

**Annual report including audited financial statements
as at 30th September 2017**

Hereford Funds

Société d'investissement à capital variable
incorporated in Luxembourg

R.C.S. Luxembourg B 134 375

No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus and the key investor information document ("KIID") supplemented by the latest annual report including audited financial statements and the most recent semi-annual report, if published thereafter.

Hereford Funds

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Hereford Funds

Organisation

Registered office

44F, Rue de la Vallée
L-2661 LUXEMBOURG
(until 10th April 2017)

56, Grand-Rue
L-2013 LUXEMBOURG
(since 11th April 2017)

Board of Directors

Chairman

Anthony GALLIERS-PRATT
Managing Partner
HEREFORDS FUNDS ADVISORY S.à r.l.
8, Boulevard Royal
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Directors

Jérôme WIGNY
Partner
ELVINGER, HOSS & PRUSSEN
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L-1340 LUXEMBOURG

Yves DE VOS
President
VHC CAPITAL MANAGEMENT S.A.
25, Op der Heckmill
L-6783 GREVENMACHER

Mark HENDERSON
Managing Partner
HEREFORD FUNDS ADVISORY S.à r.l.
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Enrico MELA
Conducting Officer
BSI FUND MANAGEMENT S.A.
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L-2661 LUXEMBOURG
(until 19th April 2017)
EFG FUND MANAGEMENT S.A.
56, Grand Rue
L-2013 LUXEMBOURG
(since 20th April 2017 and until 31st August 2017)
Independent Director
10, rue Tony Bourg
L-1278 LUXEMBOURG
(since 1st September 2017)

Management Company

BSI FUND MANAGEMENT S.A.
44F, Rue de la Vallée
L-2661 LUXEMBOURG
(until 19th April 2017)

Hereford Funds

Organisation (continued)

	EFG FUND MANAGEMENT S.A. 56, Grand-Rue L-2013 LUXEMBOURG (since 20th April 2017)
Board of Directors of the Management Company	
Chairman	Claudio CAMPLANI Senior Vice President EFG BANK AG Via Magatti 2 CH-6900 LUGANO
Directors	Michele BASCHIROTTI Vice President EFG ASSET MANAGEMENT (Switzerland) SA Viale S. Franscini, 8 CH-6900 LUGANO Massimo Paolo GENTILI Founding Partner GENTILI & PARTNERS, LUXEMBOURG 11, rue Beatrix de Bourbon L-1225 LUXEMBOURG
Depository	BSI EUROPE S.A. 122, Rue Adolphe Fischer L-1521 LUXEMBOURG (until 30th April 2017) EFG BANK (LUXEMBOURG) S.A. 56, Grand-Rue L-2013 LUXEMBOURG (since 1st May 2017)
Central Administration Agent, Registrar and Transfer Agent	EUROPEAN FUND ADMINISTRATION S.A. 2, Rue d'Alsace L-1122 LUXEMBOURG (since 1st November 2016) UBS FUND SERVICES (LUXEMBOURG) S.A. 33A, Avenue J.F. Kennedy, L-1855 LUXEMBOURG (until 30th October 2016)
Advisory Company	HEREFORD FUNDS ADVISORY S.à r.l. 8, Boulevard Royal L-2449 LUXEMBOURG

Hereford Funds

Organisation (continued)

Investment Managers

For the Compartment
Hereford Funds - DSM US Large Cap Growth Fund
DSM CAPITAL PARTNER LLC
7111 Fairway Drive, Suite 350
FL-33418 PALM BEACH GARDENS

For the Compartment
Hereford Funds - DGHM US All-Cap Value Fund
DALTON, GREINER, HARTMAN, MAHER & CO, LLC
565 Fifth Avenue, Suite 2101
NY-10017 NEW YORK

For the Compartments
Hereford Funds - FIRTH ASIAN Systematic Equities Fund
Hereford Funds - FIRTH ASIAN Value Fund
FIRTH INVESTMENT MANAGEMENT Pte. Ltd
180 Cecil Street, #13-03 Bangkok Bank Building
SINGAPORE 069546

Cabinet de révision agréé

DELOITTE Audit
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L-2220 LUXEMBOURG

Paying Agent in France

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Paying Agent in Germany

MARCARD, STEIN & CO AG,
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Representative and Paying Agent In Switzerland

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ELVINGER, HOSS & PRUSSEN
2, Place Winston Churchill
L-1340 LUXEMBOURG

Hereford Funds

General information

Hereford Funds (hereafter referred to as the "Fund") is an open-end investment fund with multiple compartments (Société d'Investissement à Capital Variable ("SICAV") à compartiments multiples) governed by Part I of the Law of 17th December 2010 relating to Undertakings for Collective Investment, as may be amended from time to time (the "Law").

The Fund was incorporated in Luxembourg on 23rd November 2007, for an indefinite period. The Fund is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 134 375.

At the date of the financial statements, the Fund offers the following Compartments:

Hereford Funds - DSM US Large Cap Growth Fund	expressed in USD,
Hereford Funds - DGHM US All-Cap Value Fund	expressed in USD,
Hereford Funds - DGHM US MicroCap Value Fund (launched at 18th November 2016)	expressed in USD,
Hereford Funds - FIRTH ASIAN Value Fund	expressed in USD,
Hereford Funds - FIRTH ASIAN Systematic Equities Fund	expressed in USD.

At the date of the financial statements, the following share classes are offered:

- Classes A, B and U Shares: These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law.

- Classes C and D Shares: These Shares shall be normally available in accordance with the provisions of the Prospectus and the Appendix to the Prospectus.

- Classes E Shares : These Shares shall be reserved for investments made by employees, shareholders and directors of Firth and their immediate families. All individuals meeting these criteria must also qualify as accredited investors within the meaning of the SFA. In the event that transferred holder of Class E Shares no longer fulfils these eligibility criteria, their shareholding in Class E Shares will be converted into Class A Shares free of charge.

- Classes L Shares: These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law, who are approved by the Management Company and which provide fee-based investment advisory services to underlying investors and will only be available for such period of time as determined by the Directors in their sole discretion. This class is reserved for subscriptions received during the launch period.

- Classes L1 and L2 Shares: These Shares shall be reserved for investments made by investors qualifying as accredited or institutional investors within the meaning of the SFA and Institutional Investors within the meaning of the Law and will only be available for such period of time as determined by the Directors in their sole discretion or the net assets of the Compartment equal or exceed USD 20,000,000.

With respect to the following Compartment, no notification has been filed with the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). Units in the below-mentioned compartment may not be marketed to investors in Germany:

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

The Fund's accounting year ends on 30th September of each year.

The combined financial statements are expressed in USD.

The sales prospectus, the articles of association of the Fund, the annual and semi-annual reports, the KIID (Key Investor Information Document) as well as the portfolio movements of the Fund are available free of charge at the sales agencies and at the registered office of the Fund.

Hereford Funds

Report on activities of the Board of Directors

Hereford Funds - DSM US Large Cap Growth Fund

Review

For the period 1 October 2016 through 30 September 2017, the Hereford Funds DSM US Large Cap Growth Sub-Fund was up approximately 25.1% (NAV \$165.89 to NAV \$207.56) while the total return (including dividends) of the Russell 1000 Growth was up 21.9% and the S&P 500 was up 18.6%.

The investment manager, DSM Capital Partners, commented as follows:

The strong earnings growth in 2016, which approximated 20% on a weighted average basis, has been followed by earnings growth of more than 25% over the first half of 2017. We believe that the strength of earnings has continued to drive performance. Last year the portfolio's earnings grew, but the prices of our holdings did not respond accordingly. As earnings continue to advance, we believe the portfolio has the potential to be driven higher by the economic earnings value earned over both 2016 and 2017.

We continue to believe that this is the highest quality portfolio of businesses that we have ever owned. In our opinion, we are identifying predictable, quality growth companies better than at any point in our nearly sixteen-year history. Weighted average revenue and earnings growth in the first half of 2017 were in excess of 20% and 25% respectively. We see the robust performance thus far in 2017 as confirmation of our belief that earnings are one of the single most important factors in investing.

Portfolio

The majority of the portfolio is invested in the technology, health care and consumer discretionary sectors, with smaller weightings in the financials, consumer staples and industrials sectors.

The strongest contributors to performance over the reporting period were Alibaba Group (Chinese e-commerce), Tencent Holdings (instant messaging and electronic gaming), Royal Caribbean Cruises (global cruise operator), Facebook (social networking website operator) and Adobe Systems (application software development).

The weakest contributors to performance were Allergan (specialty pharmaceuticals), FleetCor Technologies (payment services to commercial fleets), Nielsen Holdings (media analytics), NetEase (Chinese electronic gaming) and Shire (specialty pharmaceuticals).

Changes in Holdings

During the reporting period, NXP Semiconductors was sold due to appreciation. Earnings disappointments/weaker business fundamentals led to the sales of Affiliated Managers Group (financial services), Automatic Data Processing (business outsourcing solutions), Celgene (specialty pharmaceuticals), FleetCor Technologies, Invesco (financial services), Nielsen Holdings, Shire and Starbucks (specialty coffee chain operator). Dollar General (US discount store chain operator) and Newell Brands (consumer products manufacturer) were sold as we felt other names offered better investment opportunities.

The larger positions added to the portfolio in the period were Abbott Laboratories (diversified healthcare products), Becton Dickinson (medical device supplier), BlackRock (financial services), Kansas City Southern (rail freight transportation), Microsoft (application software/cloud storage services), Norwegian Cruise Line Holdings (global cruise operator), PayPal Holdings (online payments), Rockwell Collins (aerospace and defense systems), Toronto-Dominion Bank (retail/corporate banking) and Wynn Resorts (casino resorts in Las Vegas and Macau).

In addition, Dollar Tree (US discount store chain operator) was sold on concerns regarding the acquired Family Dollar business, but later repurchased as we saw evidence of improvement at these stores. NetEase was initiated in the period, then sold on weaker than expected sales.

Outlook

DSM continues to expect an extended, slow-growth global economic cycle driven by low inflation and low interest rates. Our multi-year outlook of stable 3% global growth remains unchanged and we continue to believe that this will prove to be a longer, albeit slower, global growth cycle than the majority of previous growth periods. In our view, if President Trump moves forward with pro-growth income tax cuts, corporate tax reform, eased regulatory restrictions, repatriation of capital trapped abroad and pragmatic energy policies, US economic growth may improve thereby providing a boost to global growth.

It appears to us that growth in the United States will remain in the 2%+ range, while Europe can grow 1% to 2%, with China continuing in the mid-single digits and Japan approximating 1%. The economic outlook has improved globally, as employment worldwide continues to grow, reinforcing the underpinnings of a sustained upcycle in global growth. With inflation in the US recently exhibiting some signs of inching upward, we think the Federal Reserve is likely to raise rates in December. Should such statistics continue to show strength into 2018, we suspect that two, or possibly three rate increases are possible next year, especially if Trump's growth-inducing tax cuts are passed by Congress.

Chinese economic growth continues in the 6% range, resulting in solid corporate profits, particularly in the non-financial industries. Standard & Poor's knocked China's debt rating down by one notch, even as cities throughout China have created additional real estate purchasing limits in order to reduce property speculation. The government also continues its ever-broader program to clean up the environment, now setting a goal for eliminating all fossil fuel vehicles, perhaps within 20 years. Of note, some analysts believe that Chinese-made electric cars already account for over 40% of the global market.

