

Bin Yuan Healthcare Fund
 SFDR status as of March 2021: Article 8
 January 2022



Investment Review

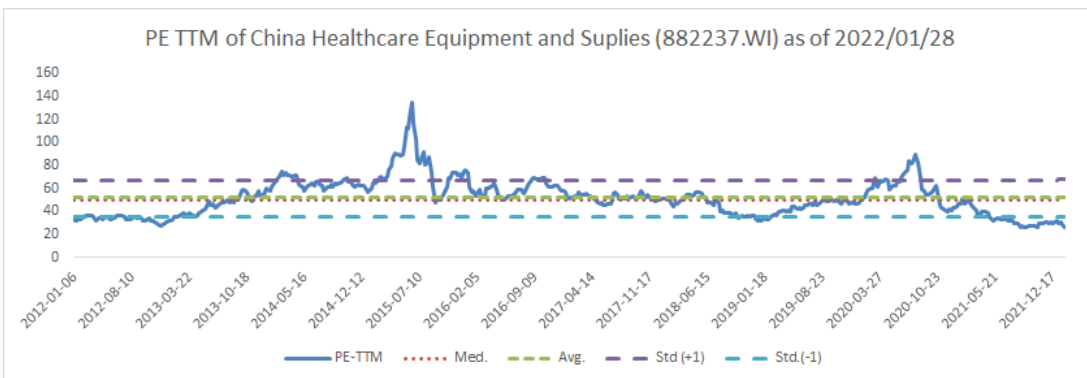
The Hereford Funds – Bin Yuan Healthcare Fund (share class L1) depreciated -12.74% for the month of January (net of fees) compared to a -17.37% return for the benchmark. At the end of January, the Sub Fund was mainly invested in the Healthcare Equipment & Parts and Services sectors, with little weights in the Biotechnology sector.

For the month, the Fund outperformed the benchmark by 4.63%. In January, the positions that contributed the most to the portfolio’s return were KANGJI MEDICAL, LIVZON PHARM and ZHIFEI BIOLOGICAL. The positions that contributed the least were ASYMCHEN LABOR, SHENZHEN MINDR and WUXI APTEC.

Manager’s Commentary

Since last December, local institutional investors started to rotate into low valuation sectors that include infrastructure investment related capital goods, properties and financials. According to mutual funds' 4Q21 results, The exposure of active equity funds to the healthcare sector fell 2.66ppt QoQ (down 2.29ppt YoY) in 4Q21 to 13.04%. Non-healthcare-focused equity fund exposure to the healthcare sector dropped 0.57ppt QoQ to 3.23%, while healthcare-focused equity fund exposure to the healthcare sector declined 4.43ppt QoQ to 53.56%. Some health care companies have been sold off during the whole year of 2021 due to government policy changes.

The dramatic market volatilities caused by market rotation in the past months creates inefficiency opportunities for long term investors as some high-quality health care companies are mis-priced. We have been adding to those that we believe oversold.



Key Information

NAV (31/01/22)	US\$ 88.34(L1)	Strategy Assets	US\$ 20.6 m ^(a)
Total Fund Size	US\$ 20.6m	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												-12.74
Index ^(b)	-7.55	-17.37												-17.37

Risk and reward profile



Top Ten Holding					
1	Shenzhen Mindr-A	9.47%	2	Wuxi Apptec Co-A	8.54%
3	Kangji Medical H	7.03%	4	Asymchem Labor-A	6.18%
5	Iray Technolog-A	6.10%	6	Wuxi Biologics C	4.30%
7	Guangzhou Jet-A	3.88%	8	Autobio Diagno-A	3.16%
9	Hangzhou Tiger-A	2.91%	10	Aier Eye Hsptl-A	2.84%

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	60
Hong Kong (Discounted Dual Listing)	2
Hong Kong	19

Sectoral Breakdown	% of Assets
Healthcare Equipment & Parts	46
Services	29
Biotechnology	6

Valuation	Portfolio	Benchmark
Period	20220131	20220131
2022 PE (X)	29.3	35.1
2022 PB (X)	4.9	3.0
2022 Div. Yield (%)	0.8	0.8
2022 ROE (%)	16.6	8.4
Earning Growth (%) Forward 3 YR	23.8	27.8
2022 PEGY	1.2	1.2
FCF Yield	2.2	0.9

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

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

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 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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Disclaimer:

- This document should be read as a marketing communication.
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