

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share class L1) appreciated 11.25% for the month of June (net of fees) compared to a 7.82% return for the benchmark. At the end of June, the Sub Fund was mainly invested in Health Care, Information Technology, Consumptions and Industrials, with zero weights in the Energy, Utilities, Commodities and Real Estate sectors.

Our portfolio delivered a strong return of 11.25% in June, 3.43% better than the benchmark. The Healthcare and Advanced Material sectors were the strongest contributors. Following a weak April caused by the Shanghai lockdown, the market reversed previous losses with the Covid situation improving in May and reopening in June. In June, the positions that contributed the most to the portfolio's return were IRAY, JIANGSU CNANO and ANJOY FOODS. The positions that contributed the least were CONCH VENTURE, SG MICRO CORP and NARI Technology.

Manager's Commentary

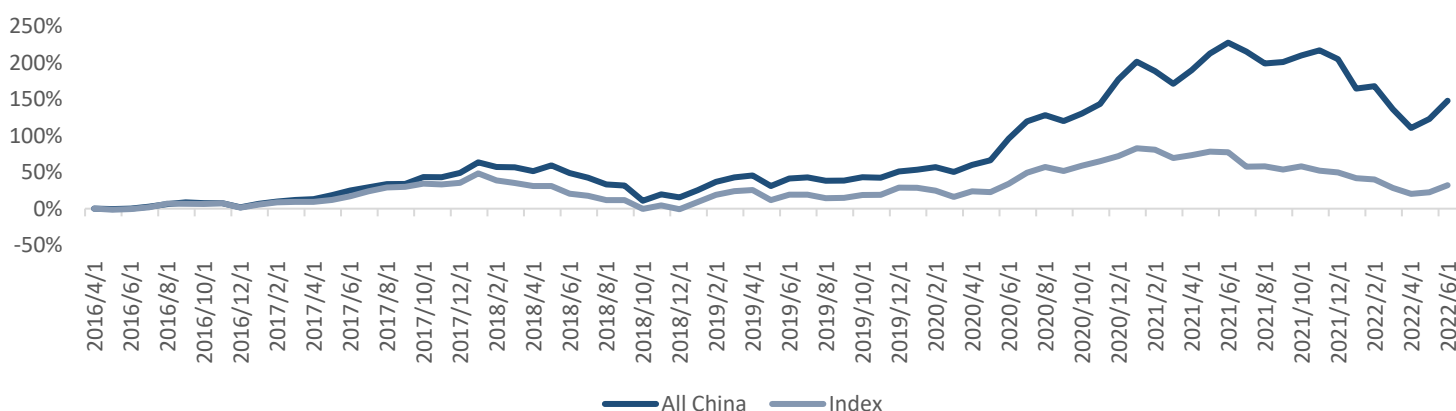
Market sentiment has improved on reduced Covid concerns and lowered trade tensions with the U.S. Currently many local funds hold high levels of cash. There are signs some global investors who sold China equities are starting to return. We expect sentiment to further improve and the market to continue recovering.

- Reopening** – After almost three months of total lockdown in Shanghai, normal conditions are now returning, both in Shanghai and the whole country. The country halved the quarantine times for international travelers from 14+7 to 7+3 (centralized + in-home quarantine days) and removed the COVID-hit city-travel-history asterisk mark on a mobile app used for domestic travel. We are expecting a strong rebound in household spending driven by rising deposits, resumption of business activities and a series of consumption stimulus policies. We think there is a very low probability that “the Shanghai style” lock down will happen again.
- Slower trade tensions with US inflationary pressures** - The past 20 years of deflationary environment has come to an end. The productivity improvements from smart phones and internet application innovation has lost steam. As China is getting economically more competitive, the US is reversing the globalization trend and making efforts to reshape global supply chains. Both changes are leading to inflation. We call them supply side disruptions. The Russia and Ukraine war (oil supplies and commodity exports like wheat were hit hard) has exacerbated the situation. Rate increases will not help the US economy as they discourage investment and consumption and lead to a stronger USD. The U.S. has to find ways to de-bottleneck the supply side disruptions which will benefit China. There is a growing realization that they cannot abandon the efficient Chinese manufacturing value chain. To reduce the cost of household consumption, the U.S. has to consider lowering high tariffs on Chinese goods. The weaker RMB is also helping China to stay competitive. We expect Sino-U.S. trade tensions to ease gradually.
- High liquidity levels: high cash levels of local funds and low China allocation of global investors** – Both local funds and global investors were bearish over the last several months, and many sold their positions in March and April due to Covid and geopolitical concerns. Now that sentiment and the outlook has changed, some have started to deploy cash back to the market.

