IF Hereford Funds



Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share class L1) appreciated 2.93% for the month of October (net of fees) compared to a 2.78% return for the benchmark. At the end of October, 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 Fund outperformed the benchmark by 15bps. In October, the positions that contributed the most to the portfolio's return were IRAY, ECOVACS and CATL. The positions that contributed the least were Shanghai Bright Power, Chinasoft and Anta Sports.

Manager's Commentary

4,531 companies listed on the Shanghai and Shenzhen stock exchanges released their 2021 Q3 results by the end of October. A-share listed companies reported 22.6% YoY revenue growth and 4.0% YoY net income growth in Q3, which represented 15.7% annualized revenue growth and 12.7% annualized net income growth compared to Q3 2019. Net income growth lagged due to raw material price hikes vs Q2. Real estate net income continued to weaken, and consumer staples saw -39% annualized net income growth in Q3 vs the same period in 2019. Raw material prices rose rapidly, and it takes time for companies to pass on the cost pressure to downstream consumers. In October, leading companies in the daily necessities sectors, such as Haitian Flavoring, Anjoy Foods, Angel Yeast and Chongqing Brewery announced price increases. We expect that net profits of the consumer staples sector will recover in Q4.

Our portfolio holdings continue to see strong growth with Q3 YoY revenue growth of 22.7% and YoY net income growth of 34.3%. Our holdings focus on high value-added industries and market leaders; so the raw material price hike did not result in much impact on our portfolio's earnings growth.

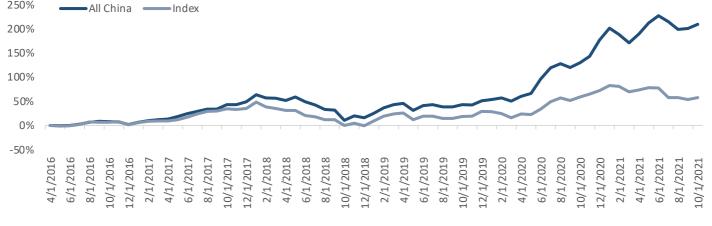
ESG is deeply rooted in Bin Yuan's culture and investment process. We are launching a series of ESG articles to highlight the importance of ESG factors and how our portfolio is positioned for those factors. This month, we start with the first topic of "Product Liability".

Product liability is the legal liability of any or all parties along the manufacturing chain producing or selling a product that causes damage. Product defects expose users to potentially significant risks, waste time and resources to repair the defects, and cause large financial loss to the related enterprises. Companies with a better understanding of product liability importance can minimize their risks and companies that consider product liability a top priority will gain market share.

The rising awareness of product liability will boost demand for products and services that improve product reliability and the customer experience. Long term beneficiaries include sensors that help detect safety issues, testing systems that identify faulty products, and advanced materials that improve product performance, etc. Please see the monthly letter for full details.

Key Information

NAV (31/10/21)		US\$ 198.54(L1)/187.31(L2)/138.72(AI)/104.58(AI EUR)/94.35(AI GBP) /142.96(BI)/216.00(CB)/141.94(DB A)/143.49(DI A)/229.20(CI)/100.98(PB EUR)						trategy Assets	US\$ 1,487 m ^{(a}
Total Fund Size								und Launch Date	16-Apr-18
Period Performance (%)									
		2021	2020	2019	2018	2017	2016	Cumulative	Annualized
Bin Yuan All Chin	a Strategy ^(b)	11.81	83.51	30.60	-22.46	44.69	1.07	209.64	22.81
Index ^(c)		-8.17	33.41	29.74	-26.64	33.37	1.47	57.82	8.65



HF Hereford Funds

Monthly Per	Monthly Performance (%)													
	2020			2021										
	Nov	Dec	2020	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	YTD
Bin Yuan GC Fund	5.74	13.81	83.51	8.76	-4.27	-6.06	6.90	7.84	4.76	-3.72	-5.17	0.72	2.93	11.81
Index ^(c)	3.93	4.16	33.41	6.28	-1.03	-6.35	2.31	2.80	-0.48	-11.13	0.22	-2.71	2.78	-8.17

Тор	Top Ten Holding						
1	IRAY Technolog-A	7.85%	2	CM Bank (A+H)	7.28%		
3	Chinasoft Intl	6.05%	4	Fu Jian Anjoy-A	5.32%		
5	Ecovacs Roboti-A	5.18%	6	Shenzhen Mindr-A	4.23%		
7	Chaozhou Three-A	4.17%	8	Luxshare Preci-A	4.11%		
9	Contemporary A-A	3.66%	10	Hunan Baili EN-A	3.57%		

Sectoral Breakdown ^(e)	% of Assets
Information Technology	27
Health Care	20
Industrials	16
Consumer Discretionary	13
Consumer Staples	12
Financials	7
Communication Services	3

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	17.97%	17.37%
Sharp Ratio	1.33	0.50
Information Ratio	1.66	
Tracking Error	9.18%	
Active Shares	87%	
Beta	0.96	
PE ex ADRs	27.24	

Market Breakdown	% of Assets
A Share (Connect + QFI)	78.5
Hong Kong (Discounted Dual Listing)	3.1
Hong Kong	16.0
US ADR	0.1

Valuation	Portfolio	Benchmark	Benchmark (excluding Financials)
Period	20211031	20211031	20211031
2022 PE (X)	27.9	15.9	24.4
2022 PB (X)	5.9	2.0	3.0
2022 Div. Yield (%)	0.7	1.8	1.1
2022 ROE (%)	21.1	12.5	12.4
Earning Growth (%) Forward 3 YR	25.8	10.0	14.6
2022 PEGY	1.1	1.4	1.6
FCF Yield	0.8	5.1	2.0

HF Hereford Funds

Fund Codes							
Share Class	AI	AI GBP	СВ	CI	BI	DI A	DB A
Bloomberg	HEYGCAU LX	HEYGCAG LX	HFBYCBYLX	HFBYCIU LX	HEYGCBU LX	HBYCDIA LX	HEYGCDA LX
ТК	040149630		040149740	040149734			055401977
ISIN	LU17782525 58	LU17782527 15	LU17782554 94	LU17782548 44	LU17782539 52	LU22005563 92	LU21985826 40
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

Via fax +352 46 71 71 7667 or SWIFT PICTLULXTAS

FundPartner Solutions (Europe) S.A.

15, Avenue John F Kennedy,

L-1855 Luxembourg

Annual Management Cha	rge
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.

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