

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share Class L1) appreciated 7.84% for the month of May (net of fees) compared to a 2.80% return for the benchmark. At the end of May, the Sub Fund was mainly invested in the Information Technology, Health Care, Consumer and Communication Services sectors, with minimal weights in the Energy, Utilities and Real Estate sectors.

For the month, the Sub-Fund outperformed the benchmark by 5.04%. In May, the positions that contributed the most to the portfolio's return were CM Bank, IRAY Technology and Ecovacs Robot. The positions that contributed the least in the month were Chaozhou Three Circle, BIDU and Meituan.

Manager's Commentary

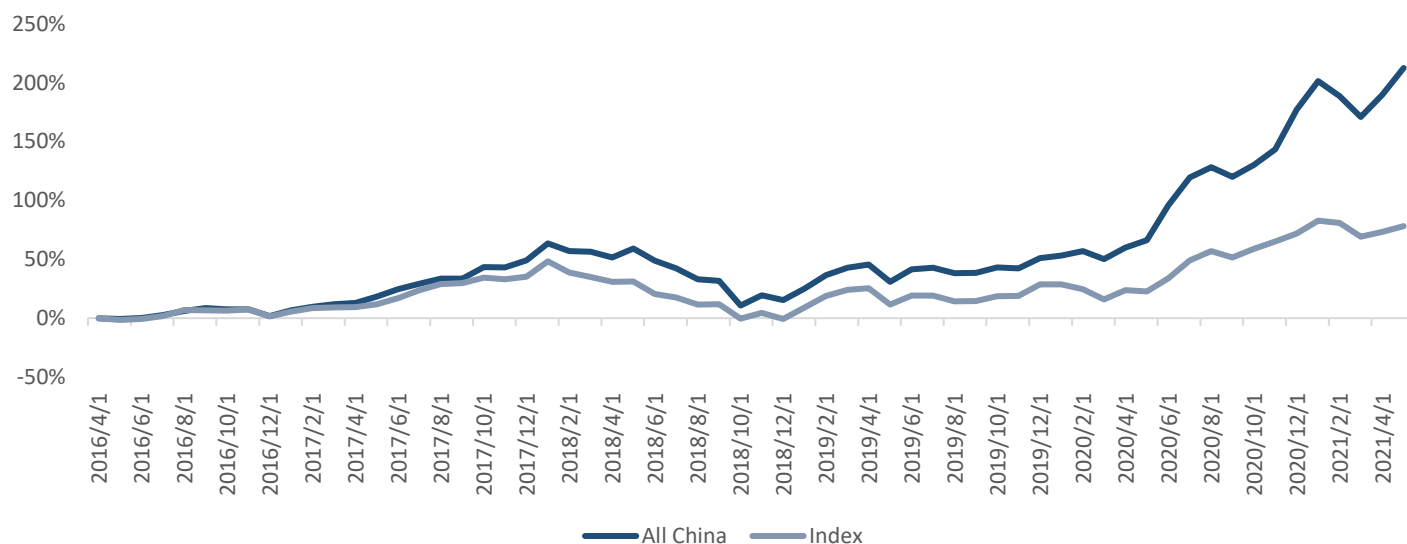
In May, the RMB strengthened from 6.48 to 6.36 against the US dollar. Rising purchasing power, strong economic recovery post COVID 19, and the potential liberalization of exchange rates in China to promote RMB internationalization have all been contributors. We believe the Chinese authorities will try and manage any further appreciation and favor currency stability, but the strength of the economy and inflations concerns continue to underpin the RMB.

The consumption market recovery is well on track. During Labor Day vacations, there were 230 million domestic trips, representing 119.7% YoY growth, or 3.2% growth compared to the same period in 2019. 90% of domestic scenic spots were in normal operation. In the first four months of 2021, some consumer categories have seen significant growth compared to 2019, such as sports and entertainment, beverage, and cosmetics which have increased 61%, 33% and 26% respectively. In the long run, the Chinese consumer market will continue to grow as disposable income increases.

Key Information

NAV (31/05/21)	US\$ 203.29 (L1) /193.65 (L2) /142.33 (AI) /146.53 (BI) /221.16 (CB) /145.18 (DB A) /146.77 (DI) /234.67 (CI)	Strategy Assets	US\$ 1,211 m ^(a)
Total Fund Size	US\$ 468.5m	Fund Launch Date	16-Apr-18

Period Performance (%)								
	2021	2020	2019	2018	2017	2016	Cumulative	Annualized
Bin Yuan All China Strategy ^(b)	12.76	83.51	30.60	-22.46	44.69	1.07	212.27	25.11
Index ^(c)	3.60	33.41	29.74	-26.64	33.37	1.47	78.04	12.02



Monthly Performance (%)														
	2020								2021					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020	Jan	Feb	Mar	Apr	May	YTD
Bin Yuan GC Fund	17.70	12.16	3.90	-3.56	4.62	5.74	13.81	83.51	8.76	-4.27	-6.06	6.90	7.84	12.76
Index^(c)	9.29	11.27	5.27	-3.44	4.73	3.93	4.16	33.41	6.28	-1.03	-6.35	2.31	2.80	3.60

Top Ten Holding					
1	C&S Paper Co-A	7.67%	2	CM Bank-H	7.56%
3	Ecovacs Roboti-A	6.35%	4	IRAY Technolog-A	5.63%
5	Bilibili	5.36%	6	Chinasoft Intl	4.68%
7	Tencent	4.39%	8	Kweichow Moutai	4.01%
9	Chaozhou Three-A	3.76%	10	Guangzhou Jet-A	3.74%

Sectoral Breakdown	% of Assets
Information Technology	27
Health Care	16
Consumer Discretionary	12
Consumer Staples	12
Communication Services	11
Industrials	11
Financials	9

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	18.26%	17.15%
Sharp Ratio	1.44	0.70
Information Ratio	1.70	
Tracking Error	8.37%	
Active Shares	84%	
Beta	1.01	
PE ex ADRs	28.57	

Market Breakdown	% of Assets
A Share (Connect + QFI)	63
Hong Kong (Discounted Dual Listing)	9
Hong Kong	16
US ADR	10

Valuation	Portfolio	Benchmark	Benchmark (excluding Financials)
Period	20210531	20210531	20210531
Forward PE (X)	29.7	17.3	37.6
Forward PB (X)	6.4	2.3	5.7
Forward Div. Yield (%)	0.6	1.6	0.9
Forward ROE (%)	21.6	13.1	15.1
Earning Growth (%) Forward 3 YR	25.6	10.0	15.2
Forward PEGY	1.1	1.5	2.3
FCF Yield	0.7	4.1	1.2

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.