Key Information

NAV (30/06/22)	US\$ 161.30(L1)/152.78(L2)/112.32(AI)/94.57(AI EUR)/96.80(AI GBP)/115.95(BI)/175.48(CB)/115.50(DB A)/120.83(DB A NOK)/116.77(DI A)/186.20(CI)/89.97(CI GBP)/91.86(PB EUR)	Strategy Assets	US\$ 1,442 m ^(a)
Total Fund Size	US\$ 747.7 m	Fund Launch Date	16-Apr-18

Period Performance (%) data from FPS/Pictet/Bin Yuan								
	2022	2021	2020	2019	2018	2017	Cumulative	Annualized
Bin Yuan All China Strategy ^(b)	-18.68	10.02	83.51	30.60	-22.46	44.69	147.77	15.85
Index ^(c)	-11.77	-12.91	33.41	29.74	-26.64	33.37	32.05	4.61



Monthly Performance (%) data from FPS/Pictet														
	2021							2022						
	Jul	Aug	Sep	Oct	Nov	Dec	2021	Jan	Feb	Mar	Apr	May	Jun	YTD
Bin Yuan GC Fund	-3.72	-5.17	0.72	2.93	2.27	-3.79	10.02	-13.24	1.23	-11.74	-10.84	5.76	11.25	-18.68
Index ^(c)	-11.13	0.22	-2.71	2.78	-3.70	-1.52	-12.91	-5.32	-1.23	-8.31	-6.27	1.82	7.82	-11.77

Risk and reward profile



Top Ten Holding					
1	IRAY Technolog-A	9.71%	2	Ecovacs Roboti-A	5.15%
3	China Merch BK-A	5.12%	4	Jiangsu Cnano-A	4.06%
5	Chipsea Techno-A	3.63%	6	Wuxi Autowell-A	3.59%
7	Nari Technolog-A	3.34%	8	Aier Eye Hosptl-A	3.32%
9	Anjoy Foods Gr-A	3.30%	10	Shanghai Frien-A	3.24%

Sectoral Breakdown ^(e)	% of Assets
Health Care	25
Information Technology	22
Consumer Discretionary	14
Consumer Staples	13
Industrials	11
Materials	9
Financials	5

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	19.84%	17.57%
Sharp Ratio	0.84	0.26
Information Ratio	1.18	
Tracking Error	10.25%	
Active Shares	90%	
Beta	1.03	

Market Breakdown	% of Assets
A Share (Connect + QFI)	82
Hong Kong	17

Valuation	Portfolio	Benchmark (excluding Financials)	Benchmark
Period	20220630	20220630	20220630
2022 PE (X)	28.8	25.3	13.7
2022 PB (X)	6.6	3.3	1.3
2022 Div. Yield (%)	0.9	1.3	2.1
2022 ROE (%)	22.7	13.0	9.3
Earning Growth (%) Forward 3 YR	28.2	11.3	7.5
2022 PEGY	1.0	2.0	1.4
FCF Yield	1.3	-2.0	2.4

Fund Codes						
Share Class	AI	AI GBP	AI EUR	BI	CI	CI GBP
Bloomberg	HEYGCAU LX	HEYGCA G 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	BM Y2Q30	BNLYXY6	BN4BFL5	BM Y1994	BMWWFG8	BP466G6

Fund Details	
Dealing Day ^(d)	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

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

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

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.

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. Hereford Funds is a trading name of Hereford Funds LLP. Hereford Funds LLP is an appointed representative and tied agent of Thornbridge Investment Management LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 713859). 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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