

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share Class L1) depreciated -4.27% for the month of February (net of fees) compared to a -1.03% return for the benchmark. At the end of February, the Sub Fund was mainly invested in the Information Technology, Consumer, and Communication Services sectors, with minimal weights in the Energy, Utilities and Real Estate sectors.

For the month, the Sub-Fund underperformed the benchmark by 3.24%. In February, the positions that contributed the most to the portfolio's return were Bilibili, Cansino and S F Holding. The positions that contributed the least in the month were Contemporary, Chinasoft and Aier.

Manager's Commentary

The Bin Yuan All China strategy has its five year anniversary in May and our UCITS fund with the same strategy will gain its three year track record mid April. Our strong performance over the past four plus years, 2020 in particular, has attracted a lot of attention from global investors. We would like our investors and prospects to view Bin Yuan as a long term investment manager. Our objective is to find and invest in great companies within most attractive industries at their early to mid growth stage. We believe those companies should create superior economic value, and thus, our invested capital will be greatly rewarded over a five to ten year cycle. As the Chinese equity market is still very inefficient most managers should outperform the index. Our goal is to deliver superior performance vs our peer group over a three to five year or longer cycle. Bin Yuan is not suitable for short term money or market timing.

The portfolio underperformed in February. Holdings that had a good run up in the past year or so experienced profit taking post Chinese New Year. Commodity stocks bounced driven by inflation concerns. Investors are worried about the impact of rising rates on equity valuations and that inflation pressures will have a negative impact on corporate profitability. The recent Hong Kong government stamp duty increase on February 24 also created negative sentiment in the Hong Kong stock market.

Inflation worries should be a short term factor. Some of the commodity price increases were a recovery back to normalized levels. They had also been impacted by the disruption to transportation networks caused by COVID-19. We do not believe there is meaningful inflation pressure at present - the global economy is still weak and we are in a recovery phase rather than a strong growth phase. Commodity price increases reflect normalization following supply disruption rather than strong demand. Once the global transportation system gets back to normal, spare capacity will come on stream and commodity price pressures will abate.

In the longer term, we believe it is the value created by companies that drive stock performance rather than interest rate or stamp duty changes. Great companies, who provide the best products and services can ride out interest rate cycles. They can generally pass on any cost hikes.

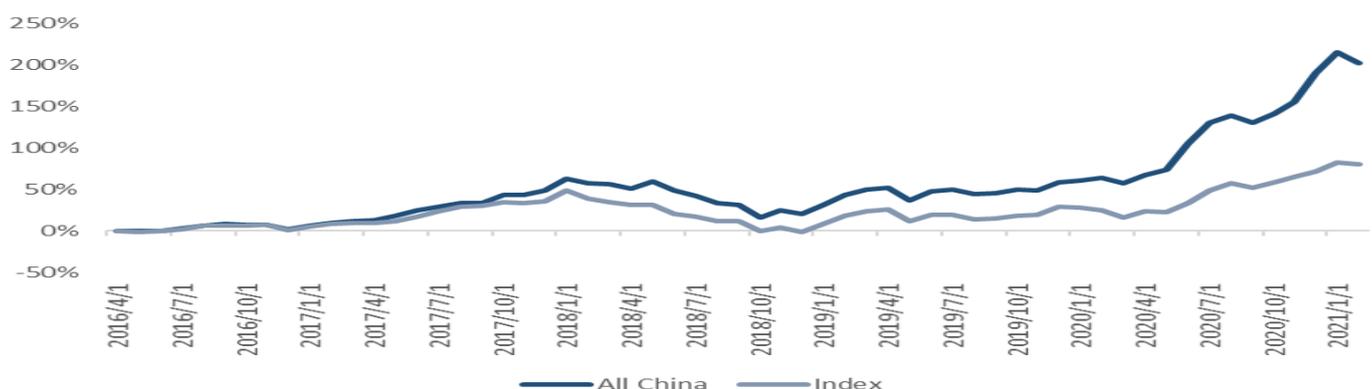
The recent pull back of the China stock market is a healthy adjustment after the last two years. It gives us an opportunity to review and position the portfolio for the next three years. We continue to research and invest in those companies that can grow from mid cap to large cap stocks. We believe China has enjoyed the dividends of economic reform, cheap labor and infrastructure build up. We are at an inflection point and China should see a long term bull market for the next 5 to 10 years and beyond (a letter will be written on this topic in the near future).

Bin Yuan's RQFII quota was finally approved by the Chinese (and Luxembourg) regulatory bodies. Once the registration procedures are completed, we can invest in stocks that are currently not included in the Shanghai/Shenzhen Hong Kong stock connects. We have identified two to three candidates that are less well known to both foreign investors and even local peers. Obtaining the RQFII quota is conducive to our strategy of early positioning in future winners.