The economic outlook in Europe has certainly improved over the course of 2017, although growth remains restrained versus prior growth cycles. The ECB is focused on inflation reaching a level of 2%, before acting to tighten in order to reduce excess liquidity in the system. Although deflation has receded as a risk, with inflation remaining dormant, the bank's accommodative policy will likely remain unchanged for some time. European business confidence is quite strong, as manufacturing indices globally accelerate. In the UK, although worries over Brexit persist, business' hiring and investment plans remain stable if not solid. In Japan, economic growth and corporate profits have accelerated due to solid exports, construction, consumer and investment spending and a growing tourist industry. However, inflation remains below the Bank of Japan's 2% target, causing the BOJ to make clear that even with economic expansion, inflation remains too low to consider a change in the current quantitative easing policy.

The portfolio remains focused on unique businesses that have been identified, and are continuously subject to analysis by our investment team. The portfolio holdings remain characterized by strong balance sheets and significant free cash flow, and we continue to project a mid-to-high teens earnings growth rate through 2021. In our view, given the superior predictable-quality-growth of the portfolio, we believe the Sub-Fund's valuation is quite attractive.

Although several well-publicized macro and geopolitical risks remain of concern to investors, the positive scenario of moderate global inflation, low interest rates, an extended-steady/slow global economic growth cycle, growing global corporate earnings, normal global market valuations given a low-inflation world and an improving and increasingly stable global financial system, as well as the possibility of US tax reform, continues to form the foundation of an upwardly driven global equity market. "Bull markets climb a wall of worry" and we continue to expect that global equity markets will trend higher.

Hereford Funds

Report on activities of the Board of Directors (continued)

Hereford Funds - DGHM US All-Cap Value Fund

The investment manager, Dalton, Greiner, Hartman, Maher & Co., LLC, commented as follows:

Outlook

Our market outlook continues to be similar to what we have espoused in these letters over the last several years. The US economy continues to grow, albeit slowly. One positive change is that for the first time in a number of years, most regions around the world are experiencing growth. The valuation of the market is more or less slightly above the midpoint of its historical range. In this current environment, we believe US stocks will continue to grow their sales and earnings with the potential to see acceleration in both given the favourable back drop. The US consumer is healthy, jobs are steadily being added, wages are going up, US banks are well capitalized with no apparent credit concerns, housing is beginning to see a pick up, and government outlays are growing. Another change as a result of all of these positive economic factors is the Federal Reserve has begun to raise interest rates. Our market view would only change, all else being equal, if higher rates were to negatively impact the US economy to the extent that they cause a recession. Given the low level of rates, we do not see this as a near term concern. Historically, the market has done well in a rising interest rate environment as long as rates are at a reasonably low level and the rise is gradual.

The list of market worries that continually make headlines or are endlessly debated on TV is also familiar. The list this year includes North Korea, US tax cuts, US healthcare, trade wars, Brexit, Italian Banks, China imploding, turmoil in the Middle East, and the US economy slipping back into a recession et cetera. We believe that these issues have been discounted in the market. With all of that being said, our investment process is based upon bottom-up analysis of individual stocks. While we are cognizant of the economic and political backdrop and understand its implications for individual stocks, it is not where we start our analysis. We let our process determine the stocks we should be conducting research on, and factor in macroeconomic conditions. Thus we believe we can outperform regardless of the market outlook, as our record in both up and down markets shows.

Review

The Compartment's underperformance during the past fiscal year was driven by the Energy, Miscellaneous Financials, and Retail sectors. Energy was weak due to QEP Resources (-53%). This stock lagged due to weaker oil prices and weak well results in its Permian Basin shale assets. Miscellaneous Financials underperformed as the stocks we own did not keep up with the stocks in the benchmark. This was the strongest sector in the Russell 3000 Value during this time period and it is populated with high beta names. Retail was weak due to Dick's Sporting Goods (-36%). This stock was down in a difficult retail environment from online disintermediation. We have exited our positions in both QEP Resources and Dick's Sporting Goods. We continue to hold all of our names in Miscellaneous Financials.

Sectors that added value to performance were led by Banks, Technology, and Capital Goods. In Banks, all three of our names contributed and did well due to the anticipation of increasing margins from higher interest rates. Technology was led by Check Point Software (+47%). This stock outperformed due to strong demand for its security offerings. Capital Goods was led by AGCO Corp. (+47%). This stock was up due to increased demand for its farm equipment products.

Conclusion

Given our approach of applying upper and lower sector bands versus the Russell 3000 Value benchmark, there are no significant sector over- or under-weightings at this time. While we do not make large sector bets, we do take large active positions in stocks. This is by design, so our performance will always be driven by stock selection as opposed to sector weightings. We believe our past results demonstrate that our added value is in stock-picking.

Hereford Funds

Report on activities of the Board of Directors (continued)

It is important to understand that we will not outperform every quarter and every year. Our process and continuity has stood the test of time across various cycles. We will not overreact and chase the latest flavor of the day. We invest for the long run using a risk-controlled, systematic process, and we want our clients to be with us for the long run as well.

Hereford Funds - DGHM US MicroCap Value Fund

The investment manager, Dalton, Greiner, Hartman, Maher & Co., LLC, commented as follows:

Performance

The Hereford Funds DGHM US MicroCap Value Fund returned a solid 22.2% since its inception on November 17th, 2016. These results compare favorably versus both our benchmarks: the Russell Microcap Value (+17.4%) and the Russell 2000 Value (+12.4%) indices. Additionally, we compare favorably versus the broad small-cap index: The Russell 2000, which returned 15.2% for the since inception time period.

Attribution Review

Let's look at what drove performance in the since inception time period. The outperformance was broad based as 13 of 17 sectors outperformed. While stock selection drove the outperformance, cash was a slight drag given the market's strong appreciation. The leading sectors were: Healthcare, Capital Goods, and Banks. **Cutera**, a medical device laser aesthetics company, was the fund's strongest performer achieving a +182% return and driving the outperformance in the Healthcare sector. Cutera benefited from the successful introduction of a new body sculpting device which drove robust sales and incremental margins. Capital Goods benefited from **Sterling Construction** (+92%), a western heavy civil construction firm that builds roads and bridges in the western US. Sterling is seeing an improvement in states' budgets, better project execution, and expansion into higher margin adjacencies. The company also stands to benefit from the recent hurricane affecting the Houston area. Our Bank outperformance was broad based and benefited from the expectation of higher interest rates, lower corporate taxes, and deregulation. Our best performing bank was **Marlin Business Services** (+47%), which had strong origination volume led by equipment financing.

Detracting from the fund's performance during the time period were Retail, Real Estate, and Miscellaneous Financials. **Francesca's Holdings** (-59%), a vertically integrated fashion boutique, underperformed due to weak same-store sales and general malaise in the Retail sector. We continue to like the stock given its proven track record of successfully growing square footage, industry leading profitability, and depressed valuation at 3x EBITDA. Real Estate was weak due to **Ramco-Gershenson** (-18%), a retail-focused REIT, that was punished due to its exposure to mall-based retailing. We find this story to be somewhat misunderstood given its high occupancy and growing rents. We continue to hold the stock as it trades at a substantial discount to NAV and carries a hefty 7% dividend yield. In Miscellaneous Financials, **Greenhill** (-30%), a boutique investment bank, was weak during the quarter due to softer global M&A volume. The stock rallied towards the end of the quarter as management is undergoing a leveraged recapitalization whereby it will repurchase up to 30% of its outstanding shares.

Characteristics

The portfolio ended the year with 61 stocks with a median market capitalization of \$600 million. Portfolio characteristics exhibit higher returns, stronger growth, materially better balance sheets, all at lower valuations versus both our relevant benchmarks.

Chart 1
Portfolio Characteristics as of 30th September 2017

	DGHM	Russell	Russell
	MicroCap Value	Microcap Value	2000 Value
Valuation			
EV/EBITDA ⁽¹⁾	10.6x	13.2x	11.6x
Free Cash Flow Yield	3.2%	1.2%	3.1%
Profitability & Growth			
EBITDA ROA (Ex. cash)	14.5%	9.0%	10.4%
Last 12 Months ROE	9.1%	5.7%	7.3%
YOY Change in Sales/Share	5.0%	0.6%	2.5%
Balance Sheet			
Net Debt/Total Capital	23.5%	20.1%	28.8%
EBITDA/Interest Expense	12.0x	4.7x	6.2x

⁽¹⁾ EV/EBITDA means Enterprise Value divided by Earnings Before Interest, Taxes, Depreciation and Amortization. Our definition of Enterprise Value is market capitalization plus debt plus other long-term liabilities minus cash.

Outlook

The portfolio delivered strong results during its inaugural since inception time period despite strategy headwinds as growth has dramatically outperformed value. In fact, the spread since the beginning of the fiscal year between the Russell 2000 Growth and Russell 2000 Value has widened to approximately 11%. This is the largest spread between growth and value since 2000. September marked the first month in which we saw a reversal of this trend as the White House introduced its tax reform plan. While US equity valuations appear elevated, they are not excessive, and fundamentals among many of our sectors appear healthy. Solid earnings growth and low yields are supportive of equity markets while heightened geopolitical risks are a clear negative. We are finding interesting, off-the-radar names in Real Estate, Technology, Healthcare, and Capital Goods, while we remain underweight Utilities and Bank stocks. While the portfolio has done quite well, we are not resting on our laurels, but rather looking to pare back those stocks that look dear to us and replace them with more attractive opportunities. We also believe our quality bias of investing in companies with robust balance sheets will help mitigate potential downside risk should fundamentals weaken. As always, we appreciate the support you have shown us and will work diligently putting your capital to work.

Hereford Funds - FIRTH ASIAN Value Fund

Review

For the period 30 September 2016 to 30 September 2017, the Hereford Funds – Firth Asian Value Fund gained 10.7%. By comparison, the compartment's benchmark, the MSCI AC Asia ex Japan Small Cap Net USD index gained 12.8% and the MSCI AC Asia ex Japan USD Net index (which tracks large- and mid-cap stocks) gained 22.7%. It has failed to keep up with both benchmarks in a rising market. Our focus on "value" has depressed returns compared to the benchmark, and this effect was magnified in the larger stock arena so that exceptional returns from technology stocks in particular dominated the gains made by the large cap index. There are some signs that this effect may have reached a zenith.

Report on activities of the Board of Directors (continued)

2017 has been stronger in Asia as valuations in the region have followed a long bull market in the US and a more recent version in Europe.

Throughout the period investments have been made in accordance with the compartment's objectives and our value-investing approach in smaller capitalisation stocks listed in Asia ex Japan's equity markets. As of 30th September 2017 the portfolio was invested in 55 stocks, three less than as at the previous year-end. As a result of portfolio changes and market movements, exposure to Indonesia and Singapore has risen at the expense of a lower weighting in Thailand and zero in Malaysia and Vietnam. The cash position was 7%, similar to the position a year earlier and in line with our medium term preference of 5-10%.

Performance

Returns from Asia ex-Japan small cap stocks relative to the rest of the Asia ex-Japan equity universe have been unusually poor in the last year. In addition to poor small cap returns, returns from our own approach have lagged. While we have had no substantial "losers" we have not had enough "winners" to outweigh the typically less volatile nature of the stocks in the portfolio.

Amongst the portfolio's holdings, sources of disappointment have been in the retail sector, Indonesia and the Philippines. In the case of Indonesia, the economy has failed to re-accelerate and this has held back three of our cyclically-exposed holdings.

