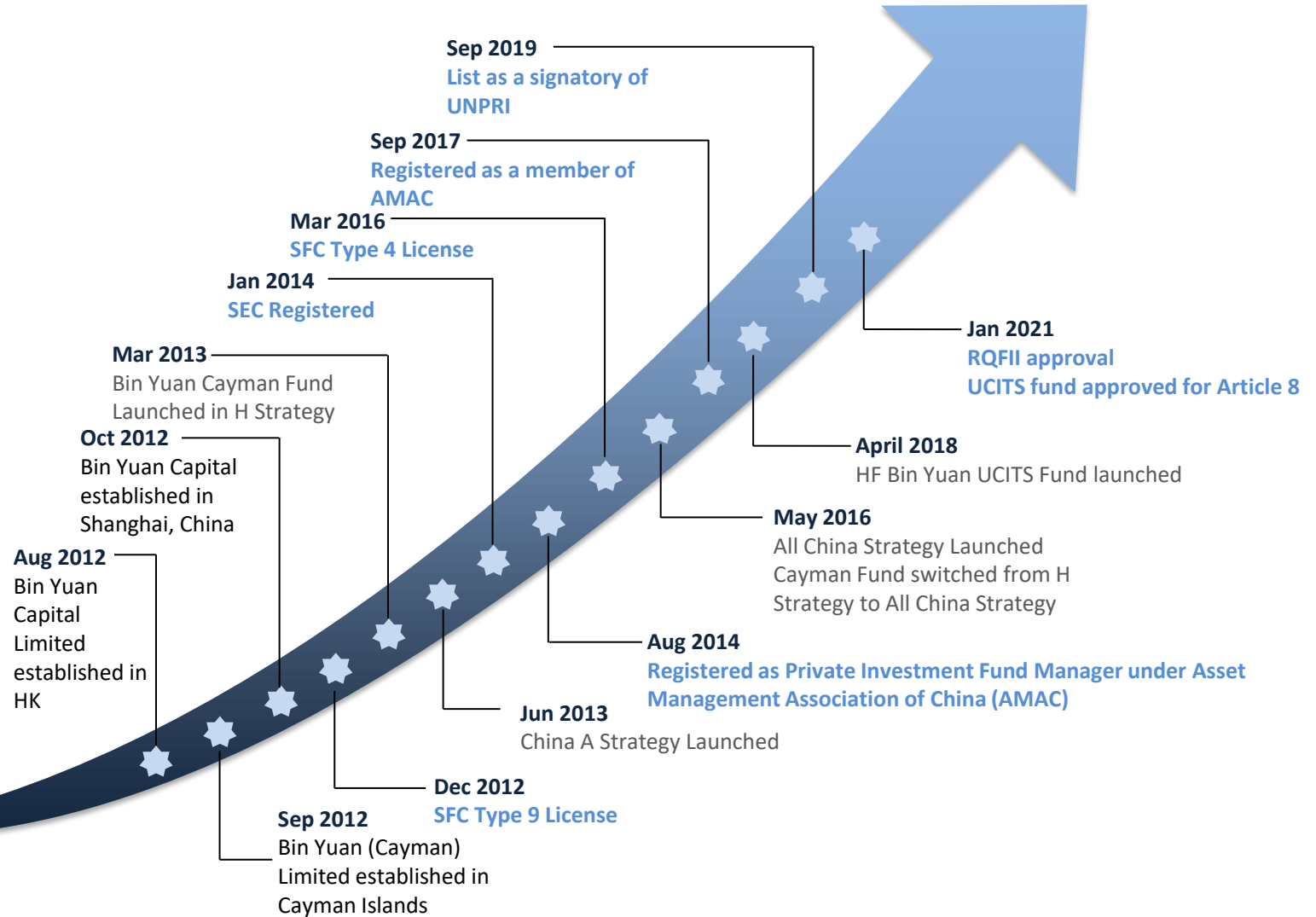
Alpha Generation

- One of the top long-term performing China equity managers

Firm Timeline

The Core team had 17 years of equity investment experience at General Electric

**BIN YUAN
CAPITAL**



Investing for Better Life

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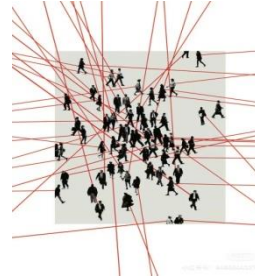
Principles for
Responsible
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Competitive Edge – Local Based Investor with Global Investment Experience



vs. Local Competition

- Global perspective
- ESG investing
- Institutional-quality operations
- Consistent investment style



vs. International

- Local insights
- Wide-ranging network
- Corporate engagement
- Anticipate government policies

