

Hereford Funds

Société d'Investissement à Capital Variable incorporated in Luxembourg

Annual report, including audited financial statements,
as at September 30, 2018

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No distribution notification has been filed in Germany for the sub fund Hereford Funds - FIRTH ASIAN Systematic Equities Fund pursuant to section 310 of the Investment Code; because of this, shares of this sub fund may not be distributed publicly to investors falling within the scope of the German Investment Act.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report if published thereafter.

Hereford Funds

Table of contents

Organisation of the Fund	5
General information	7
Distribution abroad	8
Managers' reports	9
Report of the Réviseur d'Entreprises Agréé / Auditor's report	25
Financial statements	
Statement of net assets	28
Statement of operations and changes in net assets	30
Number of shares outstanding and net asset value per share	32
Sub-fund : Hereford Funds - DSM US Large Cap Growth Fund	
- Statement of investments and other net assets	33
- Geographical and industrial classification of investments	34
Sub-fund : Hereford Funds - DGHM US All-Cap Value Fund	
- Statement of investments and other net assets	35
- Geographical and industrial classification of investments	37
Sub-fund : Hereford Funds - DGHM US MicroCap Value Fund	
- Statement of investments and other net assets	38
- Geographical and industrial classification of investments	40
Sub-fund : Hereford Funds - FIRTH ASIAN Value Fund	
- Statement of investments and other net assets	41
- Geographical and industrial classification of investments	44
Sub-fund : Hereford Funds - FIRTH ASIAN Systematic Equities Fund	
- Statement of investments and other net assets	45
- Geographical and industrial classification of investments	49
Sub-fund : Hereford Funds - Bin Yuan Greater China Fund (note 1)	
- Statement of investments and other net assets	50
- Geographical and industrial classification of investments	51
Notes to the financial statements	52
Total Expense Ratio ("TER")	60
Performance	61

Hereford Funds

Table of contents (continued)

Other information to Shareholders (Unaudited Appendix)	62
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Hereford Funds

Organisation of the Fund

REGISTERED OFFICE	56, Grand-Rue, L-1660 Luxembourg, Grand Duchy of Luxembourg (until January 12, 2018) 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 13, 2018)
BOARD OF DIRECTORS OF THE FUND	
Chairman	Mr Anthony GALLIERS-PRATT, Managing Partner, Hereford Funds Advisory S.à r.l., 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg
Directors	Mr Jérôme WIGNY, Partner, Elvinger Hoss Prussen, <i>société anonyme</i> , 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg Mr Yves DE VOS, Chairman, VHC Capital Management S.A., 25, Op der Heckmill, L-6783 Grevenmacher, Grand Duchy of Luxembourg Mr Mark HENDERSON, Managing Partner, Hereford Funds Advisory S.à r.l. 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg Mr Enrico MELA, Independent Director, 10, rue Tony Bourg, L-1278 Luxembourg, Grand Duchy of Luxembourg
MANAGEMENT COMPANY (note 1)	EFG Fund Management S.A., 56, Grand-Rue, L-2013 Luxembourg, Grand Duchy of Luxembourg (until January 12, 2018) FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 13, 2018)
CENTRAL ADMINISTRATION AGENT, REGISTRAR AND TRANSFER AGENT	European Fund Administration S.A., 2, Rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg (until January 12, 2018)
CENTRAL ADMINISTRATION	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 13, 2018)
DEPOSITARY BANK	EFG Bank (Luxembourg) S.A., 56, Grand-Rue, L-2013 Luxembourg, Grand Duchy of Luxembourg (until January 12, 2018) Pictet & Cie (Europe) S.A., 15A, avenue J. F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 13, 2018)
ADVISORY COMPANY	Hereford Funds Advisory S.à r.l., 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg

Hereford Funds

Organisation of the Fund (continued)

INVESTMENT MANAGERS

For the sub-fund Hereford Funds - DSM US Large Cap Growth Fund:
DSM Capital Partners LLC, 7111 Fairway Drive, Suite 350, Palm Beach Gardens, FL-33418,
United States

