

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share class L1) decreased -3.94% for the month of November (net of fees), compared with a -3.23% return for the benchmark. Consumer Discretionary and Financials sectors adversely impacted relative performance during this period, while Information Technology sector contributed positively. In November, the positions that contributed the most to the portfolio's return were SUNNY OPTICAL, PIOTECH INC and POP MART. The positions that contributed the least were HAICHANG OCEAN PARK, PDD and MEITUAN.

Manager's Commentary

The diverse views of investors continued in November. With Trump's re-election, foreign investors remained and, if anything, grew more skeptical. The initial optimism triggered by stimulus measures has waned. Sentiment among local retail investors remains positive. Offshore stocks such as H shares and ADRs, which are dominated by foreign investors, were sold off, as the so-called "Trump Trades", and underperformed the onshore A-share market which is dominated by local investors.

During the month, our overall portfolio holdings performed well except for the negative impact by the correction of Haichang in the last few trading days. The portfolio decreased by 3.94% for the month, underperforming the benchmark by 71 basis points. If the loss from this single stock is excluded, our portfolio outperformed by 71 basis points. Our strong stock selection in Information Technology and Advanced Materials, which benefit from import substitution and technology innovation, made positive contributions.

The worst performer, Haichang, is an Ocean Park operator. The price drop was due to the halting of a potential acquisition by the China Tourist Group, a state-owned (SOE) firm. The due diligence process of the SOE with interest in acquiring Haichang was halted as the central government discipline inspection committee started to conduct routine inspections at the SOE company. This is a standard procedure but has caused a delay in their due diligence progress. An investment banker leaked this information, and the stock was heavily shorted. The value of Haichang and its fundamentals remain unchanged. At the current price, the stock is traded at around 50% discount to its replacement value. The company announced that a new bidder has started due diligence and Haichang is becoming an appealing acquisition target due to its unique assets in China.

Market Comment

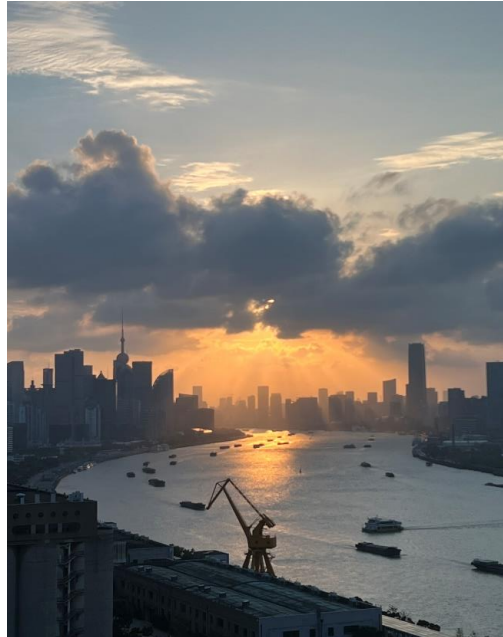
The dust has settled following the U.S. elections. Trump's re-election, along with the Republican sweep, has worried some investors due to the increased unpredictability of the geopolitical situation. There is very little difference between the two parties on their China policies and these risks have been largely discounted by the market. **The election outcome has actually strengthened our view that further policy stimulus is likely to counter any geopolitical uncertainties for China. This also reinforces the trend of high-end import substitution.**

The main catalyst for an improved market is the change in direction by the government, which has been overlooked by many. The direction is more crucial than specific numbers about the size of various policy support plans, and further stimulus should be implemented (even if there are no announcements) in the next few quarters. We anticipate that the macro data and corporate earnings will reflect an improving trend in 2025. Domestic demand and import substitution remain the key themes of our portfolio, and any market correction offers good entry opportunities for long-term investors.

In November, additional policies were rolled out to stimulate economic activity. The Chinese government approved a total 12 trillion-yuan plan to help local governments refinance their debt to alleviate financial pressures, which includes an additional 6 trillion yuan to replace the existing implicit debt, 4 trillion yuan of local government special bonds to solve the payables issue by paying vendors directly, and 2 trillion yuan for shantytown renovation projects.



The government's ongoing stimulus measures are starting to have an impact. China's manufacturing Purchasing Managers' Index (PMI) rose to 50.3 in November, the second consecutive month of expansion. October retail sales rose by 4.8% YoY, up from the 3.2% growth in September, with consumption of large discretionary items significantly improving on trade-in policy stimulus. The total GMV of the e-commerce platforms grew 8% YoY, slightly better than the 7% growth in the previous year and exceeded expectations. New property sales, in a sample of over 50 large cities, improved to high-teens growth YoY in November from mid-twenties declines and low-single-digit decreases in September and October. The prices of existing houses in these sample cities stopped declining in October. New property starts also improved. From downtown Pudong towards the Bin Yuan office, there is a vast new redevelopment project jointly carried out by Swire (40%) and Lujiazui – extending 1.5 km along the river.



Finally, the Bin Yuan team organized the 4th Annual Investor Tour in November. During the trip, we witnessed more encouraging signs than we saw in 2023, including a marked policy change and restoration of consumption confidence. Our travels revealed a vibrant domestic consumption landscape, exemplified by the “GOODS economy” in high tier cities and the consumption lifestyle upgrades in lower-tier cities. The trend of climbing the technology value chain has also accelerated and we also saw the rise of emerging industries like the low-altitude economy. With a population of 1.4 billion and a large talent pool, the Chinese market presents great opportunities.