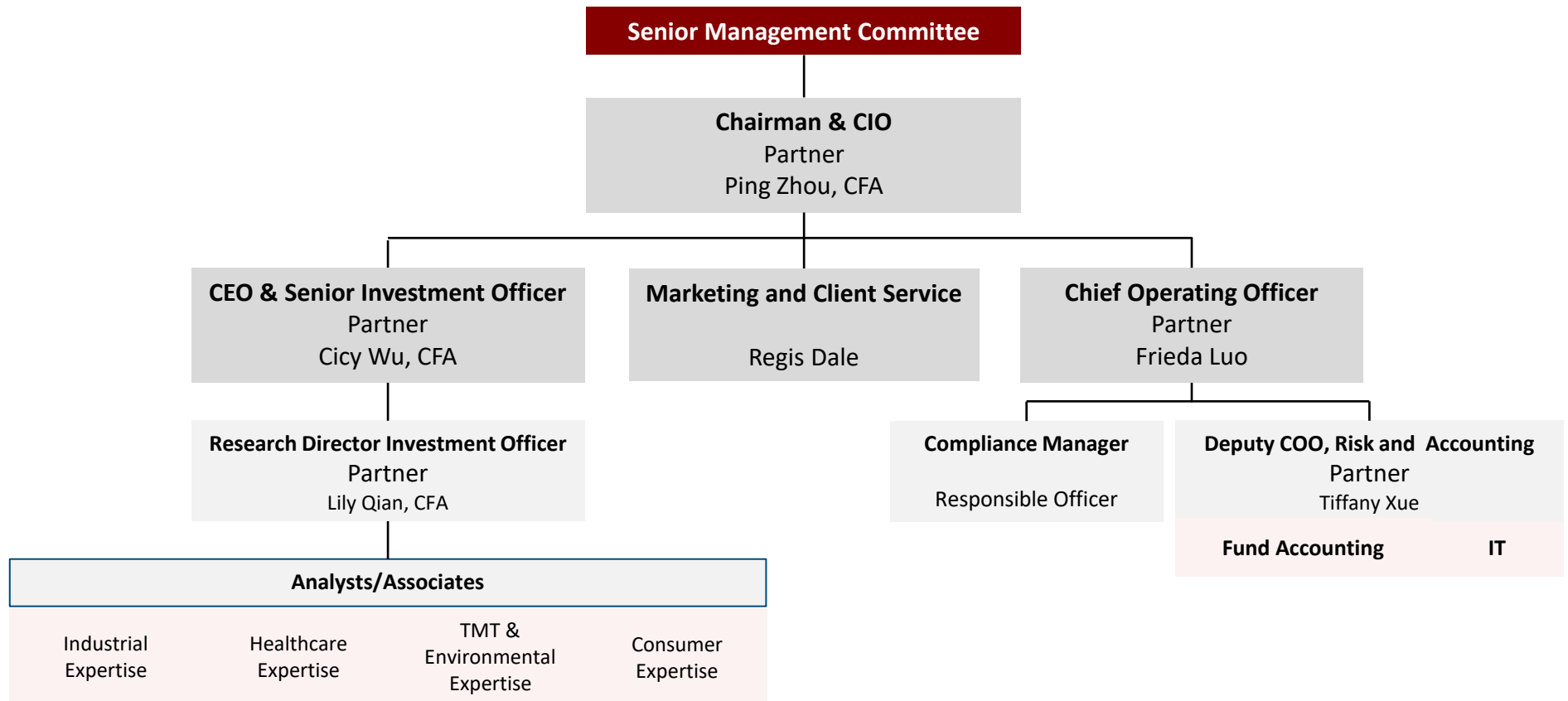


How GE Shaped Bin Yuan's Competitive Edge

- Extensive network in technology, healthcare and other sectors
- Sustainable Investing mindset
- Insights into local corporate operations
- Specific industry/sector knowledge

Bin Yuan Capital has achieved strong long-term performance track record

Organization Chart



Investment Committee Members



<i>Name /Title</i>	<i>Dates</i>	<i>Professional Experience</i>	<i>Dates</i>	<i>Education</i>
Ping Zhou, CFA <i>Chairman & CIO</i>	2012 - present	<i>Chairman & CIO, Bin Yuan Capital</i>	1991-1995	BS, Northeastern University
	1995-2012	<i>Portfolio Manager, Managing Director GEAM Managed US\$5 billion GE Emerging Market and China funds</i>	1997-1999	MBA, Fairfield University
		<i>Analyst, GE Capital</i>		



Cicy Wu, CFA <i>CEO & Senior Portfolio Manager</i>	2012 - present	<i>Co-founder, CEO & Senior Portfolio Manager, Bin Yuan Capital</i>	2000-2004	BA, Fudan University
	2006-2012	<i>Assistant Portfolio Manager, GEAM Research Director and Analyst, GEAM</i>		
	2004-2006	<i>Finance Analyst, GE Finance Management Program Worked on CEO and CFO supporting teams at GE Plastics China, GE Energy Asia Pacific and GE R&D Center involved in financial reporting, business budgeting and investment review, gaining deep insights into high-end manufacturing and technology sectors and a robust network of professionals in many sectors.</i>		



Lily Qian, CFA <i>Research Director Portfolio Manager</i>	2012 - present	<i>Co-founder, Research Director, Portfolio Manager, Bin Yuan Capital</i>	2004-2008	BE, Fudan University
	2010 -2012	<i>Equity Analyst, GEAM</i>	2017-2019	MBA, University of Hong Kong
	2008-2010	<i>Finance Analyst, GE Finance Management Program Worked in GE Healthcare's CFO Office across a number of functions in Shanghai, Beijing and Paris. Involved in financial reporting, business budgeting and investment review. Has developed profound research experience and established a broad industry network.</i>		