But relative returns are also a function of what is not in the portfolio, in other words, the opportunities missed. In turn this is largely a function of how we select stocks and build the portfolio. Four countries outperformed the small cap index, these were India, Thailand, Taiwan and China. The strongest sector by a very wide margin was IT. Taiwan has one of the largest weightings in the small cap index and IT stocks make up a large component of Taiwan small cap. This dominance by IT is unusual. But it is in these areas that the missed opportunities will be found.

In the case of India, our stock screen has consistently indicated that we should not be heavily exposed. India has a persistently higher valuation level compared with other markets. Also, despite India's different macro-economic dynamics compared with the rest of the region, it appears highly correlated with the direction of Asian equity markets. The link is the importance of foreign capital flows to the local equity market, where foreign buyers and sellers seem to be a major swing factor. When Asian and emerging market equities are in a bull phase, India tends to do even better and the converse in a bear phase.

In the case of IT, although our screen, in hindsight, correctly pointed towards opportunities in the sector in the first half of 2016, we have tended to find it difficult to translate these into portfolio investments. A large part of small cap IT is cyclical manufacturing, where companies have significant customer concentration risk, tend not to have significant competitive advantages and barriers to entry and are also highly sensitive to currency trends and other macro-economic changes. In hindsight, it is likely that the recent performance of IT stocks has been driven by a recovering global economy, the impact of the Apple/ smartphone product cycle and strong demand for semiconductors.

We put great store in being able to understand our investments and to not being at an information disadvantage compared to other market participants. IT businesses can be complex, giving insiders and connected parties a significant information advantage. The Taiwan stock exchange mandates the disclosure of monthly sales data. Our observation is that this can create extra volatility as each monthly data point creates trading opportunities.

Outlook

Looking ahead it is interesting that our stock screens are now pointing us away from the IT sector, Taiwan and India. For example, 62% of IT stocks in our universe are now priced above the average of their price to book ratios over the last five years. The comparable number for our whole universe is 45%.

Hereford Funds

Report on activities of the Board of Directors (continued)

It is not part of our process to take strong views on market direction or the macro-economic cycle into the decisions for the compartment. The portfolio is built predominantly at the stock level. Our approach to stock selection is to invest in stocks which offer value and positive change. A strong balance sheet, ability to self-finance from internal cash flow, dividends and lower valuations have been, and will continue to be, key components of our investment process. The changing cyclical and structural environment in Asia allied to change amongst listed companies should continue to provide the compartment with positive investment opportunities in the year ahead.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Review

For the period 1 October 2016 to 30 September 2017 the Hereford Funds - Firth Asian Systematic Equities Fund gained 21.0%. By comparison, the compartment's benchmark, the MSCI AC Asia ex Japan USD Net index gained 22.7%. The fund has generated a return close to the benchmark, but with lower volatility and has performed in line with expectations prior to the launch. In a rapidly rising market our "value" bias limited gains but the risk control function ensured that exposure to the IT sector remained sufficiently high to capture much of the strong growth driving markets this year.

Throughout the period investments have been made in accordance with the compartment's objectives and our systematic approach in stocks listed in Asia ex Japan's equity markets. As of 30th September 2017 the portfolio was invested in 132 stocks, whereas 100 were held at 30th September 2016. The higher level is likely to remain typical in future. Portfolio rebalancing is conducted monthly and turnover is likely to be c.100% per annum. The structure of the portfolio by country and sector was stable. Country and sector weightings have not changed materially. The cash position was 1%, in line with an objective of full investment at all times.

Outlook

The Hereford Funds - Firth Asian Systematic Equities Fund is specifically designed to manage Asian cycle risk, by dampening its volatility through variation of the portfolio beta. Uniquely, this process is driven by analysis of the stock fundamentals rather than the macro environment itself. In addition, the process emphasises diversification as a key driver of portfolio construction, and historic testing provides evidence of the success of that strategy over the long run. The strategy has been engineered to generate expected outperformance through the cycle. Unless an investor is able to identify and trade regime shifts in the cycle before they occur, we believe a high level of portfolio diversification is critical to inter-cycle performance. That diversity of holdings is evident in the broad range of holdings of the portfolio across countries and sectors.

With respect to recent performance, several factors have dominated the 2017 surge in Asian stock market returns. First, gains have been dominated by the Tech sector, approximately half of total returns for the market were generated by this sector over the September year. In addition, the sector itself has been dominated by four large companies, Tencent, Alibaba, Samsung Electronics and Taiwan Semiconductor (TSMC). This is similar to the dominance of "FANG" stocks in the US market. Secondly, factor performance has been increasingly dominated by sentiment, with less attention paid to price, another typical trend associated with late stage bull markets. Thirdly, our portfolio beta has been declining, a trend which suggests that market risk is building and the strategy's automatic stabiliser is adjusting the portfolio beta accordingly. We believe that markets will adjust to take more account of the fundamental factors which drive returns over the long term, and that our strategy will benefit as a result.

Luxembourg, 22nd December 2017

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

Report of the réviseur d'entreprises agréé

To the Shareholders of
Hereford Funds

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hereford Funds (the "Fund") and of each of its compartments, which comprise the statement of net assets and the statement of investments and other net assets as at 30th September 2017 and the statement of operations and other changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Hereford Funds and of each of its compartments as at 30th September 2017, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23rd July 2016 on the audit profession (Law of 23rd July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report of the réviseur d'entreprises agréé (continued)

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regards.

Responsibilities of the Board of Directors of the Fund for the Financial Statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23rd July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Report of the réviseur d'entreprises agréé (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Nicolas Hennebert, *Réviseur d'Entreprises Agréé*
Partner

22nd December 2017

Hereford Funds

Combined statement of net assets (in USD)

as at 30th September 2017

Assets

Securities portfolio at market value	227,796,356.80
Cash at banks	8,272,215.54
Formation expenses, net	15,437.59
Receivable on sales of securities	730,306.50
Receivable on treasury transactions	371.77
Receivable on issues of shares	4,703.69
Income receivable on portfolio	211,448.41
Interest receivable on bank accounts	288.03
Other receivables	53,479.33
Prepaid expenses	46,808.00
Total assets	237,131,415.66

Liabilities

Bank overdrafts	1.92
Payable on purchases of securities	1,427,639.13
Payable on treasury transactions	1,100.27
Payable on redemptions of shares	953,092.83
Expenses payable	1,037,351.86
Total liabilities	3,419,186.01
Net assets at the end of the year	233,712,229.65

The accompanying notes are an integral part of these financial statements.

Hereford Funds

Combined statement of operations and other changes in net assets (in USD)

from 1st October 2016 to 30th September 2017

Income

Dividends, net	2,931,481.11
Interest on bank accounts	41,330.07
Total income	2,972,811.18

Expenses

Advisory fees	2,552,118.15
Performance fees	53,158.86
Banking charges and other fees	3,310.77
Transaction fees	347,834.48
Central administration costs	2,165.84
Professional fees	49,104.23
Other administration costs	640,002.45
Subscription duty ("taxe d'abonnement")	14,410.74
Other taxes	8,534.06
Bank interest paid	164.84
Other expenses	57,835.15
Total expenses	3,728,639.57

Net investment loss	-755,828.39
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Net realised gain/(loss)

- on securities portfolio	18,928,178.18
- on forward foreign exchange contracts	-305.56
- on foreign exchange	-7,029.70
Realised result	18,165,014.53

Net variation of the unrealised gain/(loss)

- on securities portfolio	21,604,105.92
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Result of operations	39,769,120.45
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Subscriptions	39,757,694.96
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Redemptions	-72,705,051.92
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Total changes in net assets	6,821,763.49
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Total net assets at the beginning of the year	226,890,466.16
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Total net assets at the end of the year	233,712,229.65
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - DSM US Large Cap Growth Fund

Statement of net assets (in USD) as at 30th September 2017

Assets

Securities portfolio at market value	95,163,317.62
Cash at banks	1,192,717.30
Receivable on sales of securities	643,747.32
Income receivable on portfolio	26,947.20
Other receivables	44,774.76
Prepaid expenses	21,408.22
Total assets	97,092,912.42

Liabilities

Payable on purchases of securities	378,182.00
Payable on redemptions of shares	940,500.00
Expenses payable	463,112.42
Total liabilities	1,781,794.42
Net assets at the end of the year	95,311,118.00

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
A	238,744.003	USD	207.56	49,552,882.78
B	213,492.323	USD	144.32	30,811,257.27
C	6,312.102	USD	177.86	1,122,643.45
D	28,183.443	USD	330.29	9,308,648.07
U	20,871.141	USD	216.36	4,515,686.43
				95,311,118.00

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DSM US Large Cap Growth Fund

Statement of operations and other changes in net assets (in USD)

from 1st October 2016 to 30th September 2017

Income

Dividends, net	376,186.20
Interest on bank accounts	6,783.17
Total income	382,969.37

Expenses

Advisory fees	1,063,278.88
Performance fees	44,464.87
Banking charges and other fees	31.99
Transaction fees	78,038.95
Professional fees	20,602.25
Other administration costs	280,819.16
Subscription duty ("taxe d'abonnement")	5,271.64
Other expenses	15,831.41
Total expenses	1,508,339.15

Net investment loss	-1,125,369.78
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Net realised gain/(loss)

- on securities portfolio	11,610,554.53
- on foreign exchange	-319.78
Realised result	10,484,864.97

Net variation of the unrealised gain/(loss)

- on securities portfolio	12,171,895.48
Result of operations	22,656,760.45

Subscriptions	9,754,587.46
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Redemptions	-37,291,466.96
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Total changes in net assets	-4,880,119.05
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Total net assets at the beginning of the year	100,191,237.05
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Total net assets at the end of the year	95,311,118.00
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - DSM US Large Cap Growth Fund

Statistical information (in USD)

as at 30th September 2017

Total net assets	Currency	30.09.2015	30.09.2016	30.09.2017
	USD	107,188,174.87	100,191,237.05	95,311,118.00
Net asset value per share	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	152.61	165.89	207.56
B	USD	104.61	114.54	144.32
C	USD	136.90	148.50	177.86
D	USD	245.51	265.43	330.29
U	USD	159.09	172.93	216.36
Annual performance per share (in %)	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	5.9	8.7	25.12
B	USD	6.5	9.5	26.00
C	USD	2.2	8.5	19.77
D	USD	5.4	8.1	24.44
U	USD	5.9	8.7	25.11
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	280,477.685	19,862.809	-61,596.491	238,744.003
B	340,706.982	34,585.827	-161,800.486	213,492.323
C	11,475.289	-	-5,163.187	6,312.102
D	29,901.623	7,070.392	-8,788.572	28,183.443
U	28,899.044	-	-8,027.903	20,871.141
TER per share as at 30.09.2017	Performance fee ratio (in %)	TER with performance fee ratio (in %)		
A	-	1.64		
B	-	0.93		
C	4.11	5.55		
D	-	2.18		
U	-	1.64		

Annual returns were calculated for the last 3 consecutive financial years. For compartments / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DSM US Large Cap Growth Fund