Key Information

NAV (30/11/24)	US\$ 107.24(L1)/102.78(L2)/73.78(AI)/61.49(AI EUR)/54.47(AI GBP)/76.61(BI)/116.67(CB)/90.43(DB A NOK)/78.12(DI A)/123.80(CI)/57.16(CI GBP)/60.81(PB EUR)	Strategy Assets	US\$ 951 m ^(a)
Total Fund Size	US\$ 560.71m	Fund Launch Date	16-Apr-18

Period Performance (%) data from FPS/Pictet/Bin Yuan									
	2024	2023	2022	2021	2020	2019	2018	Cumulative	Annualized
Bin Yuan All China Strategy ^(b)	-2.79	-21.17	-29.45	10.02	83.51	30.60	-22.46	64.73	5.99
Index ^(c)	14.66	-11.53	-23.61	-12.91	33.41	29.74	-26.64	15.99	1.74

Source: Bin Yuan, Pictet, FPS



Monthly Performance (%) data from FPS/Pictet														
	2024													
	Dec	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD
Bin Yuan GC Fund	3.01	-21.17	-15.26	8.43	-2.03	2.26	0.38	-2.96	-1.68	-0.90	23.12	-5.91	-3.94	-2.79
Index ^(c)	-1.98	-11.53	-9.94	9.17	0.65	4.75	1.17	-2.47	-0.70	-0.02	23.19	-5.27	-3.23	14.66

Risk and reward profile

Lower risk

Higher risk



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 our capacity to pay you.

Please refer to the prospectus⁽⁶⁾ 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	TENCENT	6.02%	2	CHINA MERCH BK-A	5.82%
3	SHANXI XINGHUA-A	3.73%	4	IRAY TECHNOLOG-A	3.46%
5	KANGJI MEDICAL H	3.37%	6	MEITUAN-W	3.35%
7	XI'AN SINFUSE-A	3.25%	8	NARI TECHNOLOG-A	3.18%
9	MINISO GROUP-A	3.09%	10	SUNNY OPTICAL	3.02%

Sectoral Breakdown ^(e)	% of Assets
Industrials	20
Consumer Discretionary	20
Information Technology	14
Financials	12
Health Care	11
Communication Services	8
Consumer Staples	6
Materials	5
Real Estate	2

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.

Since Inception ^(d)	Bin Yuan All China	Index
Volatility	21.67%	21.67%
Sharpe Ratio	0.30	0.08
Information Ratio	0.45	
Tracking Error	10.61%	
Active Shares	78.20%	
Beta	0.93	

Market Breakdown	% of Assets
A Share (Connect + QFI)	51
Hong Kong	40
US ADR	7

Valuation	Portfolio	Benchmark (excluding Financials)	Benchmark
Period	11/30/2024	11/30/2024	11/30/2024
2024 PE (X) –Harmonic Avg. Method ^(f)	13.7	14.0	11.1
2024 PE (X) – Weighted Avg. Method	15.8	18.4	17.1
2024 PB (X)	2.0	2.7	1.8
2024 Div. Yield (%)	2.7	1.6	2.0
2024 ROE (%)	18.6	12.3	11.4
Earning Growth (%) Forward 3 YR	21.8	9.0	7.2
2024 PEGY	0.6	1.7	1.9
FCF Yield	3.2	-0.7	1.6

The Sub-Fund is actively managed. The benchmark index of the Sub-Fund is MSCI China All Shares 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.

Fund Codes						
Share Class	AI	AI GBP	AI EUR	BI	CI	CI GBP
Bloomberg	HEYGCAU LX	HEYGCAU LX	HEYGCAE LX	HEYGCBU LX	HFBYCIU LX	HEYGCGA LX
TK	040149630	040149699	040149698		040149734	040149736
ISIN	LU1778252558	LU1778252715	LU1778252632	LU1778253952	LU1778254844	LU1778255064
Lipper ID	68617991	68666625	68677482	68625053	68563916	68684500
Sedol	BMY2Q30	BNLYXY6	BN4BFL5	BMY1994	BMWWFG8	BP466G6

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	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

Annual Management Charge TERs as at end September 2021	
Share Class A	1.25% 1.45%
Share Class B	1.00% 1.21%
Share Class C	0.75% 0.95%
Share Class D	0.50% 0.71%
Minimum Investment	
Share Class A	\$100,000 Minimum initial subscription & holding
Share Class B	\$5,000,000 Minimum initial subscription & holding
Share Class C	\$10,000,000 Minimum initial subscription & holding
Share Class D	\$100,000,000 Minimum initial subscription & holding

Entry / Exit fees ; 0

All the costs are not disclosed into the factsheet, please refer to the prospectus^(g) for additional information.

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) The graph depicts the Bin Yuan All China Strategy (Reference Strategy) from inception in May 2016 to the fund launch on 16/4/18. After launch date actual fund data of Share Class L1 is used. The fund follows the same strategy as the Reference Strategy and simulated returns of the Reference Strategy are net of a modeled fee of 0.75% pa and expenses of 0.40%.

(c) MSCI Inc. discontinued MSCI All China Index and the transition to MSCI China All Shares Index took effect on 27 November 2019. MSCI All China Index Total USD return including dividends (Bloomberg ticker M1ACN Index) was used as benchmark from the inception of April 2018 to November 26, 2019. MSCI China All Shares Net Total USD Return (Bloomberg ticker MXCNANM Index) is used as benchmark since November 27, 2019.

(d) Data depict the Bin Yuan All China Strategy since inception of May 2016 as of April 2018. The fund follows the same strategy. After a longer period after the fund launch, we will use the Hereford Funds Bin Yuan Greater China Fund Share Class L1 in the table.

(e) We set sector exposure according to GICS classification, and the maximum exposure will not exceed 40%. The reason we set at 40% is some industrial and communication service companies are misclassified as information technology in GICS.

(f) 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.

(g) 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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- Marketing communications should indicate that the decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus.