

Bin Yuan Healthcare Fund

SFDR status as of March 2021: Article 8
December 2021



Investment Review

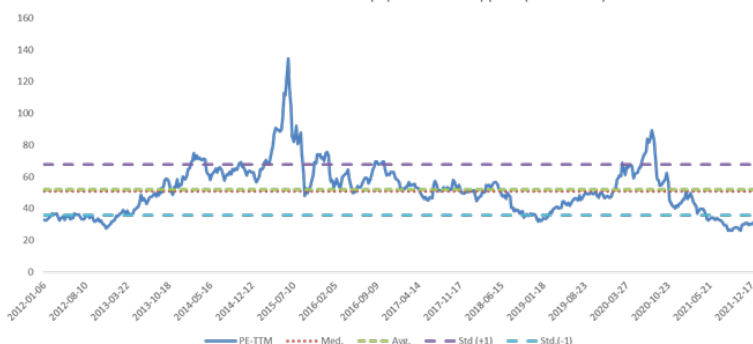
The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) appreciated 1.24% for the month of December (net of fees) compared to a -7.55% return for the benchmark. At the end of December, the Sub Fund was mainly invested in the Healthcare Equipment & Parts and Services sectors, with little weights in the Biotechnology sector.

For the month, the Fund outperformed the benchmark by 8.79%. In December, the positions that contributed the most to the portfolio's return were JET, SHENZHEN MINDR and YIFENG PHARM. The positions that contributed the least were WUXI APPTec, ASYMChem LABOR and WUXI BIOLOGICS.

Manager's Commentary

In 2021, Chinese healthcare stocks had a poor year, although our healthcare holdings contributed positively. Valuation for China's healthcare sector looks very attractive, and some have almost hit historical lows (as shown in the chart below). Compared with solid industry growth, we believe that is a good time to build positions. We remain selective for the best opportunities. The sub-sectors we favour in 2022 and beyond include: 1) Upstream service and consumables providers, especially to the biotech segment. After Cov-19, global biotech investment has been accelerating. According to the latest statistics, global healthcare-related financing reached US\$129 billion in 2021, a year-on-year increase of 55%. No matter which biotech company wins, upstream supply will continue to be short (we discuss this in detail in an upcoming newsletter); 2) Oversold high-value equipment and consumable parts. Volume-based purchasing policy will ultimately reduce channel profits and help imported substitution for domestic companies. Price corrections have given us a good buying opportunity.

PE TTM of China Healthcare Equipment and Supplies (882237.WI)



Key Information

NAV (31/12/21) US\$ 101.24(L1)

Strategy Assets US\$ 22.2 m^(a)

Total Fund Size US\$ 22.2m

Fund Launch Date 03-Dec-21

Monthly Performance (%)

	2021	2022												
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Bin Yuan HC Fund	1.24													
Index ^(b)	-7.55													

Top Ten Holding

1	Shenzhen Mindr-A	9.76%	2	Wuxi Apptec Co-A	8.46%
3	Asymchem Labor-A	7.68%	4	Wuxi Biologics C	4.86%
5	Kangji Medical H	4.71%	6	Jiangsu Hengru-A	3.95%
7	Guangzhou Jet-A	3.86%	8	Aier Eye Hsptl-A	3.46%
9	Autobio Diagno-A	3.36%	10	Hangzhou Tiger-A	3.35%

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	57
Hong Kong (Discounted Dual Listing)	1
Hong Kong	17

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	35
Services	34
Biotechnology	6

Valuation	Portfolio	Benchmark
Period	20211231	20211231
2022 PE (X)	36.7	55.37
2022 PB (X)	7.6	4.7
2022 Div. Yield (%)	0.8	0.7
2022 ROE (%)	20.8	8.5
Earning Growth (%) Forward 3 YR	28.2	26.3
2022 PEGY	1.3	2.1
FCF Yield	2.5	0.7

Fund Codes	
Share Class	L1
Bloomberg	HEFYHUA LX
TK	
ISIN	LU2413982427
Lipper ID	
Sedol	BLBHZ45

Annual Management Charge	
Share Class L1	0.50%
Share Class A	1.00%
Share Class P	0.50% with 10% Performance Fee

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

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).

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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