Statement of investments and other net assets (in USD)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	52,350	Abbott Laboratories	2,448,337.55	2,793,396.00	2.93
USD	28,400	Adobe Systems Inc	2,487,546.59	4,236,712.00	4.44
USD	23,860	Alexion Pharmaceuticals Inc	3,071,539.46	3,347,319.40	3.51
USD	43,625	Alibaba Group Holding Ltd ADR repr 1 Share	4,340,470.28	7,534,473.75	7.90
USD	7,850	Allergan Plc	2,059,078.79	1,608,857.50	1.69
USD	6,146	Alphabet Inc A	2,536,516.40	5,984,483.12	6.28
USD	6,550	Becton Dickinson & Co	1,267,442.17	1,283,472.50	1.35
USD	3,325	BlackRock Inc	1,439,670.72	1,486,574.25	1.56
USD	85,125	Charles Schwab Corp	2,821,806.76	3,723,367.50	3.91
USD	21,000	Dollar Tree Inc	1,719,106.61	1,823,220.00	1.91
USD	30,200	Electronic Arts Inc	2,360,061.34	3,565,412.00	3.74
USD	45,125	Facebook Inc A	3,849,414.01	7,710,508.75	8.09
USD	19,850	Kansas City Southern	1,817,012.09	2,157,298.00	2.26
USD	53,500	Microsoft Corp	3,701,845.84	3,985,215.00	4.18
USD	72,400	Monster Beverage Corp	2,733,285.32	4,000,100.00	4.20
USD	55,400	Norwegian Cruise Line Hgs Ltd	3,048,224.58	2,994,370.00	3.14
USD	35,775	PayPal Holdings Inc	1,637,295.42	2,290,673.25	2.40
USD	2,410	Priceline Group Inc (The)	2,942,151.54	4,412,276.20	4.63
USD	11,900	Regeneron Pharmaceuticals Inc	4,490,367.12	5,320,728.00	5.58
USD	7,265	Rockwell Collins Inc	769,623.31	949,608.15	1.00
USD	36,575	Royal Caribbean Cruises Ltd	3,012,536.60	4,335,600.50	4.55
USD	343,500	Sirius XM Hgs Inc	1,446,596.03	1,896,120.00	1.99
USD	143,850	Tencent Holdings Ltd unspons ADR repr 1 Share	1,910,581.48	6,317,172.75	6.63
USD	6,700	Toronto Dominion Bank (The)	364,896.07	377,009.00	0.40
USD	43,850	Visa Inc A	2,333,044.17	4,614,774.00	4.84
USD	13,050	Wynn Resorts Ltd	1,468,936.60	1,943,406.00	2.04
USD	70,125	Zoetis Inc A	3,301,127.11	4,471,170.00	4.69
Total investments in securities			65,378,513.96	95,163,317.62	99.84
Cash at banks				1,192,717.30	1.25
Other net assets/(liabilities)				-1,044,916.92	-1.09
Total				95,311,118.00	100.00

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DSM US Large Cap Growth Fund

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

Software and services	41.26 %
Pharmaceuticals and biotechnology	18.40 %
Diversified financial services	14.62 %
Hotels, restaurants and leisure	9.73 %
Retailing	4.63 %
Food, beverage and tobacco	4.20 %
Transportation	2.26 %
Media	1.99 %
Health care equipment and services	1.35 %
Capital goods	1.00 %
Banks	0.40 %
Total	<u>99.84 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	75.53 %
Cayman Islands	14.53 %
Liberia	4.55 %
Bermuda	3.14 %
Ireland	1.69 %
Canada	0.40 %
Total	<u>99.84 %</u>

Hereford Funds - DGHM US All-Cap Value Fund

Statement of net assets (in USD)

as at 30th September 2017

Assets

Securities portfolio at market value	87,727,007.66
Cash at banks	3,851,132.22
Income receivable on portfolio	71,188.58
Other receivables	5,654.55
Prepaid expenses	16,062.51
Total assets	91,671,045.52

Liabilities

Expenses payable	333,384.18
Total liabilities	333,384.18
Net assets at the end of the year	91,337,661.34

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
A	65,932.550	USD	226.25	14,917,413.15
B	501,050.805	USD	141.02	70,658,641.13
D	31,943.376	USD	180.37	5,761,607.06
				91,337,661.34

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US All-Cap Value Fund

Statement of operations and other changes in net assets (in USD)

from 1st October 2016 to 30th September 2017

Income

Dividends, net	1,203,270.64
Interest on bank accounts	17,391.82
Total income	1,220,662.46

Expenses

Advisory fees	939,686.97
Transaction fees	146,316.74
Central administration costs	2,165.84
Professional fees	18,975.18
Other administration costs	200,113.12
Subscription duty ("taxe d'abonnement")	4,664.35
Other expenses	13,121.04
Total expenses	1,325,043.24

Net investment loss	-104,380.78
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Net realised gain/(loss)

- on securities portfolio	4,863,525.32
- on foreign exchange	-1,058.11
Realised result	4,758,086.43

Net variation of the unrealised gain/(loss)

- on securities portfolio	6,594,979.12
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Result of operations	11,353,065.55
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Subscriptions	8,534,667.73
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Redemptions	-16,913,695.54
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Total changes in net assets	2,974,037.74
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Total net assets at the beginning of the year	88,363,623.60
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Total net assets at the end of the year	91,337,661.34
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US All-Cap Value Fund

Statistical information (in USD)

as at 30th September 2017

Total net assets	Currency	30.09.2015	30.09.2016	30.09.2017
	USD	199,538,286.25	88,363,623.60	91,337,661.34
Net asset value per share	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	177.79	201.11	226.25
B	USD	109.70	124.77	141.02
D	USD	143.26	161.21	180.37
Annual performance per share (in %)	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	-5.7	13.1	12.50
B	USD	-5.3	13.7	13.02
D	USD	-6.2	12.5	11.89
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	66,194.605	6,735.499	-6,997.554	65,932.550
B	574,321.376	38,000.000	-111,270.571	501,050.805
D	21,045.488	14,466.806	-3,568.918	31,943.376
TER per share as at 30.09.2017				(in %)
A				1.64
B				1.18
D				2.18

Annual returns were calculated for the last 3 consecutive financial years. For compartments / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US All-Cap Value Fund

Statement of investments and other net assets (in USD)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	66,820	Abbott Laboratories	2,635,982.85	3,565,515.20	3.90
USD	31,392	AGCO Corp	1,644,565.99	2,315,787.84	2.54
USD	209,790	Allscripts Healthcare So Inc	2,629,411.12	2,985,311.70	3.27
USD	32,980	Analog Devices Inc	1,657,975.51	2,841,886.60	3.11
USD	4,483	Brighthouse Financial Inc Reg	264,186.27	272,566.40	0.30
USD	171,393	Brookdale Sen Living Inc	2,440,685.05	1,816,765.80	1.99
USD	117,578	Cabot Oil & Gas Corp	2,835,867.80	3,145,211.50	3.44
USD	24,432	Check Point Software Tec Ltd	2,004,546.82	2,785,736.64	3.05
USD	87,869	Cisco Systems Inc	2,608,479.44	2,955,034.47	3.23
USD	53,393	CIT Group Inc	2,295,115.43	2,618,926.65	2.87
USD	27,373	Eastman Chemical Co	2,139,781.55	2,476,982.77	2.71
USD	29,681	Edgewell Pers Care Co	2,257,011.85	2,159,886.37	2.36
USD	22,301	Edison Intl	1,545,760.37	1,720,968.17	1.88
USD	85,450	Gap Inc	2,041,301.82	2,523,338.50	2.76
USD	37,430	Healthsouth Corp	1,688,433.61	1,734,880.50	1.90
USD	73,255	Invesco Ltd	2,247,673.85	2,566,855.20	2.81
USD	22,880	J.M. Smucker Co	2,682,366.54	2,400,798.40	2.63
USD	40,131	JPMorgan Chase & Co	2,178,649.36	3,832,911.81	4.20
USD	59,153	Masco Corp	2,215,812.67	2,307,558.53	2.53
USD	49,315	Metlife Inc	2,410,659.33	2,561,914.25	2.80
USD	77,037	National Oilwell Varco Inc	2,581,721.32	2,752,532.01	3.01
USD	33,753	Owens Corning Inc	1,809,727.11	2,610,794.55	2.86
USD	21,367	PNC Financial Serv Group	1,843,152.90	2,879,630.59	3.15
USD	31,405	Prudential Financial Inc	2,461,228.23	3,338,979.60	3.66
USD	25,774	Regal Beloit Corp	1,786,347.10	2,036,146.00	2.23
USD	143,764	Regions Financial Corp	1,291,530.49	2,189,525.72	2.40
USD	19,272	RenaissanceRe Holdings Ltd	2,281,983.69	2,604,418.08	2.85
USD	89,006	Smith & Nephew Plc spons ADR repr 2 Shares	3,091,791.64	3,239,818.40	3.55
USD	89,156	Suncor Energy Inc	2,691,664.59	3,123,134.68	3.42
USD	46,905	Suntrust Banks Inc	1,694,407.37	2,803,511.85	3.07
USD	85,400	Twenty-First Century Fox Inc B	2,484,756.67	2,202,466.00	2.41
USD	21,250	Union Pacific Corp	2,103,891.88	2,464,362.50	2.70
USD	32,602	Williams-Sonoma Inc	1,477,289.95	1,625,535.72	1.78
USD	51,835	Xcel Energy Inc	2,021,254.20	2,452,832.20	2.69
Total shares			72,045,014.37	85,912,525.20	94.06
Closed-ended investment funds					
USD	44,191	Liberty Property Trust	1,534,998.80	1,814,482.46	1.99
Total closed-ended investment funds			1,534,998.80	1,814,482.46	1.99
Total investments in securities			73,580,013.17	87,727,007.66	96.05
Cash at banks				3,851,132.22	4.22
Other net assets/(liabilities)				-240,478.54	-0.27
Total				91,337,661.34	100.00

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US All-Cap Value Fund

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

Banks	15.69 %
Health care equipment and services	10.71 %
Capital goods	10.16 %
Energy	9.87 %
Insurance	9.61 %
Technology hardware and equipment	6.34 %
Utilities	4.57 %
Retailing	4.54 %
Pharmaceuticals and biotechnology	3.90 %
Software and services	3.05 %
Diversified financial services	2.81 %
Raw materials	2.71 %
Transportation	2.70 %
Food, beverage and tobacco	2.63 %
Media	2.41 %
Household and personal products	2.36 %
Real estate funds	1.99 %
Total	<u>96.05 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	80.37 %
Bermuda	5.66 %
United Kingdom	3.55 %
Canada	3.42 %
Israel	3.05 %
Total	<u>96.05 %</u>

Hereford Funds - DGHM US MicroCap Value Fund

Statement of net assets (in USD)

as at 30th September 2017

Assets

Securities portfolio at market value	6,971,884.03
Cash at banks	465,671.28
Formation expenses, net	11,723.71
Receivable on sales of securities	8,905.13
Income receivable on portfolio	5,309.76
Other receivables	397.30
Prepaid expenses	1,027.50
Total assets	7,464,918.71

Liabilities

Payable on purchases of securities	823,729.23
Expenses payable	38,289.64
Total liabilities	862,018.87
Net assets at the end of the year	6,602,899.84

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
L	54,044.519	USD	122.18	6,602,899.84
				6,602,899.84

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US MicroCap Value Fund

Statement of operations and other changes in net assets (in USD)

from 18th November 2016 to 30th September 2017

Income

Dividends, net	55,858.68
Interest on bank accounts	2,430.58
Total income	58,289.26

Expenses

Advisory fees	53,266.29
Banking charges and other fees	93.92
Transaction fees	31,528.33
Professional fees	1,102.90
Other administration costs	19,513.74
Subscription duty ("taxe d'abonnement")	669.07
Other expenses	3,371.83
Total expenses	109,546.08

Net investment loss	-51,256.82
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Net realised gain/(loss)

- on securities portfolio	278,501.02
- on foreign exchange	-273.19
Realised result	226,971.01