Key Information

NAV (28/02/21) US\$ 187.71 (L1) /181.12 (L2) /131.59 (AI) /135.39 (BI) /204.21 (CB) /133.97 (DB A) Strategy Assets US\$ 1,063 m^(a)
 /135.43 (DI) /216.69 (CI)
 Total Fund Size US\$ 396.3m Fund Launch Date 16-Apr-18

| Period Performance (%) | | | | | | | | |
|--------------------------------------------|------|-------|-------|--------|-------|------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | Cumulative | Annualized |
| Bin Yuan All China Strategy ^(b) | 4.12 | 83.51 | 30.60 | -22.46 | 44.69 | 1.07 | 188.33 | 24.49 |
| Index ^(c) | 5.18 | 33.41 | 29.74 | -26.64 | 33.37 | 1.47 | 80.76 | 13.03 |



| Monthly Performance (%) | | | | | | | | | | | | | | | |
|-------------------------|------|-------|------|-------|-------|-------|------|-------|------|------|-------|-------|------|-------|------|
| | 2020 | | | | | | | | | | | | 2021 | | |
| | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2020 | Jan | Feb | YTD |
| Bin Yuan GC Fund | 2.34 | -4.28 | 6.51 | 3.96 | 17.70 | 12.16 | 3.90 | -3.56 | 4.62 | 5.74 | 13.81 | 83.51 | 8.76 | -4.27 | 4.12 |
| Index ^(c) | -3.1 | -6.84 | 6.59 | -0.91 | 9.29 | 11.27 | 5.27 | -3.44 | 4.73 | 3.93 | 4.16 | 33.41 | 6.28 | -1.03 | 5.18 |

| Top Ten Holding | | | | | |
|-----------------|------------------|-------|----|------------------|-------|
| 1 | CM Bank-H | 9.71% | 2 | Bilibili | 7.56% |
| 3 | Tencent | 6.05% | 4 | Aier Eye Hsptl-A | 4.71% |
| 5 | Contemporary A-A | 4.26% | 6 | S F Holding | 4.20% |
| 7 | C&S Paper Co-A | 4.17% | 8 | Kweichow Moutai | 3.81% |
| 9 | China Duty Free | 3.66% | 10 | PDD | 3.63% |

| Sectoral Breakdown | % of Assets |
|------------------------|-------------|
| Information Technology | 23 |
| Consumer Discretionary | 15 |
| Communication Services | 14 |
| Financials | 13 |
| Industrials | 12 |
| Consumer Staples | 10 |
| Health Care | 8 |

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 | 18.09% | 17.24% |
| Sharp Ratio | 1.42 | 0.76 |
| Information Ratio | 1.54 | |
| Tracking Error | 8.22% | |
| Active Shares | 80% | |
| Beta | 1.00 | |
| PE ex ADRs | 25.26 | |

| Market Breakdown | % of Assets |
|-------------------------------------|-------------|
| A Share | 48 |
| Hong Kong (Discounted Dual Listing) | 13 |
| Hong Kong | 21 |
| US ADR | 13 |

| Valuation | Portfolio | Benchmark | Benchmark (excluding Financials) |
|---------------------------------|-----------|-----------|----------------------------------|
| Period | 20210228 | 20210228 | 20210228 |
| Forward PE (X) | 27.0 | 17.0 | 37.4 |
| Forward PB (X) | 6.0 | 2.0 | 5.2 |
| Forward Div. Yield (%) | 0.7 | 1.5 | 1.0 |
| Forward ROE (%) | 22.1 | 11.9 | 13.8 |
| Earning Growth (%) Forward 3 YR | 21.6 | 10.0 | 13.6 |
| Forward PEGY | 1.2 | 1.5 | 2.6 |
| FCF Yield | 2.3 | 6.1 | 2.7 |

| Fund Codes | | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Share Class | AI | CB | CI | BI | DI A | DB A |
| Bloomberg | HEYGCAU LX | HFBYCBYLX | HFBYCIU LX | HEYGCBU LX | HBYCDIA LX | HEYGCD A LX |
| TK | 040149630 | 040149740 | 040149734 | | | 055401977 |
| ISIN | LU1778252558 | LU1778255494 | LU1778254844 | LU1778253952 | LU2200556392 | LU2198582640 |
| Lipper ID | 68617991 | 68543207 | 68563916 | 68625053 | 68625729 | |
| Sedol | BMY2Q30 | 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.