All China Strategy Gross Performance

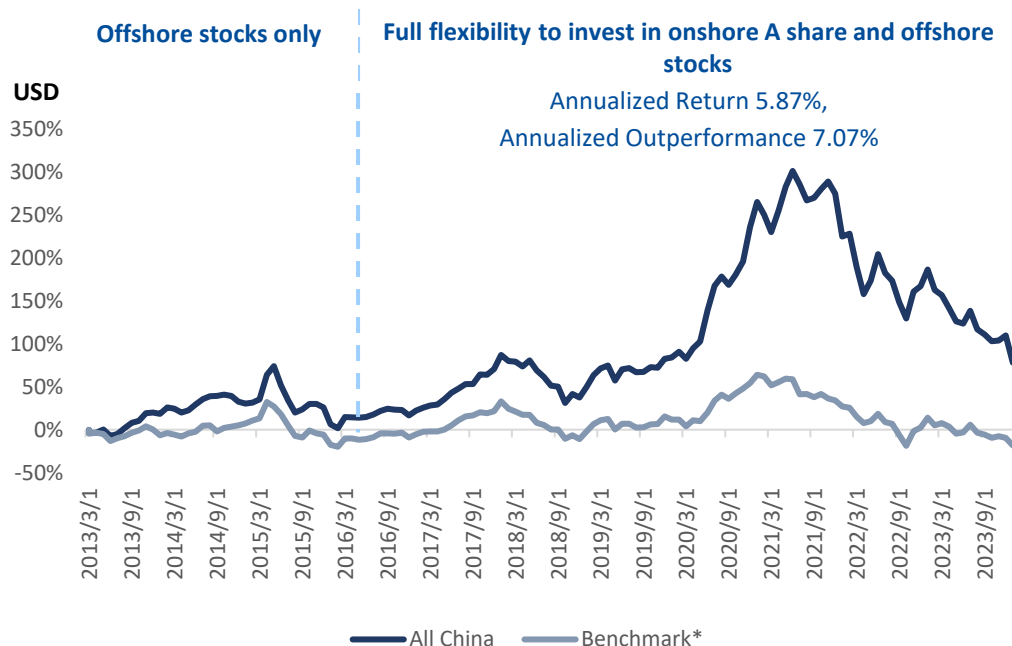
The investment scope of All China Equities are Chinese Companies listed onshore (the China A shares), Hong Kong or other stock exchanges.

Bin Yuan All China Strategy (as of 1/31/24)

*All China Strategy launched since March 8, 2013 with limited investment scope of China offshore stocks including China H share, ADR, China B share and Taiwan before April 2016, benchmarked with MSCI China Index (Bloomberg Ticker: MXCN).

Since May 2016, stock connect went live and the strategy has full flexibility to invest in onshore China A share, offshore China B share, China H share, US ADR and Taiwan, benchmarked with MSCI All China Index (Bloomberg Ticker: M1ACN).

MSCI Inc. discontinued MSCI All China Index and the transit to MSCI China All Shares Index (Bloomberg Ticker: MXCNANM) took effect on 27 November 2019.



	Strategy	Benchmark*	OUT/UNDER
Return since Inception	78.43%	-18.24%	96.67%
Annualized Return	5.45%	-1.83%	7.28%

Cumulatively outperformed MSCI benchmark by 97% with 7% annualized outperformance

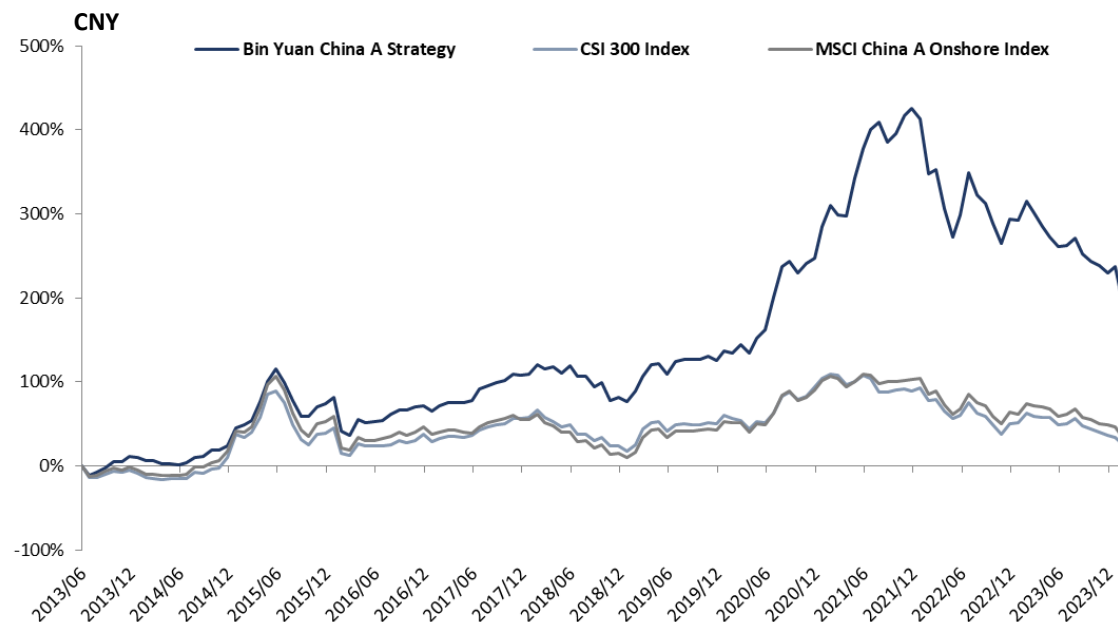


China A Strategy Gross Performance

The investment scope of the China A strategy is China onshore stocks, namely China A shares.

Bin Yuan China A Strategy (as of 1/31/24)

The investment scope of China A Strategy is limited to China onshore stocks, namely China A share.



Expected return curve
to move up

	China A Strategy	MSCI China A Onshore Index	OUT/UNDER
Return since Inception	189.34%	32.71%	156.63%
Annualized Return	10.47%	2.69%	7.78%

**Cumulatively outperformed MSCI benchmark by
157% with 7.8% annualized outperformance**

Investment Process Briefing



Investment Philosophy

Identify and invest in socially and environmentally aware companies that create long-term corporate value by providing the best products and services to society

How we add value:

- Extensive US & China institutional investment experience to uncover value in the mid-growth cycle space
- Rigorous, highly-disciplined research process
- Deep industry knowledge across several high-growth sectors
- Proven, proprietary ESG rating system - a key factor in identifying company quality
- Actively engage with companies' top management on business strategy and operations
- Focus on growth potential over 3-5 years
- Risk avoidance is a key part of alpha generation

