

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share Class L1) depreciated 5.17% for the month of August (net of fees) compared to a 0.22% return for the benchmark. At the end of August, the Sub Fund was mainly invested in the Information Technology, Health Care, Industrials and Consumer sectors, with zero weights in the Energy, Utilities and Real Estate sectors.

For the month, the Sub-Fund underperformed the benchmark by 5.40%. In August, the positions that contributed the most to the portfolio's return were IRAY, Baili and CM Bank. The positions that contributed the least in the month were Chipsea Technology, Chaozhou Three Circle and Aier. Information Technology experienced profit taking after a strong run year to date.

Recent "Volume Based Purchasing" regulations caused weakness across the healthcare sector. However our stock selection in the more visible and transparent segments, such as core components of large medical devices and lab consumables, which are less impacted by the regulations contributed positive performance. The healthcare sector looks very attractive after recent share price corrections.

Manager's Commentary

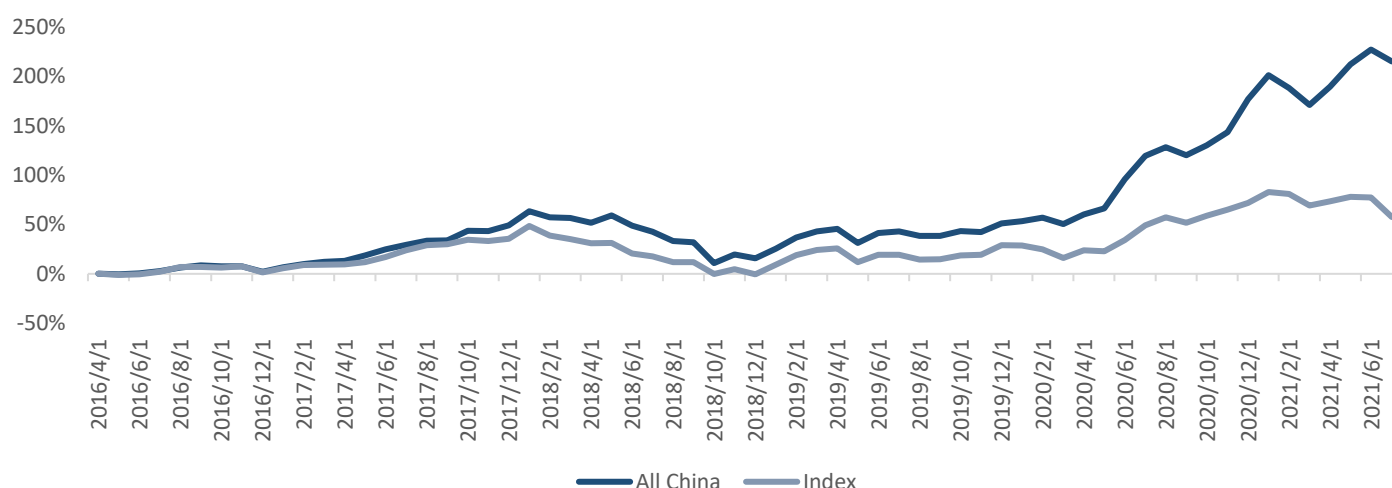
4,457 companies listed on the Shanghai and Shenzhen stock exchanges released their 2021 interim results by the end of August. A-share listed companies reported 40.0% YoY revenue growth and 57.5% YoY net income growth in H1 2021, which represented 14.6% annualized revenue growth and 11.9% annualized net income growth comparing to H1 2019 (H1 2020 was a distorted low base due to the COVID-19 impact). The recovery remains solid. Breaking down by sector, information technology and materials saw over 50% annualized net income growth in H1 2021 comparing to H1 2019, driven by robust digitalization and construction demand. The Real Estate sector is the only sector recording negative net income growth - annualized -16.7% in H1 2021 comparing to H1 2019, showing that control measures on real estate leverage have made an impact.

Our portfolio holdings recorded far above market growth and continued a fast growing trend into the second quarter. The annualized revenue growth was 39.4% in Q1 2021 and 38.7% in Q2 2021 compared to the same period in 2019. The corresponding annualized net income growth was 61.9% and 46.4% in Q1 and Q2 2021 respectively. Our investment focuses on industries with a long uptrend cycle and companies that are increasing market share.