For the sub-fund Hereford Funds - DGHM US All-Cap Value Fund and Hereford Funds - DGHM
US MicroCap Value Fund:
Dalton, Greiner, Hartman, Maher & Co., LLC, 565 Fifth Avenue, Suite 2101, New York,
NY-10017, United States

For the sub-funds Hereford Funds - FIRTH ASIAN Systematic Equities Fund and Hereford
Funds - FIRTH ASIAN Value Fund:
Firth Investment Management Pte. Ltd, 180 Cecil Street, #13-03 Bangkok Bank Building,
Singapore 069546, Singapore

For the sub-fund Hereford Funds - Bin Yuan Greater China Fund (note 1):
Bin Yuan Capital, Room 1505, 15/F, 299QRC, 287-299 Queen's Road Central, Sheung Wan,
Hong Kong

CABINET DE RÉVISION AGRÉÉ /AUDITOR

Deloitte Audit, *Société à responsabilité limitée*, 560, rue de Neudorf, L-2220 Luxembourg,
Grand Duchy of Luxembourg

LEGAL ADVISER IN LUXEMBOURG

Elvinger Hoss Prussen, *société anonyme*, 2, place Winston Churchill, L-1340 Luxembourg,
Grand Duchy of Luxembourg

Hereford Funds

General information

The business year of Hereford Funds (the "Fund") runs from October 1 until September 30 of the next year.

The Fund publishes an annual report, including audited financial statements, within 4 months after the end of the business year and an unaudited semi-annual report within 2 months after the end of the period to which it refers.

The annual report including audited financial statements, includes accounts of the Fund and of each sub-fund.

The Net Asset Value ("NAV") per Share of each sub-fund as well as the issue and redemption prices are made public at the registered office of the Fund. The NAV per Share and the issue and redemption price are also published on the website of the Fund (www.herefordfunds.com) and may, in addition, be published in any such other media as determined by the Board of Directors of the Fund. The Fund cannot accept responsibility for any errors or delays in the publication or non-publication of prices and reserve the right to discontinue or change publication in any media without notice.

Any amendments to the Articles of Incorporation are published in the *Recueil Électronique des Sociétés et Associations* ("RESA").

The prospectus, the Articles of Incorporation of the Fund, the annual report, including audited financial statements, and unaudited semi-annual reports, the Key Investor Information Documents ("KIIDs") 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

Distribution abroad

Distribution in and from Switzerland

Distribution in Switzerland

The Fund has been authorised by the Swiss Financial Market Supervisory Authority FINMA as a foreign open-ended investment collective fund pursuant to article 119 of the Federal Act on Collective Investment Schemes of June 23, 2006 on Capital Investment Schemes Ordinance.

Representative and Paying Agent

The Representative and Paying Agent in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, P.O. Box 5070, CH-8021 Zurich, Switzerland.

Place of distribution of reference documents

The prospectus, the Key Investor Information Documents ("KIIDs"), the Articles of Incorporation, the annual reports, including audited financial statements, and unaudited semi-annual reports of the Fund, and a breakdown of the purchases and sales of the Fund can be obtained free of charge from the registered office of the Representative and Paying Agent in Switzerland.

Distribution in Germany

No distribution notification has been filed in Germany for the sub-fund Hereford Funds - FIRTH ASIAN Systematic Equities Fund pursuant to section 310 of the Investment Code; because of this, shares of this sub-fund may not be distributed publicly to investors falling within the scope of the German Investment Act.

Paying and Information Agent in Germany

Paying and Information Agent:

Marcard, Stein & CO AG,
Ballindamm 36,
D-20095 Hamburg,
Germany

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports

Review

For the period October 1, 2017 through September 30, 2018, the Hereford Funds - DSM US Large Cap Growth Sub-Fund was up approximately 14.2% (NAV USD 207.56 to NAV USD 237.03) while the total return (including dividends) of the Russell 1000 Growth was up 26.3% and the S&P 500 was up 17.9%.