Investment Focus – Highest Quality with Discounted Long Term Value

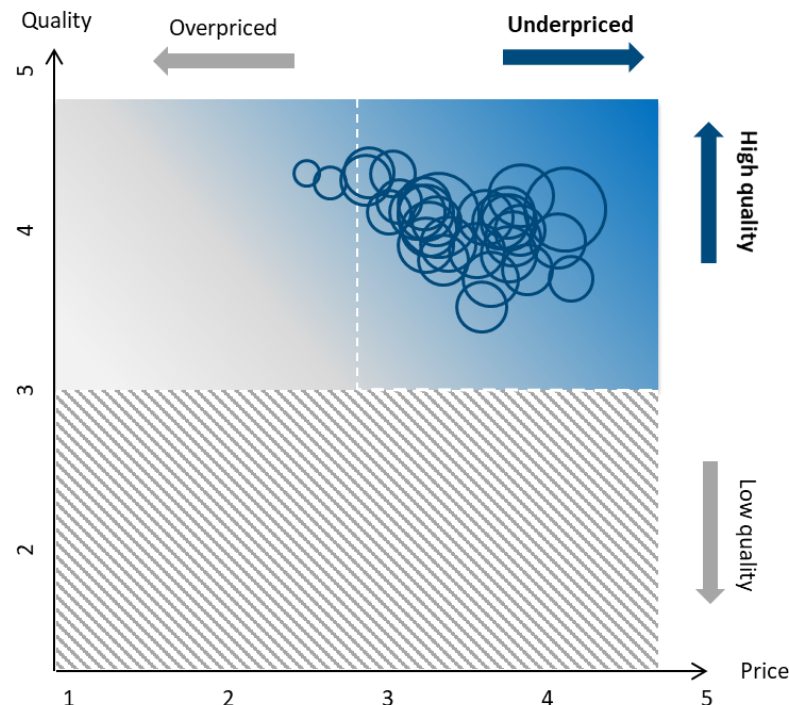
Company Quality

- Improving human living and environmental quality
- In a highly transparent, scalable and long cycle industry
- Potential to be dominant in their industry
- Generate value by maintaining high level of ROE
- Fund future growth by self-generated cash flow
- Highly innovative and open

Stock Value

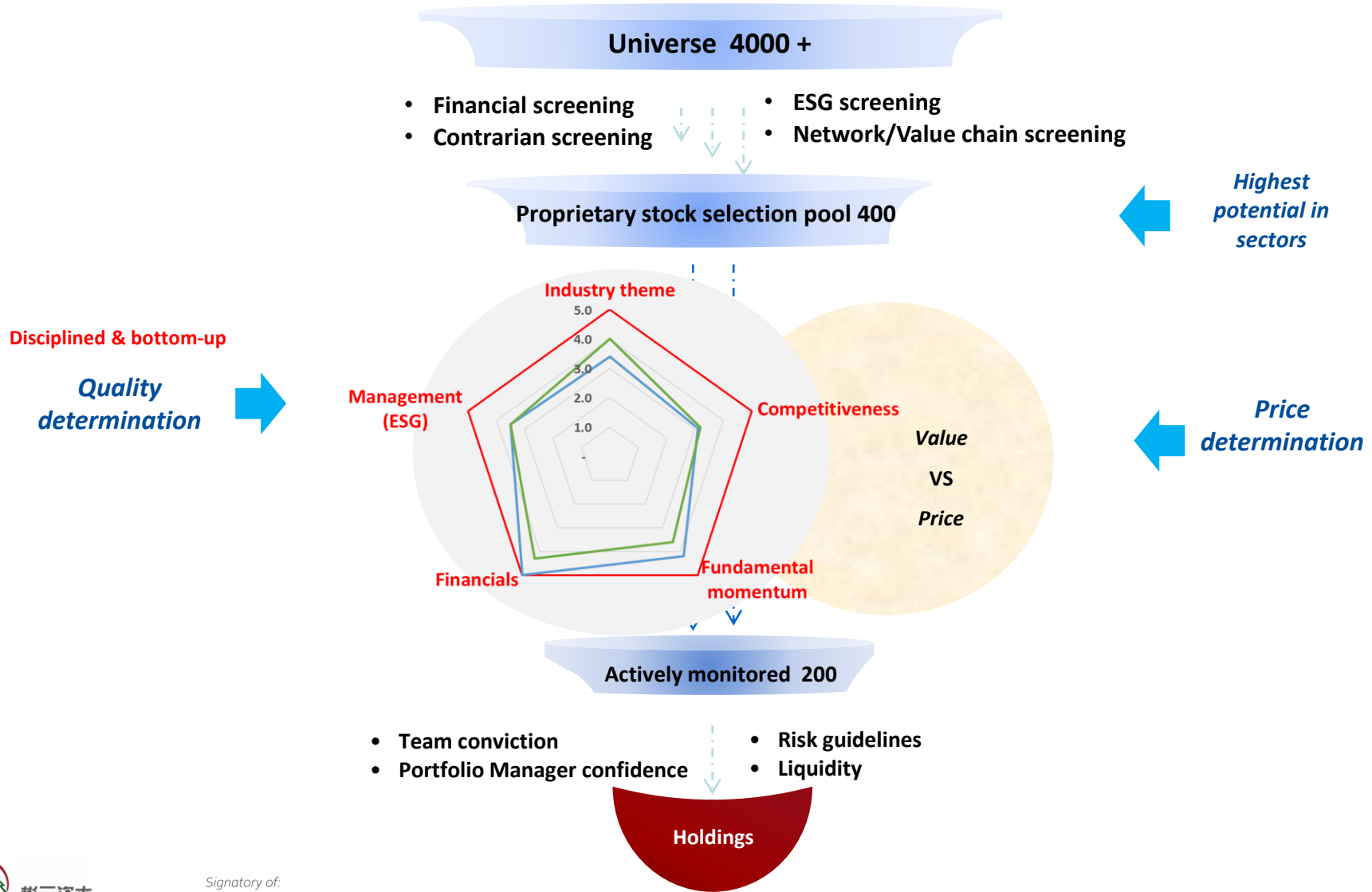
- Under-covered or misunderstood stocks
- Stocks trading at discount price to their future value
- Disliked or oversold names