Key Information

| | | | |
|-----------------|---|------------------|-----------------------------|
| NAV (31/08/21) | US\$ 194.44(L1)/184.10(L2)/135.96(AI)/92.72(AI GBP)/140.07(BI)/211.53(CB) /138.95 (DB A) /140.47 (DI A) /224.46 (CI) | Strategy Assets | US\$ 1,278 m ^(a) |
| Total Fund Size | US\$ 550.7m | Fund Launch Date | 16-Apr-18 |

| Period Performance (%) | | | | | | | | |
|--|-------|-------|-------|--------|-------|------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | Cumulative | Annualized |
| Bin Yuan All China Strategy ^(b) | 7.85 | 83.51 | 30.60 | -22.46 | 44.69 | 1.07 | 198.67 | 22.77 |
| Index ^(c) | -8.16 | 33.41 | 29.74 | -26.64 | 33.37 | 1.47 | 57.82 | 8.93 |



| Monthly Performance (%) | | | | | | | | | | | | | | |
|-------------------------|-------|------|------|-------|-------|------|-------|-------|------|------|-------|--------|-------|-------|
| | 2020 | | | | | 2021 | | | | | | | | |
| | Sep | Oct | Nov | Dec | 2020 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | YTD |
| Bin Yuan GC Fund | -3.56 | 4.62 | 5.74 | 13.81 | 83.51 | 8.76 | -4.27 | -6.06 | 6.90 | 7.84 | 4.76 | -3.72 | -5.17 | 7.85 |
| Index ^(c) | -3.44 | 4.73 | 3.93 | 4.16 | 33.41 | 6.28 | -1.03 | -6.35 | 2.31 | 2.80 | -0.48 | -11.13 | 0.22 | -8.16 |

| Top Ten Holding | | | | | |
|-----------------|------------------|-------|----|------------------|-------|
| 1 | IRAY Technolog-A | 9.73% | 2 | CM Bank (A+H) | 6.58% |
| 3 | Chinasoft Intl | 6.32% | 4 | SG Micro Corp-A | 4.88% |
| 5 | Ecovacs Roboti-A | 4.51% | 6 | Yifeng Pharma-A | 4.42% |
| 7 | Fu Jian Anjoy-A | 4.21% | 8 | Guangzhou Jet | 3.91% |
| 9 | Chaozhou Three-A | 3.90% | 10 | Hunan Baili En-A | 3.66% |

| Sectoral Breakdown ^(e) | % of Assets |
|-----------------------------------|-------------|
| Information Technology | 30 |
| Health Care | 18 |
| Industrials | 13 |
| Consumer Discretionary | 12 |
| Consumer Staples | 12 |
| Financials | 7 |
| Communication Services | 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 | 18.25% | 17.56% |
| Sharp Ratio | 1.31 | 0.51 |
| Information Ratio | 1.61 | |
| Tracking Error | 9.26% | |
| Active Shares | 88% | |
| Beta | 0.96 | |
| PE ex ADRs | 24.82 | |

| Market Breakdown | % of Assets |
|-------------------------------------|-------------|
| A Share (Connect + QFI) | 72.9 |
| Hong Kong (Discounted Dual Listing) | 4.2 |
| Hong Kong | 16.5 |
| US ADR | 0.2 |

| Valuation | Portfolio | Benchmark | Benchmark (excluding Financials) |
|---------------------------------|-----------|-----------|----------------------------------|
| Period | 20210831 | 20210831 | 20210831 |
| Forward PE (X) | 26.5 | 15.6 | 22.3 |
| Forward PB (X) | 6.2 | 2.0 | 2.8 |
| Forward Div. Yield (%) | 0.8 | 1.8 | 1.0 |
| Forward ROE (%) | 23.2 | 12.9 | 12.5 |
| Earning Growth (%) Forward 3 YR | 24.9 | 10.0 | 14.6 |
| Forward PEGY | 1.0 | 1.3 | 1.4 |
| FCF Yield | 0.7 | 4.5 | 1.1 |

| Fund Codes | | | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Share Class | AI | AI GBP | CB | CI | BI | DI A | DB A |
| Bloomberg | HEYGCAU LX | HEYGCAU LX | HFBYCBY LX | HFBYCIU LX | HEYGCBU LX | HBYCDIA LX | HEYGDA LX |
| TK | 040149630 | | 040149740 | 040149734 | | | 055401977 |
| ISIN | LU1778252558 | LU1778252715 | LU1778255494 | LU1778254844 | LU1778253952 | LU2200556392 | LU2198582640 |
| Lipper ID | 68617991 | | 68543207 | 68563916 | 68625053 | 68625729 | |
| Sedol | BMY2Q30 | BNLYXY6 | BMXTP35 | BMWWFG8 | BMY1994 | | BM93CF2 |

| 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 |

Order Transmission Information

FundPartner Solutions (Europe) S.A.
15, Avenue John F Kennedy,
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Via fax +352 46 71 71 7667 or SWIFT PICTLULXTAS

| Annual Management Charge | |
|--------------------------|-------|
| Share Class A | 1.25% |
| Share Class B | 1.00% |
| Share Class C | 0.75% |
| Share Class DI A, DB A | 0.50% |

| 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 DI A, DB A | \$100,000,000 Minimum initial subscription & holding |

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.