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

The Sub-Fund's portfolio earnings growth and valuation in 2018 closely mirror those of 2017. However, thus far in 2018, despite earnings growth in excess of 30%, the portfolio has underperformed due to concerns of a US-China trade war. These fears followed earlier concerns that strong global growth would usher in a period of rising inflation and higher interest rates. In addition, portfolio returns have been affected by the underperformance of several long-standing DSM holdings - Alibaba, Alphabet, Facebook and Tencent. In our view, the investment cases for all four companies remain wholly intact. Most importantly, all four companies continue to generate robust revenue growth and all retain very strong, if not overwhelming competitive positions in their respective markets. Therefore, we expect performance to rebound as we believe earnings growth will continue to be solid going forward, while concerns of a trade war gradually dissipate.

All of us at DSM remain focused on earnings because we believe that earnings are the primary factor that will "grow" the value of a business over time. Importantly, strong and growing earnings, when combined with reasonable valuations, drive stock prices higher over time. As we have said in the past, we expect earnings to continue to grow at a mid-to-high-teens rate through 2022, while the portfolio is valued at approximately 20.9x next twelve months of earnings through September of 2019. We continue to believe that the portfolio is very attractively priced. Over time, rising earnings overwhelmingly drive equity prices/business values upward.

Portfolio

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

The strongest contributors to performance over the reporting period were Adobe Systems (application software development), Microsoft (application software/cloud storage services), Zoetis (animal health medicines and vaccines), Visa (electronic payments) and Alphabet (internet search and advertising).

The weakest contributors to performance were Regeneron Pharmaceuticals (specialty pharmaceuticals), Alexion Pharmaceuticals (specialty pharmaceuticals), IPG Photonics (fiber lasers), Electronic Arts (interactive entertainment software) and Alibaba Group (Chinese e-commerce).

* As of September 28, 2018, GICS broadened the Telecommunication Services Sector and renamed it Communication Services to include companies that facilitate communication through various media. Also, within the Consumer Discretionary sector, the Internet & Direct Marketing Retail Sub-Industry was updated to include online marketplaces for consumer products/services.

Past performance is not an indicator of current or future returns.

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

Changes in Holdings

During the reporting period, Rockwell Collins and Sirius XM Holdings were sold due to appreciation. Earnings disappointments/weaker business fundamentals/increased competition led to the sales of Alexion Pharmaceuticals, Allergan (specialty pharmaceuticals), Dollar Tree (US discount store chain operator) and Kansas City Southern (rail freight transportation). BlackRock (financial services) and Toronto-Dominion Bank (retail/corporate banking) were sold as we felt other names offered better investment opportunities. We sold Wynn Resorts (casino resorts in the US and Macau) on concerns that the very public controversies surrounding its now former CEO's behaviour might affect the conference business.

The larger positions added to the portfolio in the period, including some names held in the portfolio previously, were Automatic Data Processing (business outsourcing solutions), Burlington Stores (off-price retailer), Intuit (business software), MSCI Inc. (investment analytics and index products), Raytheon (defense contractor) and Thermo Fisher Scientific (scientific instruments and related consumables).

In addition, IPG Photonics and Starbucks (specialty coffee chain operator) were both initiated in the period and later sold on weaker than expected sales. Also, Electronic Arts was sold on concerns that it would not be able to successfully monetize its popular shooter games, as it had with its sports titles, but was later repurchased on stronger than expected earnings and reasonable valuation.

Outlook

DSM has projected for many years that the current global economic expansion would prove to be a longer growth cycle than the majority of previous economic growth periods. At this time, based on President Trump's tax cuts and deregulatory policies, and continued economic growth in China, Europe and Japan, we believe global growth may well exceed 3%. In our view, sustained American and Chinese economic growth should support growth globally. In addition, with the combined value of the United States, Chinese and European economies in excess of \$50 trillion, we believe the impact of tariffs will be limited by their small relative size, perhaps reducing global growth by roughly 30 basis points.