Position Composition



Note: The size of Bubbles represents the size of stock weightings

Investment Process Summary: Stock Value = Company Quality + Price



Investment Work Flow Dynamics

In Depth Fundamental Research

- On-site visits
- Business models
- Value chain analysis
- Expert references
- Extensive cross checking



Open Team Discussion

Team challenges & debates:

- Contrarian viewpoints
- Aim: objectivity
- Speculative elements
- Bear/Bull case scenarios
- Cross-sector comparisons
- Visibility and transparency



Investment Committee

- Only best ideas into the portfolio
- Portfolio weighting - Portfolio risk and return expectation optimization
- Portfolio level analysis and review
- Macro and market behavior impact analysis



Sell Discipline

- Fundamentals
- Valuations
- Exposure rebalancing



Holdings



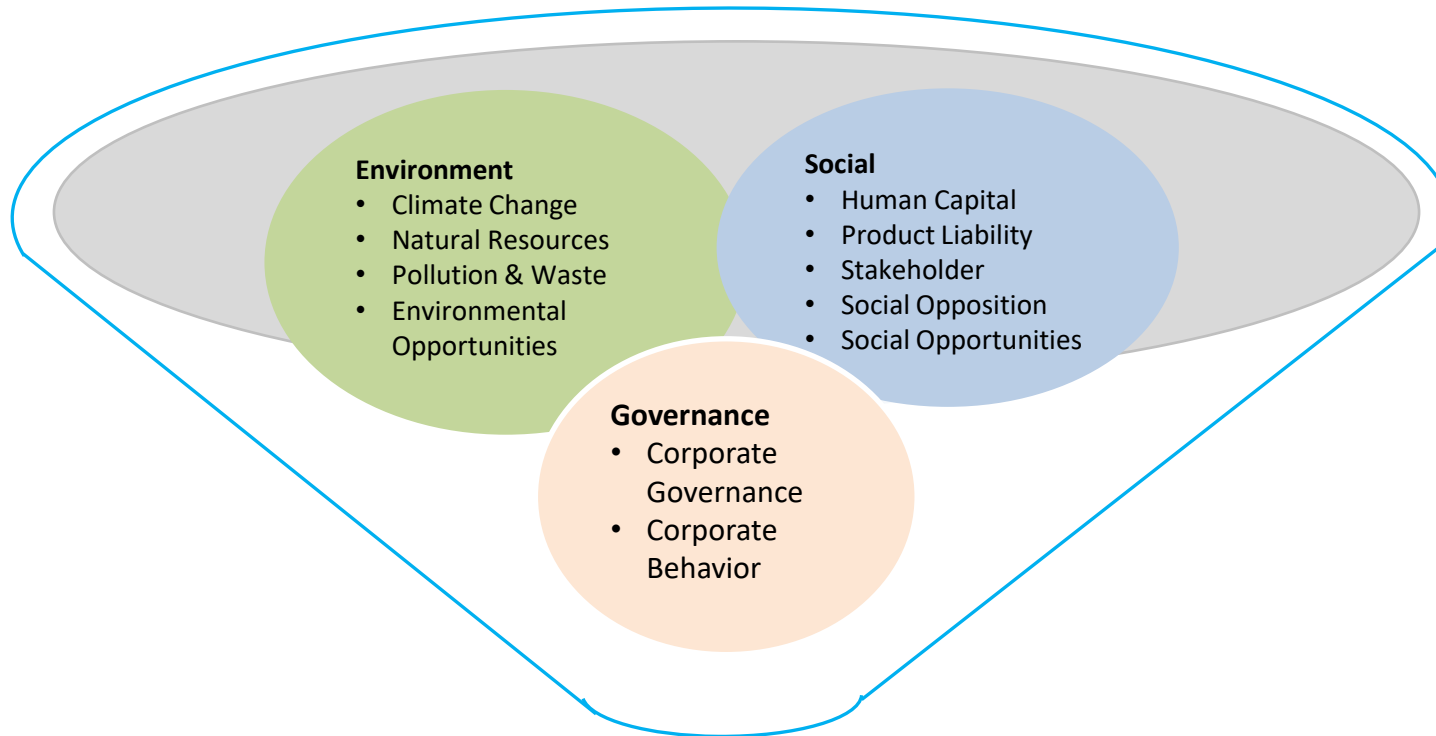
Constant Review

- Reality check
- Business momentum vs. market momentum

Bin Yuan portfolio managers must meet top management before investing in core holdings



Bin Yuan ESG Framework



Exposure

- Exposure refers to how exposed a company is to those risk factors and issues.
- Exposure is scored on a 1-5 scale, with 5 representing no exposure and 1 representing very high exposure.

Management

- Management refers to how the company is managing those issues.
- Management is scored on 1-5 scale, with 5 representing the best practice management and 1 representing poorest practice management.