Net variation of the unrealised gain/(loss)

- on securities portfolio	952,942.91
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Result of operations	1,179,913.92
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Subscriptions	5,982,152.18
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Redemptions	-559,166.26
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Total changes in net assets	6,602,899.84
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Total net assets at the beginning of the year	-
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Total net assets at the end of the year	6,602,899.84
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US MicroCap Value Fund

Statistical information (in USD)

as at 30th September 2017

Total net assets	Currency				30.09.2017
	USD				6,602,899.84
Net asset value per share	Currency				30.09.2017
L	USD				122.18
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year	
L	-	59,055.291	-5,010.772	54,044.519	
TER per share as at 30.09.2017					(in %)
L	*				1.47

* annualized TER

Annual returns were calculated for the last 3 consecutive financial years. For compartments / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets (in USD)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
USD	2,168	Almost Family Inc	98,427.24	116,421.60	1.76
USD	7,918	American Software Inc A	85,614.29	89,948.48	1.36
USD	5,407	ARK Restaurants Corp	120,484.79	128,956.95	1.95
USD	3,292	Artesian Resources Corp A	113,715.52	124,437.60	1.89
USD	4,427	BankFinancial Corp	63,734.07	70,345.03	1.07
USD	227	Biglari Holdings Inc	101,360.80	75,656.83	1.15
USD	518	Cavco Industries Inc	48,555.83	76,430.90	1.16
USD	6,624	CBIZ Inc	85,420.07	107,640.00	1.63
USD	3,178	CoBiz Financial Inc	49,130.26	62,415.92	0.95
USD	1,412	Community Trust Bancorp Inc	59,385.35	65,658.00	1.00
USD	4,568	Continental Building Prod Inc	103,237.69	118,768.00	1.80
USD	5,067	Core Molding Technology Inc	83,282.09	111,169.98	1.68
USD	2,205	Cutera Inc	33,369.51	91,176.75	1.38
USD	3,760	EMC Insurance Group Inc	106,345.81	105,844.00	1.60
USD	3,768	Employers Holdings Inc	136,830.21	171,255.60	2.59
USD	3,081	First Bancorp	75,025.61	106,017.21	1.61
USD	3,409	First Community Bancshares Inc	97,725.80	99,235.99	1.50
USD	7,024	Fly Leasing Ltd spons ADR repr 1 Share	95,517.75	98,476.48	1.49
USD	11,056	Francesca's Holdings Corp	158,457.13	81,372.16	1.23
USD	4,262	Greenhill & Co Inc	93,459.24	70,749.20	1.07
USD	2,423	Handy & Harman Ltd	54,941.49	78,868.65	1.20
USD	17,714	Healthsouth Corp	822,902.10	821,043.90	12.44
USD	2,765	HomeTrust Bancshares Inc	66,284.91	70,922.25	1.07
USD	2,429	Hurco Cos Inc	77,606.97	101,046.40	1.53
USD	1,748	Innophos Holdings Inc	79,497.17	85,984.12	1.30
USD	1,229	Johnson Outdoors Inc A	42,800.34	90,061.12	1.36
USD	4,116	Kimball Electronics Inc	67,229.27	89,111.40	1.35
USD	4,429	Kimball Intl Inc B	74,208.60	87,561.33	1.33
USD	4,940	Kulicke & Soffa Industries Inc	74,465.32	106,555.80	1.61
USD	1,324	LHC Group Inc	57,773.72	93,898.08	1.42
USD	2,261	MainSource Financial Group Inc	70,345.81	81,079.46	1.23
USD	4,079	Marcus Corp	115,164.50	112,988.30	1.71
USD	4,348	Marlin Business Serv Corp	87,307.28	125,005.00	1.89
USD	7,037	Marten Transport Ltd	100,740.63	144,610.35	2.19
USD	2,419	National Bankshares Inc	93,124.25	108,734.05	1.65
USD	4,814	Nautilus Inc	86,781.52	81,356.60	1.23
USD	1,119	Neenah Paper Inc	95,173.58	95,730.45	1.45
USD	15,120	Newpark Resources Inc	110,396.31	151,200.00	2.29
USD	2,327	Northrim BanCorp Inc	67,429.91	81,328.65	1.23
USD	4,316	Orion Engineered Carbons SA Reg	76,178.63	96,894.20	1.47
USD	2,240	Pacific Continental Corp	43,882.46	60,368.00	0.92
USD	7,454	Park Sterling Corp	73,613.91	92,578.68	1.40
USD	2,226	Preformed Line Products Co	117,750.08	149,809.80	2.27
USD	6,168	RGC Resources Inc	105,561.13	176,219.76	2.67
USD	7,389	Ring Energy Inc	91,227.57	107,066.61	1.62
USD	3,490	Rudolf Technologies Inc	71,018.77	91,787.00	1.39
USD	4,218	SandRidge Energy Inc	74,014.99	84,739.62	1.28
USD	2,111	Sandy Spring Bancorp Inc	78,857.23	87,479.84	1.33
USD	3,881	Southwest Bancorp Inc Oklahoma	86,345.27	106,921.55	1.62
USD	3,414	SP Plus Corp	95,806.20	134,853.00	2.04
USD	9,546	Sterling Construction Inc	81,241.04	145,385.58	2.20
USD	10,031	Transcat Inc	107,253.96	136,923.15	2.07
USD	1,124	US Lime & Minerals Inc	82,860.71	94,416.00	1.43
USD	7,647	West New England Bancorp Inc Reg	64,828.11	83,352.30	1.26
Total shares			5,303,692.80	6,227,857.68	94.32

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets (in USD) (continued)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Closed-ended investment funds					
USD	1,309	Agree Realty Corp	57,877.30	64,245.72	0.97
USD	13,534	CatchMark Timber Trust Inc A	146,798.32	170,663.74	2.59
USD	11,378	City Office REIT Inc	140,955.04	156,675.06	2.37
USD	8,121	IStar Inc Dist	94,414.95	95,827.80	1.45
USD	9,903	Ramco-Gershenson Prop Trust	159,247.94	128,838.03	1.95
USD	5,808	RLJ Lodging Trust	115,954.77	127,776.00	1.94
Total closed-ended investment funds			<u>715,248.32</u>	<u>744,026.35</u>	<u>11.27</u>
Total investments in securities			<u>6,018,941.12</u>	<u>6,971,884.03</u>	<u>105.59</u>
Cash at banks				465,671.28	7.05
Other net assets/(liabilities)				-834,655.47	-12.64
Total				<u><u>6,602,899.84</u></u>	<u><u>100.00</u></u>

The accompanying notes are an integral part of these financial statements.

Hereford Funds - DGHM US MicroCap Value Fund

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

Banks	17.84 %
Health care equipment and services	17.00 %
Real estate funds	11.27 %
Raw materials	10.33 %
Capital goods	8.07 %
Commercial services and supplies	5.56 %
Energy	5.19 %
Consumer durables and apparel	5.08 %
Hotels, restaurants and leisure	4.81 %
Diversified financial services	4.45 %
Semiconductors and semiconductor equipment	4.35 %
Insurance	4.19 %
Utilities	2.67 %
Transportation	2.19 %
Software and services	1.36 %
Retailing	1.23 %
Total	<u>105.59 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	102.63 %
Bermuda	1.49 %
Luxembourg	1.47 %
Total	<u>105.59 %</u>

Hereford Funds - FIRTH ASIAN Value Fund

Statement of net assets (in USD)

as at 30th September 2017

Assets

Securities portfolio at market value	31,615,909.54
Cash at banks	2,685,913.92
Receivable on sales of securities	77,654.05
Receivable on issues of shares	4,703.69
Income receivable on portfolio	84,363.56
Interest receivable on bank accounts	277.61
Other receivables	2,237.53
Prepaid expenses	7,164.32
Total assets	34,478,224.22

Liabilities

Bank overdrafts	0.10
Payable on purchases of securities	225,727.90
Payable on treasury transactions	1,100.27
Payable on redemptions of shares	12,592.83
Expenses payable	188,613.45
Total liabilities	428,034.55
Net assets at the end of the year	34,050,189.67

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
A	182,004.370	USD	118.21	21,515,011.87
B	118,922.989	USD	105.41	12,535,177.80
				34,050,189.67

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Value Fund

Statement of operations and other changes in net assets (in USD)

from 1st October 2016 to 30th September 2017

Income

Dividends, net	1,106,851.78
Interest on bank accounts	14,265.08
Total income	1,121,116.86

Expenses

Advisory fees	478,406.40
Performance fees	511.81
Banking charges and other fees	3,111.98
Transaction fees	63,015.16
Professional fees	7,257.50
Other administration costs	121,082.31
Subscription duty ("taxe d'abonnement")	3,068.50
Bank interest paid	25.46
Other expenses	20,158.54
Total expenses	696,637.66

Net investment income	424,479.20
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Net realised gain/(loss)

- on securities portfolio	1,358,149.80
- on forward foreign exchange contracts	-283.76
- on foreign exchange	3,816.28
Realised result	1,786,161.52

Net variation of the unrealised gain/(loss)

- on securities portfolio	1,716,903.87
Result of operations	3,503,065.39

Subscriptions	14,585,051.62
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Redemptions	-17,716,983.06
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Total changes in net assets	371,133.95
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Total net assets at the beginning of the year	33,679,055.72
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Total net assets at the end of the year	34,050,189.67
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Value Fund

Statistical information (in USD)

as at 30th September 2017

Total net assets	Currency	30.09.2015	30.09.2016	30.09.2017
	USD	33,968,887.89	33,679,055.72	34,050,189.67
Net asset value per share	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	100.61	106.77	118.21
B	USD	-	-	105.41
Annual performance per share (in %)	Currency	30.09.2015	30.09.2016	30.09.2017
A	USD	-11.5	6.1	10.71
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	315,430.292	23,339.828	-156,765.750	182,004.370
B	-	118,922.989	-	118,922.989
TER per share as at 30.09.2017		Performance fee ratio (in %)	TER with performance fee ratio (in %)	
A		0.00	1.95	
B	*	0.00	1.46	
* annualized TER				

Annual returns were calculated for the last 3 consecutive financial years. For compartments / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Value Fund