ESG Score

* ESG Score is the sum of the exposure score and the management score (Sum) - 3.
Sum ≥ 8 points, ESG Score = 5 points, Sum ≤ 4 ESG Score = 1 point

Portfolio Construction

- Core holdings: 25 names
- Cash position: Fully invested in normal conditions and raise cash in expensive markets
- Target turnover: 30% name turnover and 60-80% total turnover
- Pre-IPO exposure: 5% of fund maximum
- Target return: 15% annualized return over 3-5 year cycle

Risk Management

- Focus on company specific risk
 - Cash flow & balance sheet items reduce inherent risks
 - Management background, business & political related risks analyzed
- Position, sector & country limits to reduce volatility & enhance portfolio liquidity
 - Sector exposure: 40% maximum
 - Individual company: 10% at cost
 - Liquidity: 80% of portfolio can be liquidated in 5 sessions

History: Equity Opportunities related to Economic Structural Stages

1995-2012

2012 - 2018

2018- 2022

2022 - 2030

Global Environment

Globalization (Outsourcing, WTO) low inflation

De-Globalization higher inflation

Domestic Environment

Imported technology, property cycle Capacity consolidation Import substitution, post property cycle

Beneficiaries

Labor-intensive exporters

Infrastructure + Consumption

High Value Added + Consumption



Historical Investment Examples



Brilliance China Auto



The stocks above are examples of some of our successful investments that have generated excess returns

How We Identify Value



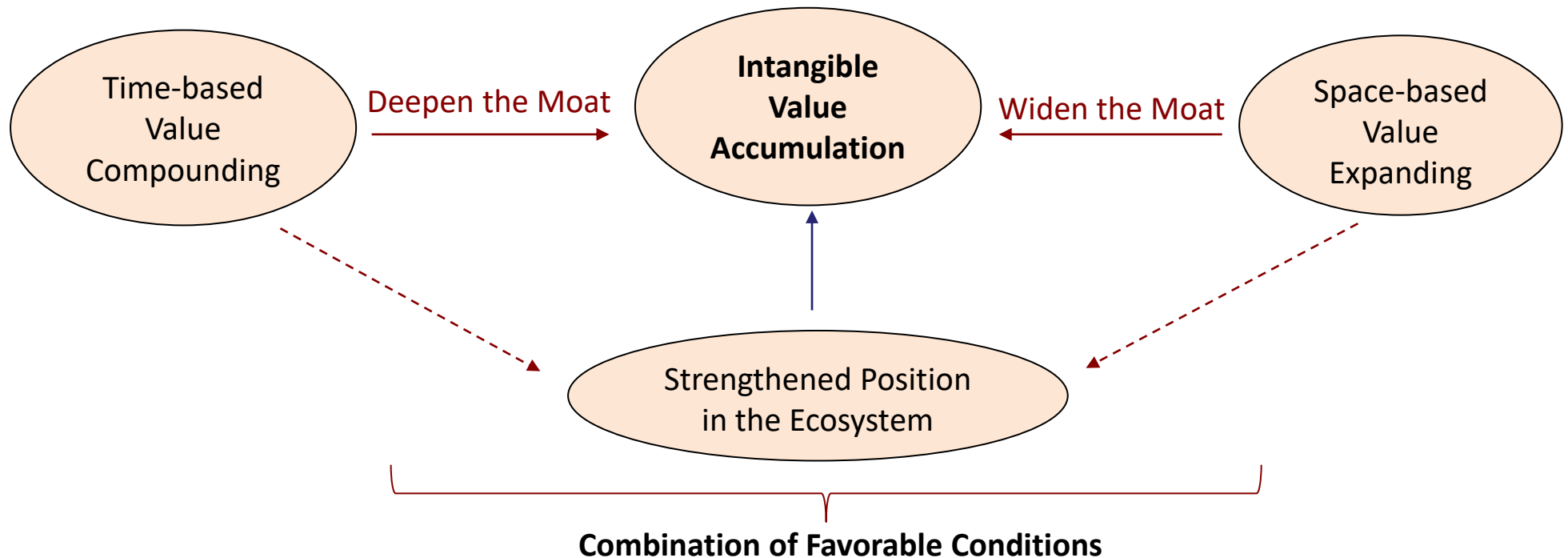
Tangible

+



Intangible

Value Definition



Value = Tangible Value + Intangible Value

High Quality Companies: Generate Returns >> the Cost of Capital

The Chinese market is NOT efficient

The Rationale of the China Investment Opportunities

➤ Market has priced in the negatives:

The market sentiment is the poorest in history and has fully priced in the geopolitical risk, slower local economy recovery, and market-unfriendly government policies.

➤ Many of these negatives are stabilizing

➤ Positive catalysts

The expected returns on equity investments are at a historically high premium of close to 6% compared to risk-free assets like 10-year government treasury bonds. Historically, when the risk premium reaches such levels, the market has shown positive performance.

➤ Very attractive valuations:

Our portfolio is now very cheap, has strong earnings growth, and represents very good value.



Highly Attractive Equity Market for Long-term Investors

CSI 300 Index Risk Premium* vs. CSI 300 Index Performance



* CSI 300 Index Risk Premium = Earnings/Price % - yield of 10-year government treasury bond

Sources: Bin Yuan Capital, Wind

Appendix 1 - Clients (SMAs)

Client Type	Duration	ITD Performance	Principal AUM	Final AUM
One of the World's Largest Family Offices	6 Years	240%	US\$ 110 million	US\$ 422 million
Chinese Insurance Company	7 Years	120%	US\$ 40 million	US\$ 90 million
US Asset Management Company	10 Years	130%	US\$ 40 million	US\$ 88 million
Korean Insurance Company	8.5 Years	87%	US\$ 55 million	US\$ 100 million



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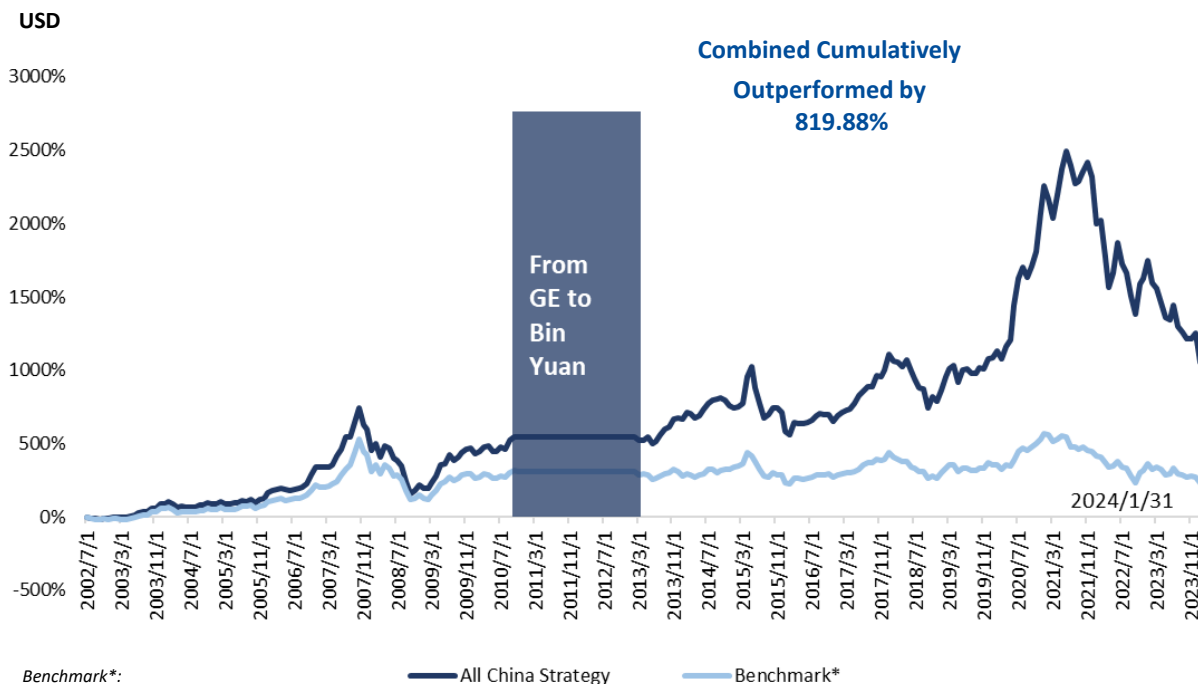
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Appendix 2 - All China Strategy Gross Performance (GE + Bin Yuan)

All China Strategy (as of January 31, 2024)



Benchmark*:

2002 to 2015 MSCI China Index;

2016 to 2019.11 MSCI All China Index;

2019.11 to Now MSCI China All Shares Index

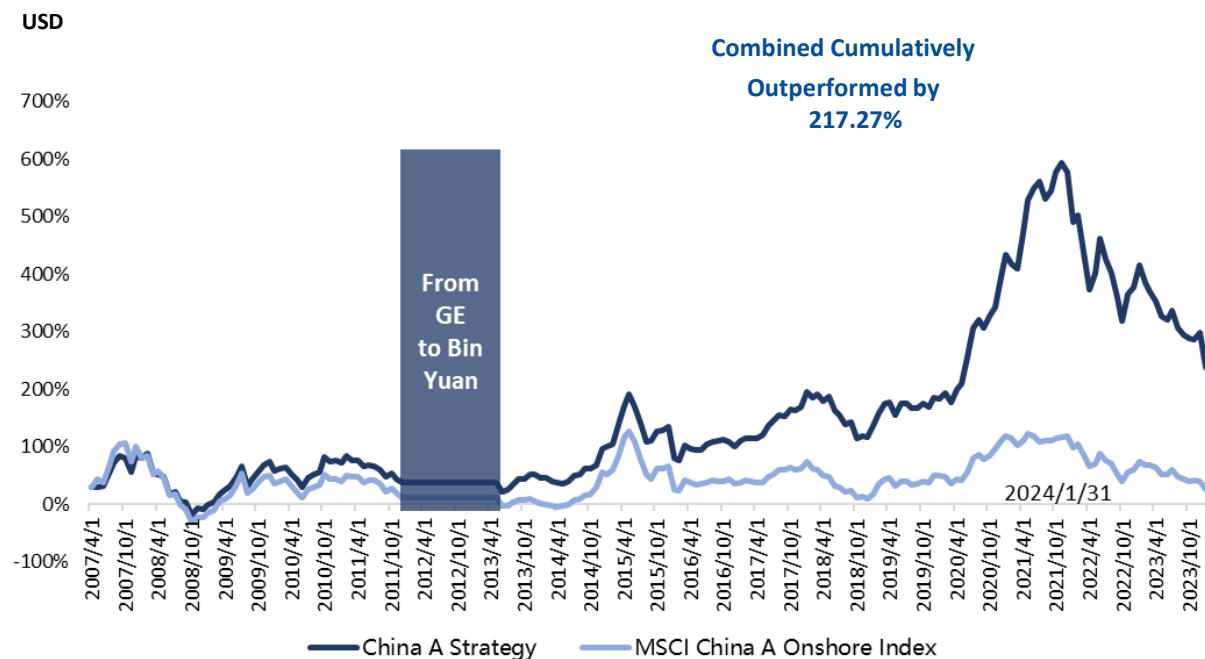
*MSCI Inc. discontinued MSCI All China Index (Bloomberg Ticker: M1ACN) and the transition to MSCI China All Shares Index (Bloomberg Ticker: MXCNANM) took effect on 27 November 2019. From May 2016 to 26 November 2019, Bin Yuan All China Strategy used MSCI All China Index as benchmark; Since 27 November 2019, Bin Yuan All China Strategy uses MSCI China All Shares Index as benchmark.

All China Strategy started to have full flexibility to invest in onshore China A share, offshore China B share, China H share, US ADR and Taiwan since May 2016, before that the portfolio can only invest in offshore stocks.