Statement of investments and other net assets (in USD)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
HKD	681,000	Aeon Stores (Hong Kong) Co Ltd	1,123,821.29	511,751.49	1.50
HKD	4,784,000	Bossini Intl Hgs Ltd	431,065.26	278,661.18	0.82
HKD	1,390,000	Chen Hsong Hgs Ltd	452,516.55	409,276.24	1.20
HKD	1,404,000	Convenience Retail Asia Ltd	714,475.82	668,627.06	1.96
HKD	1,423,000	Dah Chong Hong Holdings Ltd	619,861.85	703,179.35	2.07
HKD	204,500	Fairwood Holdings Ltd	700,299.63	819,429.42	2.41
HKD	93,200	Honk Kong Aircraft Eng Co Ltd	646,340.22	612,675.14	1.80
HKD	2,964,000	Hung Hing Printing Group Ltd	529,980.93	599,527.61	1.76
HKD	234,000	Johnson Electric Holdings Ltd	700,725.50	894,198.82	2.63
HKD	741,000	Lung Kee (BM) Holdings Ltd	272,456.75	352,886.50	1.04
HKD	2,154,000	Oriental Watch Hgs Ltd	387,403.27	463,264.35	1.36
HKD	1,656,000	Pico Far East Holdings Ltd	437,527.06	693,237.40	2.04
HKD	1,006,000	Qingling Motors Co Ltd H	313,217.34	328,406.74	0.96
HKD	1,359,000	Sinotrans Ltd H	689,664.00	690,691.11	2.03
			8,019,355.47	8,025,812.41	23.58
IDR	1,247,300	Asahimas Flat Glass (PT) Tbk	669,430.28	601,824.12	1.77
IDR	3,715,500	Astra Otoparts (PT) Tbk	638,276.17	661,932.67	1.94
IDR	362,100	Indosat (PT) Tbk B	169,337.98	167,994.03	0.49
IDR	1,324,900	Lippo Cikarang (PT) Tbk	431,136.93	411,097.36	1.21
IDR	7,481,800	PT Bank Bukopin B	351,456.90	311,013.64	0.91
IDR	2,017,000	PT Link Net Tbk	761,038.77	774,821.32	2.28
IDR	1,217,700	PT XL Axiata TBK	228,737.90	338,062.67	0.99
			3,249,414.93	3,266,745.81	9.59
INR	461,970	HT Media Ltd	658,373.99	662,786.55	1.95
INR	629,756	Jammu And Kashmir Bk Ltd (The)	992,181.12	708,246.49	2.08
INR	74,635	Mphasis Ltd	516,621.25	707,038.35	2.08
INR	1,271,581	SJVN Ltd	534,003.25	629,852.18	1.85
			2,701,179.61	2,707,923.57	7.96
KRW	25,051	Fursys Inc	719,039.99	769,154.62	2.26
KRW	31,001	KT Skylife Co Ltd	411,206.39	390,498.76	1.15
KRW	100,470	Saeron Automotive Corp	692,916.75	640,686.24	1.88
			1,823,163.13	1,800,339.62	5.29
PHP	1,234,100	Asian Terminals Inc	291,957.80	263,018.45	0.77
PHP	1,152,500	Manila Water Co Inc	560,117.54	699,041.05	2.05
PHP	16,392,200	Pepsi Cola Prod Philippine Inc	1,433,792.44	960,417.54	2.82
PHP	633,000	Philippine National Bank	1,077,389.22	736,147.83	2.16
			3,363,257.00	2,658,624.87	7.80
SGD	1,739,400	Asian Pay Television Trust Units	731,838.43	730,113.77	2.14
SGD	2,086,700	Courts Asia Ltd	944,454.12	576,245.44	1.69
SGD	1,026,100	Kingsmen Creatives Ltd	749,359.62	438,262.09	1.29
SGD	568,665	QAF Ltd	381,382.31	506,708.38	1.49
SGD	206,300	United Engineers Ltd	398,743.17	411,703.67	1.21
SGD	558,570	UOB-Kay Hian Holdings Ltd	585,820.59	553,243.23	1.63
			3,791,598.24	3,216,276.58	9.45
THB	515,600	Amata Corp PCL Units Non Voting DR	199,753.12	338,783.07	1.00
THB	147,400	Glow Energy PCL Units Non-Voting DR	346,274.59	394,702.97	1.16
THB	57,800	Thai Stanley Electric Public Co Ltd Units Non Voting DR	292,043.35	383,252.32	1.13
			838,071.06	1,116,738.36	3.29
TWD	141,000	104 Corp	554,885.38	701,723.75	2.06
TWD	2,103,000	Capital Securities Corp	585,073.59	706,983.95	2.08
TWD	125,000	Cleanaway Co Ltd	638,534.35	696,252.60	2.04
TWD	326,711	Cyberlink Co Ltd	861,687.90	674,074.97	1.98
TWD	175,000	E-Life Mall Corp Ltd	377,854.60	365,100.03	1.07
TWD	328,000	Everlight Electronics Co Ltd	515,826.46	517,280.25	1.52

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Value Fund

Statement of investments and other net assets (in USD) (continued)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
TWD	83,238	Makalot Industrial Co Ltd	374,374.70	362,130.98	1.06
TWD	54,000	Momo.com Inc	496,131.04	382,650.54	1.12
TWD	238,000	SCI Pharmtech Corp	560,535.67	488,691.87	1.44
TWD	515,000	Taiwan Fu Hsing Industr Co Ltd	677,730.61	661,975.55	1.94
TWD	96,600	Tehmag Foods Corp	584,131.11	713,173.60	2.09
			<u>6,226,765.41</u>	<u>6,270,038.09</u>	<u>18.40</u>
Total shares			<u>30,012,804.85</u>	<u>29,062,499.31</u>	<u>85.36</u>
Closed-ended investment funds					
SGD	188,400	Parkway Life REIT Units	334,989.50	374,594.06	1.10
THB	870,500	Digital Telecom Inf Fd	294,021.56	378,705.37	1.11
			<u>629,011.06</u>	<u>753,299.43</u>	<u>2.21</u>
Total closed-ended investment funds					
<u>Transferable securities dealt in on another regulated market</u>					
Shares					
KRW	9,729	Geumhwa PSC Co Ltd Reg	306,803.53	341,266.80	1.00
Total shares			<u>306,803.53</u>	<u>341,266.80</u>	<u>1.00</u>
<u>Open-ended investment funds</u>					
Tracker funds (UCI)					
USD	20,200	iShares Trust MSCI All Country Asia ex Japan ETF Dist	1,381,668.02	1,458,844.00	4.28
Total tracker funds (UCI)			<u>1,381,668.02</u>	<u>1,458,844.00</u>	<u>4.28</u>
Total investments in securities			<u>32,330,287.46</u>	<u>31,615,909.54</u>	<u>92.85</u>
Cash at banks				2,685,913.92	7.89
Bank overdrafts				-0.10	0.00
Other net assets/(liabilities)				-251,633.69	-0.74
Total				<u><u>34,050,189.67</u></u>	<u><u>100.00</u></u>

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Value Fund

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

Capital goods	10.79 %
Retailing	8.70 %
Automobiles and components	7.98 %
Media	7.28 %
Food, beverage and tobacco	6.40 %
Commercial services and supplies	5.39 %
Banks	5.15 %
Utilities	5.06 %
Transportation	4.60 %
Investment funds	4.28 %
Consumer durables and apparel	4.14 %
Software and services	4.06 %
Telecommunication services	3.76 %
Diversified financial services	3.71 %
Hotels, restaurants and leisure	2.41 %
Real estate	2.21 %
Raw materials	1.76 %
Semiconductors and semiconductor equipment	1.52 %
Pharmaceuticals and biotechnology	1.44 %
Investment companies	1.11 %
Real estate funds	1.10 %
Total	<u>92.85 %</u>

Hereford Funds - FIRTH ASIAN Value Fund

Industrial and geographical classification of investments (continued)

as at 30th September 2017

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Taiwan	18.40 %
Hong Kong	11.72 %
Singapore	10.55 %
Indonesia	9.59 %
India	7.96 %
Philippines	7.80 %
Bermuda	6.83 %
South Korea	6.29 %
Thailand	4.40 %
United States of America	4.28 %
China	2.99 %
Cayman Islands	2.04 %
Total	<u>92.85 %</u>

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of net assets (in USD)

as at 30th September 2017

Assets

Securities portfolio at market value	6,318,237.95
Cash at banks	76,780.82
Formation expenses, net	3,713.88
Receivable on treasury transactions	371.77
Income receivable on portfolio	23,639.31
Interest receivable on bank accounts	10.42
Other receivables	415.19
Prepaid expenses	1,145.45
Total assets	6,424,314.79

Liabilities

Bank overdrafts	1.82
Expenses payable	13,952.17
Total liabilities	13,953.99
Net assets at the end of the year	6,410,360.80

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in USD)
E	7,315.523	USD	146.47	1,071,521.74
L1	5,606.596	USD	145.38	815,070.62
L2	30,952.577	USD	146.15	4,523,768.44
				6,410,360.80

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of operations and other changes in net assets (in USD)

from 1st October 2016 to 30th September 2017

Income

Dividends, net	189,313.81
Interest on bank accounts	459.42
Total income	189,773.23

Expenses

Advisory fees	17,479.61
Performance fees	8,182.18
Banking charges and other fees	72.88
Transaction fees	28,935.30
Professional fees	1,166.40
Other administration costs	18,474.12
Subscription duty ("taxe d'abonnement")	737.18
Other taxes	8,534.06
Bank interest paid	139.38
Other expenses	5,352.33
Total expenses	89,073.44

Net investment income	100,699.79
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Net realised gain/(loss)

- on securities portfolio	817,447.51
- on forward foreign exchange contracts	-21.80
- on foreign exchange	-9,194.90

Realised result	908,930.60
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Net variation of the unrealised gain/(loss)

- on securities portfolio	167,384.54
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Result of operations	1,076,315.14
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Subscriptions	901,235.97
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Redemptions	-223,740.10
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Total changes in net assets	1,753,811.01
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Total net assets at the beginning of the year	4,656,549.79
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Total net assets at the end of the year	6,410,360.80
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The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statistical information (in USD)

as at 30th September 2017

Total net assets	Currency	30.09.2016	30.09.2017	
	USD	4,656,549.79	6,410,360.80	
Net asset value per share	Currency	30.09.2016	30.09.2017	
E	USD	120.88	146.47	
L1	USD	120.52	145.38	
L2	USD	120.79	146.15	
Annual performance per share (in %)	Currency		30.09.2017	
E	USD		21.17	
L1	USD		20.63	
L2	USD		21	
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
E	4,730.000	2,585.523	-	7,315.523
L1	5,606.596	-	-	5,606.596
L2	28,222.577	4,370.000	-1,640.000	30,952.577

Annual returns were calculated for the last 3 consecutive financial years. For compartments / share types launched or liquidated during the financial year, the corresponding annual return has not been calculated.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets (in USD)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
HKD	146,000	361 Degrees Intl Ltd	65,674.93	64,109.28	1.00
HKD	22,000	Agile Group Holdings Ltd	10,622.27	32,107.13	0.50
HKD	82,000	Agricultural Bank of China H	34,882.91	36,741.41	0.57
HKD	10,000	AIA Group Ltd	67,611.65	73,738.85	1.15
HKD	70,500	BAIC Motor Corp Ltd	56,565.00	66,877.68	1.04
HKD	115,000	Bank of China Ltd H	56,191.99	56,680.34	0.88
HKD	46,000	Bank of Communications Co Ltd H	28,113.83	33,566.54	0.52
HKD	5,000	Beijing Enterprises Hgs Ltd	24,861.11	26,883.96	0.42
HKD	11,500	BOC Hong Kong (Holdings) Ltd	38,821.73	55,870.62	0.87
HKD	87,000	Central China Real Estate Ltd	31,831.31	38,981.74	0.61
HKD	45,000	China Citic Bank Corp Ltd H	29,483.96	28,573.81	0.45
HKD	128,000	China Com Serv Corp Ltd H	76,303.95	65,873.38	1.03
HKD	32,000	China Construction Bank Corp H	23,084.82	26,545.99	0.41
HKD	105,000	China Everbright Bank Co Ltd H	49,581.89	48,525.54	0.76
HKD	121,000	China Lesso Group Holdings Ltd	81,215.24	82,563.19	1.29
HKD	10,500	China Merchant Bank Co Ltd H	28,002.79	36,898.23	0.58
HKD	25,000	China MinSheng Banking Corp H	28,898.22	22,915.37	0.36
HKD	16,000	China Mobile Ltd	179,826.42	162,123.06	2.53
HKD	8,000	China Overseas Land & Inv Ltd	24,313.07	26,013.43	0.41
HKD	22,000	China Resources Pow Hgs Co Ltd	36,974.27	39,711.45	0.62
HKD	13,000	China Shenhua Energy Co Ltd H	32,174.45	30,555.54	0.48
HKD	60,000	China Telecom Corp Ltd H	28,730.62	30,724.52	0.48
HKD	74,000	CIFI Holdings (Group) Co Ltd	18,029.08	41,209.27	0.64
HKD	257,000	CITIC Telecom Intl Hgs Ltd	81,158.84	74,026.90	1.15
HKD	148,000	Cosco Shipping Ene Tran Co Ltd H	84,176.70	82,039.60	1.28
HKD	128,000	Dah Chong Hong Holdings Ltd	65,478.33	63,251.55	0.99
HKD	22,000	Dongfeng Motor Group Co Ltd H	29,481.85	29,065.40	0.45
HKD	20,500	Fosun Intl Ltd	32,628.34	43,197.40	0.67
HKD	33,000	Fufeng Group Ltd	10,284.67	22,601.73	0.35
HKD	87,000	Hua Hong Semiconductor Ltd Reg S Ser 144A	115,433.46	117,613.47	1.83
HKD	120,000	Huadian Fuxin Energy Corp Ltd H	22,862.86	27,652.07	0.43
HKD	156,000	Huadian Power Intl Corp H	63,709.39	63,108.17	0.98
HKD	139,000	Huishang Bank Corp Ltd	64,716.79	68,509.28	1.07
HKD	2,125	i-CABLE Communications Ltd	146.20	69.37	0.00
HKD	52,000	Ju Teng Intl Holdings Ltd	20,708.15	20,503.50	0.32
HKD	55,000	K. Wah Intl Holdings Ltd	28,066.09	33,092.87	0.52
HKD	9,700	Legend Holdings Ltd H	28,815.23	24,165.09	0.38
HKD	61,000	People's Ins Cie Group China Ltd H	24,037.75	27,253.93	0.42
HKD	22,000	PICC Prop and Casualty Co Ltd H	36,936.15	38,810.19	0.61
HKD	11,000	Shanghai Ind Hgs Ltd	31,271.82	33,304.10	0.52
HKD	78,000	Sino Ocean Group Hg Ltd	33,587.32	52,024.30	0.81
HKD	92,000	SINOPEC Engineering Gr Co Ltd H	81,054.34	81,148.58	1.27
HKD	5,000	Tencent Holdings Ltd	118,394.02	215,199.68	3.36
HKD	60,000	Towngas China Co Ltd	34,261.98	42,092.60	0.66
HKD	4,000	Wharf Hgs Ltd (The)	21,383.02	35,640.45	0.56
HKD	4,000	Wheelock and Co Ltd	15,797.43	28,138.54	0.44
HKD	118,000	Yuexiu Transport Infrastru Ltd	89,759.48	88,673.53	1.38
HKD	53,000	Yuzhou Properties Co Ltd	32,072.05	28,632.69	0.45
			2,218,017.77	2,467,605.32	38.50
IDR	55,800	Bank Negara Indonesia (PT) Tbk	26,275.01	30,651.46	0.48
IDR	1,080,000	PT Bk Pembang Daerah Jawa Timur Tbk	51,262.08	56,118.64	0.88
			77,537.09	86,770.10	1.36
INR	5,000	Great Eastern Shipping Co Ltd	32,051.99	29,543.71	0.46
INR	4,722	Indian Oil Corp Ltd	28,557.52	28,956.68	0.45
INR	35,000	JSW Energy Ltd Reg	33,150.70	39,523.04	0.62
INR	35,000	Lakshmi Vilas Bank Ltd	94,231.56	77,679.53	1.21
INR	73,559	NHPC Ltd	32,443.01	30,466.56	0.48

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets (in USD) (continued)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
INR	5,500	NIIT Technologies Ltd	41,974.48	45,690.17	0.71
INR	15,655	Oil India Ltd	79,421.63	84,770.95	1.32
INR	13,644	Rural Electrification Corp Ltd	26,497.23	31,942.55	0.50
INR	120,000	SJVN Ltd	58,481.25	59,439.60	0.93
INR	13,249	Tech Mahindra Ltd	86,825.73	92,880.95	1.45
			513,635.10	520,893.74	8.13
KRW	500	Dongbu Insurance Co Ltd	28,687.66	31,928.19	0.50
KRW	550	GS Holdings Corp	28,696.61	31,560.80	0.49
KRW	1,400	Hanwha Chemical Corp	32,446.42	39,739.67	0.62
KRW	787	Hanwha Corp	32,813.38	30,290.67	0.47
KRW	5,000	Hanwha General Ins Co Ltd	31,371.24	35,121.01	0.55
KRW	175	Hyosung Corp	18,686.14	22,273.19	0.35
KRW	461	Hyundai Steel Co	18,317.54	21,291.99	0.33
KRW	1,478	Kia Motors Corp	59,525.48	40,919.43	0.64
KRW	1,100	Korea Electric Power Corp	51,519.31	37,526.56	0.59
KRW	130	Korea Petro Chem Ind Co Ltd	23,259.40	28,201.78	0.44
KRW	1,700	KT Skylife Co Ltd	24,124.91	21,413.76	0.33
KRW	1,194	LG Corp	31,332.74	26,790.03	0.42
KRW	1,115	LG Display Co Ltd	29,484.61	29,796.66	0.46
KRW	500	LG Electronics Inc	34,136.44	36,039.49	0.56
KRW	3,600	LG Uplus	35,389.90	42,040.24	0.66
KRW	210	Lotte Chemical Corp	70,300.29	69,437.26	1.08
KRW	556	Lotte Himart Co Ltd	33,171.73	31,953.74	0.50
KRW	510	LS Corp	29,227.80	35,154.25	0.55
KRW	3,800	Nexen Tire Corp	43,114.80	44,043.41	0.69
KRW	800	Poongsan Corp	24,533.21	35,899.53	0.56
KRW	100	Samsung Electronics Co Ltd	133,296.84	224,284.62	3.50
KRW	295	Samsung Life Insurance Co Ltd	31,138.91	29,159.62	0.45
KRW	828	Seah Besteel Corp	18,480.95	22,778.88	0.36
KRW	195	SK Holdings Co Ltd	37,671.90	49,125.68	0.77
KRW	691	SK Hynix Inc	17,617.09	50,108.81	0.78
KRW	174	SK Innovation Co Ltd	23,730.68	30,288.92	0.47
KRW	184	SK Telecom Co Ltd	33,226.99	41,043.04	0.64
KRW	5,300	SL Corp	92,956.42	86,232.36	1.34
KRW	1,886	Woori Bank	31,845.98	29,448.38	0.46
			1,100,105.37	1,253,891.97	19.56
MYR	41,400	Air Asia Bhd	32,212.59	33,841.96	0.53
MYR	8,400	Hong Leong Bank Bhd	30,328.78	31,565.93	0.49
MYR	251,200	Malakoff Corp Bhd	63,878.11	63,685.35	0.99
MYR	30,000	Malayan Banking Bhd	61,146.50	67,740.79	1.06
MYR	36,000	MISC Bhd	61,483.49	62,267.50	0.97
MYR	25,900	Tenaga Nasional Bhd	82,851.89	87,877.74	1.37
			331,901.36	346,979.27	5.41
PHP	62,800	First Gen Corp	24,786.67	23,360.78	0.36
SGD	2,000	DBS Group Holdings Ltd	30,150.55	30,663.87	0.48
SGD	22,800	Frasers Centrepoint Ltd	27,816.69	35,091.13	0.55
			57,967.24	65,755.00	1.03
THB	36,100	Bangchak Corp PCL Uts Non voting DR	31,633.24	43,324.33	0.68
THB	188,200	Banpu PCL BP Units Non Voting DR	97,105.61	99,379.54	1.55
THB	6,700	Kasikornbank PCL DR	36,991.29	41,611.16	0.65
THB	70,800	Krung Thai Bank PCL Units Non voting DR	40,478.37	39,935.19	0.62
THB	2,700	PTT PCL Uts Nv DR	32,092.75	33,051.30	0.52
THB	20,000	Ratchaburi Elec Generat Hg PCL Units Non Voting DR	30,067.09	32,253.23	0.50
THB	527,000	Sansiri PCL Units NvDR	23,622.54	36,050.40	0.56
THB	30,000	Thanachart Capital PCL Units Non voting DR	41,351.94	43,879.39	0.68
THB	612,300	TMB Bk PCL Units Non voting DR	42,835.23	46,294.51	0.72
			376,178.06	415,779.05	6.48
TWD	40,000	Arcadyan Technology Corp	66,509.23	64,730.89	1.01
TWD	74,000	Au Optronics Corp	30,392.70	29,633.17	0.46
TWD	23,000	Casetek Holdings Ltd	76,926.08	76,184.04	1.19

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets (in USD) (continued)

as at 30th September 2017

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
TWD	19,000	Cathay Financial Hg Co Ltd	30,755.41	30,183.58	0.47
TWD	33,990	China Life Insurance Co Ltd	22,003.46	32,375.70	0.50
TWD	29,000	Chip Mos Technologies Inc	29,221.34	28,960.81	0.45
TWD	38,000	Compeq Manufacturing Co Ltd	21,518.96	42,394.78	0.66
TWD	46,000	CTBC Fin Hg Co Ltd	28,614.06	28,957.52	0.45
TWD	42,000	Everlight Electronics Co Ltd	66,917.31	66,237.11	1.03
TWD	51,000	Grand Pacific Petrochemical Corp	35,829.77	39,248.87	0.61
TWD	7,700	Hon Hai Precision Ind Co Ltd	17,982.76	27,154.68	0.42
TWD	13,000	Huaku Dev Co Ltd	30,550.99	28,364.26	0.44
TWD	67,000	Innolux Corp	32,019.46	31,246.50	0.49
TWD	30,000	King Yuan Ele Co Ltd	27,463.05	29,415.64	0.46
TWD	32,000	Kinsus Interconnect Tec Corp	84,301.36	78,995.42	1.23
TWD	20,000	LCY Chemical Corp	28,316.16	26,597.67	0.41
TWD	180,644.7529052	Mercuries Life Insuranc Co Ltd	79,854.26	90,200.32	1.41
TWD	17,000	Pegatron Corp	43,245.22	44,599.72	0.70
TWD	40,000	Sigurd Microelectronics Corp	27,244.01	33,354.21	0.52
TWD	3,325	Sinopac Financial Holdings Co Ltd	1,020.76	995.06	0.02
TWD	21,000	Taiwan Hon Chuan Enter Co Ltd	34,448.53	37,998.09	0.59
TWD	18,000	Taiwan Semiconduct Mfg Co Ltd	85,851.09	128,440.07	2.00
TWD	9,000	Tripod Technology Co Ltd	16,394.95	31,145.97	0.49
TWD	18,000	TXC Corp	25,692.62	23,433.64	0.37
			943,073.54	1,050,847.72	16.38
USD	500	Alibaba Group Holding Ltd ADR repr 1 Share	46,982.91	86,355.00	1.35
Total investments in securities			5,690,185.11	6,318,237.95	98.56
Cash at banks				76,780.82	1.20
Bank overdrafts				-1.82	0.00
Other net assets/(liabilities)				15,343.85	0.24
Total				6,410,360.80	100.00

The accompanying notes are an integral part of these financial statements.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Industrial and geographical classification of investments

as at 30th September 2017

Industrial classification

(in percentage of net assets)