Year	All China Strategy	Benchmark*
2024	-15.01%	-9.94%
2023	-21.46%	-11.53%
2022	-28.71%	-23.61%
2021	11.50%	-12.91%
2020	83.96%	33.41%
2019	32.84%	29.73%
2018	-19.44%	-26.64%
2017	46.31%	33.37%
2016	-7.40%	-3.60%
2015	-4.99%	-10.05%
2014	10.56%	4.67%
2013	20.04%	0.36%
2012		
2011		
2010	13.21%	2.32%
2009	79.13%	58.82%
2008	-54.35%	-51.93%
2007	59.28%	63.09%
2006	91.63%	78.08%
2005	19.43%	15.93%
2004	0.46%	-0.80%
2003	116.10%	81.09%
2002	-11.84%	-13.97%
Return Since Inception	1052.28%	232.40%
Annualized Return	13.42%	6.38%

Appendix 2 - China A Strategy Gross Performance (GE + Bin Yuan)

China A Strategy (as of January 31, 2024)



China A Strategy can only invest in China A Equity market, benchmarked with MSCI China A Onshore Index.

Year	China A Strategy	MSCI China A Onshore Index
2024	-15.02%	-9.91%
2023	-16.50%	-12.42%
2022	-29.52%	-26.87%
2021	36.66%	4.11%
2020	73.40%	40.26%
2019	32.52%	37.79%
2018	-19.85%	-33.17%
2017	35.01%	20.30%
2016	-15.30%	-19.05%
2015	20.17%	7.10%
2014	29.12%	46.50%
2013	10.72%	-4.31%
2012		
2011	-22.05%	-22.91%
2010	1.51%	-4.37%
2009	89.35%	96.70%
2008	-50.45%	-61.81%
2007	84.44%	93.17%
Return Since Inception	238.63%	21.36%
Annualized Return	8.23%	1.26%

Appendix 2 - eVestment Analytics

Bin Yuan Capital
Bin Yuan China A Strategy

Jun 2013 - Dec 2022
Analysis



Risk Analysis

Statistic	Bin Yuan Capital: Bin Yuan China A Strategy	MSCI China A Onshore-ND
YTD	-29.87%	-27.23%
1 Year Return	-29.87%	-27.23%
2 Year Return	-2.14%	-12.99%
3 Year Return	18.36%	1.96%
5 Year Return	11.99%	-0.61%
7 Year Return	10.51%	-0.82%
10 Year Return	—	4.08%
Cumulative Return	246.26%	39.44%
Standard Deviation	23.59%	24.32%
Gain Deviation MAR (5%)	17.73%	17.15%
Loss Deviation MAR (5%)	15.71%	17.10%
Sharpe Ratio (FTSE 3 Mo. T-Bill)	0.55	0.11

Background Universe: eVestment Onshore China A-Shares Equity

Historical Peer Share

Period	Peer Share	Universe Rank
Q4 2022	80.55	45
Q3 2022	80.64	36
Q2 2022	84.83	19
Q1 2022	88.86	10

Performance Statistics - All Market

Benchmark	Alpha	Beta	R ²	Tracking Err	Excess Rtn	Info Ratio	Returns	Bench Rtn	Bat Avg	Std Dev	Bench Std Dev
MSCI China A Onshore-ND	10.48%	0.90	0.87	8.96%	10.31%	1.15	13.84%	3.53%	0.63	23.59%	24.32%



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Appendix 2 - eVestment Analytics

Bin Yuan Capital
Bin Yuan All China Strategy

May 2016 - Dec 2022
Analysis



Background Universe: eVestment All China Equity

Risk Analysis

Statistic	Bin Yuan Capital: Bin Yuan All China Strategy	MSCI China All Shares-ND
YTD	-28.71%	-23.61%
1 Year Return	-28.71%	-23.61%
2 Year Return	-10.85%	-18.43%
3 Year Return	13.50%	-3.90%
5 Year Return	9.37%	-2.76%
7 Year Return	—	1.77%
10 Year Return	—	3.17%
Cumulative Return	133.16%	26.73%
Standard Deviation	21.85%	20.66%
Gain Deviation MAR (5%)	16.68%	14.58%
Loss Deviation MAR (5%)	14.19%	14.46%
Sharpe Ratio (FTSE 3 Mo. T-Bill)	0.57	0.12

Historical Peer Share

Period	Peer Share	Universe Rank
Q4 2022	99.47	1
Q3 2022	97.12	4
Q2 2022	98.62	2
Q1 2022	97.82	3

Performance Statistics - All Market

Benchmark	Alpha	Beta	R ²	Tracking Err	Excess Rtn	Info Ratio	Returns	Bench Rtn	Bat Avg	Std Dev	Bench Std Dev
MSCI China All Shares-ND	10.35%	0.92	0.76	10.73%	9.92%	0.93	13.54%	3.62%	0.57	21.85%	20.66%

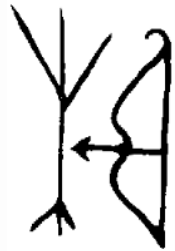


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The MSCI China Index is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1992.

The MSCI All China Index is a free float weighted equity index, capturing large/mid cap representation across all China securities listed in China, Hong Kong, US, and Singapore. The index was developed with a base value of 1000 as of May 30, 2008. The index has been discontinued as of November 27, 2019.

The MSCI China All Shares Index is a free float weighted equity index, based on the concept of the integrated MSCI China equity universe with China A-shares included. It was developed with a base value of 1000 as of November 25, 2008.

The MSCI China A Index is a free-float weighted equity index, designed to measure performance of China A share securities listed on either the Shanghai or Shenzhen Stock Exchanges. The index was developed with a base value of 1000 as of November 30, 2004.

The CSI 300 Index is a free-float weighted index that consists of 300 A-share stocks listed on the Shanghai or Shenzhen Stock Exchanges. Index has a base level of 1000 on 12/31/2004.

The Fund is an actively managed portfolio as compared to the indices which are unmanaged. In addition, there may be significant differences between the Fund and indices including liquidity and volatility.