Banks	12.97 %
Semiconductors and semiconductor equipment	8.30 %
Software and services	8.02 %
Raw materials	7.15 %
Utilities	6.76 %
Energy	6.45 %
Telecommunication services	6.35 %
Insurance	6.06 %
Technology hardware and equipment	6.01 %
Consumer durables and apparel	5.48 %
Capital goods	5.45 %
Real estate	5.29 %
Automobiles and components	5.15 %
Transportation	4.62 %
Diversified financial services	4.17 %
Media	0.33 %
Total	<u>98.56 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

South Korea	19.56 %
Taiwan	15.19 %
China	14.95 %
Hong Kong	14.35 %
Cayman Islands	11.22 %
India	8.13 %
Thailand	6.48 %
Malaysia	5.41 %
Indonesia	1.36 %
Singapore	1.03 %
Bermuda	0.52 %
Philippines	0.36 %
Total	<u>98.56 %</u>

Notes to the financial statements

as at 30th September 2017

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg.

b) Valuation of assets

Securities and/or financial derivative instruments admitted to official listing on an official stock exchange or traded on any other organised market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value;

Securities not listed on stock exchanges or not traded on any regulated market and securities with an official listing for which the last available price is not representative of a fair market value are valued prudently and in good faith by the Board of Directors, on the basis of their estimated sale prices;

Cash and other liquid assets will be valued at their face value with interest accrued;

Financial derivative instruments which are not listed on a regulated market will be valued in a reliable and verifiable manner on a daily basis, in accordance with market practice;

Swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments, interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve;

Liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;

The units/shares of undertakings for collective investment will be valued on the basis of the last known net asset value;

In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments;

For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial center which is most representative for those securities.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Compartment that are denominated in currencies other than the reference currency of the Compartment is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain/(loss) on securities portfolio

The realised gains and losses on sales of securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

Hereford Funds

Notes to the financial statements (continued)

as at 30th September 2017

e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

f) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation day to the maturity of the contracts. Net Unrealised gain or losses is disclosed in the statement of net assets. Net variation of the unrealised gain or losses and the net realised gain or losses are disclosed in the statement of operations and other changes in net assets.

g) Formation expenses

Formation expenses are amortised on a straight line basis over a period of five years.

If the launch of a Compartment occurs after the launch date of the Fund, the formation expenses related to the launch of the new Compartment is charged to such Compartment alone and may be amortised over a maximum of five years with effect as from the Compartment's launch date.

h) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Compartment are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Compartment are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

At the date of the financial statements, the exchange rates used are the following:

1	USD	=	0.9675500	CHF	Swiss Franc
			6.6509000	CNY	Chinese Yuan Renminbi
			0.8458806	EUR	Euro
			0.7453787	GBP	Pound Sterling
			7.8113500	HKD	Hong Kong Dollar
			13,471.4607105	IDR	Indonesian Rupiah
			65.3099995	INR	Indian Rupee
			1,143.1903012	KRW	South Korean Won
			4.2205000	MYR	Malaysian Ringgit
			50.8619990	PHP	Philippine Peso
			1.3579500	SGD	Singapore Dollar
			33.3300003	THB	Thailand Baht
			30.3409998	TWD	New Taiwan Dollar

i) Combined financial statements

The combined financial statements of the Fund are expressed in USD and are equal to the sum of the corresponding items in the financial statements of each Compartment.

Hereford Funds

Notes to the financial statements (continued)

as at 30th September 2017

j) Receivable / Payable on treasury transactions

The item "Receivable on treasury transactions" comprises maturities of time deposits, new loans or foreign exchange transactions not yet disclosed under the item "Cash at banks".

The item "Payable on treasury transactions" comprises new time deposits, maturities of loans or foreign exchange transactions not yet disclosed under the item "Cash at banks".

At the level of the compartment, "Receivable and payable on treasury transactions" are disclosed net in the statement of net assets.

k) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund paid to the depositary.

Note 2 - Advisory fee

The Advisory Company is entitled to advisory fees, payable on a quarterly basis at a total annual rate which could vary for each Compartment, but which shall not exceed 2.5% of the average net asset value of the relevant Compartment, as determined during the relevant quarter.

The Investment Managers are remunerated by the Advisory Company out of the fees that it receives from the Fund.

The rates per annum are as following:

For the Compartment Hereford Funds - DSM US Large Cap Growth Fund:

- 1.25% for Class A,
- 0.70% for Class B since 1st December 2016 (0.75% until 30th November 2016),
- 1.00% for Class C,
- 1.75% for Class D,
- 1.25% for Class U;

For the Compartment Hereford Funds - DGHM US All-Cap Value Fund:

- 1.25% for Class A,
- 0.95% for Class B,
- 1.75% for Class D;

For the Compartment Hereford Funds - DGHM US MicroCap Value Fund:

- 1.00% for Class L;

For the Compartment Hereford Funds - FIRTH ASIAN Value Fund:

- 1.50% for Class A,
- 1.00% for Class B;

Hereford Funds

Notes to the financial statements (continued)

as at 30th September 2017

For the Compartment Hereford Funds - FIRTH ASIAN Systematic Equities Fund:

- 0.25% for Class E,
- 0.75% for Class L1,
- 0.25% for Class L2.

Note 3 - Performance fee

The Advisory Company may also be entitled to a performance fee, as determined below per Compartment.

For the Compartment Hereford Funds - DSM US Large Cap Growth Fund:

In addition, in relation to Class C, a performance fee may be paid to the Advisory Company on a quarterly basis, with the amount based on the relative performance of the relevant Class to the 3 Month T-Bill rate, subject to a high water mark provision.

The high water mark is defined as the latest NAV per Share of the Class in respect of which a performance fee was paid or if none, the NAV at which the relevant Class has been launched.

Relative performance is defined as the return of the relevant Class above the high water mark after advisory fees and other fees and expenses attributable to the Class for the period since the payment of the previous performance fee or if none, since the launch of the relevant Class, less the cumulated return of the 3 Month T-Bill rate since the payment of the previous performance fee or if none since launch.

A performance-based fee will thus only be paid in quarters where the relative performance of the Class is positive and where the quarter-end NAV per share is equal or higher to the NAV per share of the previous quarter-end. In such instances, the performance fee is computed as 20% of the relative performance.

The performance fee is accrued as of each valuation day based on the number of Shares in issue on that valuation day. The amounts accrued for the Performance Fee will be paid to the Advisory Company annually, within 30 days following the financial year end.

At the date of the financial statements, the performance fee was disclosed and amounted to USD 44,464.87.

For the Compartment Hereford Funds - FIRTH ASIAN Value Fund:

In addition, in relation to Class A, B Shares, a performance fee may be paid to the Advisory Company on an annual basis (referring to the financial year of the Fund, ending in September), with the amount based on the cumulative relative performance of the relevant Class to the MSCI AC Asia ex Japan Small Cap USD Net index (Bloomberg ticker MSLUAAJN) (the "Benchmark Index"), subject to a high water mark provision.

The high water mark is defined as the latest NAV per Share of the Class in respect of which a performance fee was paid or if none, the NAV at which the relevant Class has been launched.

Relative performance is defined as the return of the relevant Class above the high water mark after advisory fees and other fees and expenses attributable to the Class for the period since the payment of the previous performance fee or if none, since the launch of the relevant Class, less the positive return of the Benchmark Index since the payment of the previous performance fee or if none since launch.

Hereford Funds

Notes to the financial statements (continued)

as at 30th September 2017

A performance-based fee will thus only be paid in years where the relative performance of the Class is positive and where the high water mark has been exceeded. In such instances, the performance fee is computed as 10% of the relative performance.

The performance fee is accrued as of each valuation day based on the number of Shares in issue on that valuation day. The amounts accrued for the Performance Fee will be paid to the Advisory Company annually, within 30 days following the financial year end.

The first performance fee of any Share Class is calculated for the period starting with the launch of the relevant Class of Shares and ending at the end of the financial year in which such Class was launched.

At the date of the financial statements, the performance fee was disclosed and amounted to USD 511.81.

For the Compartment Hereford Funds - FIRTH ASIAN Systematic Equities Fund:

In addition, in relation to Class L2 Shares, a performance fee may be paid to the Advisory Company on a quarterly basis (periods ending 31st March, 30th June, 30th September and 31st December), with the amount based on the cumulative relative performance of the relevant Class to the MSCI AC Asia ex Japan USD Net index (Bloomberg ticker NDUECAXJ Index) (the "Benchmark Index"), subject to a high water mark provision. A performance fee may also be payable on shares redeemed, calculated on the redemption date, as per quarter-end performance calculations and requirements.

The high water mark is defined as the latest NAV per Share of the Class in respect of which a performance fee was paid or if none, the NAV at which the relevant Class has been launched.

Relative performance is defined as the return of the relevant Class above the high water mark after advisory fees and other fees and expenses attributable to the Class for the period since the payment of the previous performance fee or if none, since the launch of the relevant Class, less the return of the Benchmark Index since the payment of the previous performance fee or if none since launch.

A performance-based fee will thus only be paid for quarters where the relative performance of the Class is positive and where the high water mark has been exceeded. In such instances, the performance fee is computed as 10% of the relative performance.

The Performance Fee is accrued as of each valuation day based on the number of Shares in issue on that valuation day. The amounts accrued for the Performance Fee will be paid to the Advisory Company quarterly, within 30 days following the end of the quarter for which the Performance Fee is payable.

At the date of the financial statements, the performance fee was disclosed and amounted to USD 8,182.18.

There are no performance fees in relation to the Compartments Hereford Funds - DGHM US All-Cap Value Fund and Hereford Funds - DGHM US MicroCap Value Fund.

Notes to the financial statements (continued)

as at 30th September 2017

Note 4 - Subscription duty ("*Taxe d'abonnement*")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty "*taxe d'abonnement*" of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Compartment on the last day of each quarter.

However this percentage is reduced to 0.01% per annum for share classes reserved for institutional investors.

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 5 - Total Expense Ratio ("*TER*")

The TER disclosed under "Statistical information" of this report is calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Swiss Funds & Asset Management Association "SFAMA" on 16th May 2008 as modified on 20th April 2015.

The TER is calculated for the last 12 months preceding the date of the financial statements.

Transaction fees are not taken into account in the calculation of the TER.

Note 6 - Changes in investments

The statement of changes in investments for the reporting period is available free of charge at the registered office of the Fund or from the depositary and at the office of the representative agent.

Note 7 - Events

The Fund appointed EUROPEAN FUND ADMINISTRATION S.A. as new Central Administration, Registrar and Transfer Agent with effective date 1st November 2016.

The Fund decided to terminate the agreements with EFG FUND MANAGEMENT S.A., EFG BANK (LUXEMBOURG) S.A. and EUROPEAN FUND ADMINISTRATION S.A. and appoint PICTET & CIE (EUROPE) S.A. and FUNDPARTNERS SOLUTIONS (EUROPE) S.A. as of 1st January 2018.

Additional information (unaudited)

as at 30th September 2017

1 - Risk management

As required by Circular CSSF 11/512, the Board of Directors needs to determine the global risk exposure of the Fund either by applying the commitment approach or the VaR ("Value at Risk") approach. In terms of risk management, the Board of Directors of the Fund decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration

"The details of the up-to-date remuneration policy of the Management Company including a description of how remuneration and benefits are calculated are available on <http://www.efg-fundmanagement.com/Governance.html>. A paper copy will be made available free of charge upon request."

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

At the date of the financial statements, the Fund is not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the reporting period.