We continue to believe that the current global economic cycle will be driven by low inflation and low, albeit rising, interest rates. That said, the changes in corporate tax rates in the United States are quite substantial, and we believe they will have a sustained positive impact on GDP growth which is being underestimated by many analysts. Recent statistics are supportive of additional growth of 3%, even as inflation remains benign. Unemployment claims and the unemployment rate are very low. Wages are growing at a 3% pace for the first time in a decade, yet inflation remains restrained. We expect the US Federal Reserve to continue raising rates quarterly until the Federal Funds rate reaches 3.0-3.5%. In our view, the US economy will not experience a recession for at least two years.

In China, there was likely a modest economic slowdown occurring even before the tariffs were put in place. A swift resolution of the trade war is unlikely as China has cancelled negotiations with the United States, likely hoping that they can obtain a better deal if the Republicans do poorly in the November elections. However, the Chinese government has cut taxes, provided ample liquidity through the Bank of China, reduced tariffs on products from countries other than the United States and increased infrastructure spending, all with an eye to fueling economic growth by offsetting the negative GDP impact of American tariffs.

Past performance is not an indicator of current or future returns.

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

In the EU GDP growth was weaker than expected in the first half of 2018, as Europe, more so than the US, is dependent on global trade volumes for economic growth momentum. Despite the moderation in growth, some members of the ECB are suggesting that rate hikes should commence before inflation accelerates. The possible compromise may well be the elimination of the Bank's quantitative easing policy in the not too distant future.

The global economy and markets have climbed a "wall of worry" over these past several years, driven by robust corporate earnings, especially in the United States. Nevertheless, it is President Trump's trade and tariff issues that are currently causing the most significant investor angst. Trade tensions remain a source of investor uncertainty across the globe, particularly in the Chinese equity markets.

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 2022. With valuations depressed and earnings strong, we believe the Sub-Fund's underperformance has created a prime opportunity to add capital to this portfolio of premier quality growth businesses.

We view the market's bumps and grinds as a normal process of investors reacting to, and then slowly digesting, policy change concerning trade. Over time, investors adjust and the market, driven by solid fundamentals, moves higher. The positive scenario of ongoing and perhaps improving global economic growth, moderate global inflation, low albeit rising interest rates, healthy global corporate earnings, normal global market valuations given a low-inflation world and an improving and increasingly stable global financial system, continues to form the foundation of an upwardly driven global equity market. Despite the recent volatility, we continue to expect that global equity markets will trend higher.

October 2018

Established by DSM Capital Partners LLC.

Hereford Funds - DGHM US All-Cap Value Fund

Managers' reports

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

Performance

For the year ending September 30, 2018, the Hereford Funds - DGHM US All-Cap Value Fund returned 5.0%, underperforming the Russell 3000 Value's return of 9.5%.

Outlook

Our positive market outlook has changed from prior years as we are now more concerned over a potential correction. While the US economy continues to demonstrate strength, both Europe and China are now experiencing an economic slowdown versus growth seen in prior years. Furthermore, while the valuation of the US market continues to be more or less slightly above the midpoint of its historical range, interest rates have moved higher. This rise in interest rates is a function of economic growth as well as multiple increases by the Federal Reserve in the federal funds rate. Even though overall economic activity is fairly robust, higher interest rates have historically led to stock market corrections due to a multiple contraction as well as a slowing in economic activity or even a recession. While the US consumer is healthy, jobs are steadily being added, wages are going up, US banks are well capitalized with no apparent credit concerns, and government outlays are growing, housing has begun to slow, auto sales are flat, loan growth has slowed, and interest expense is moving higher. The increases in wages will also pressure operating margins which are at all-time highs as a whole.

The list of market worries that continually make headlines or are endlessly debated on TV is also familiar. The list this year includes the US fall elections, trade wars, North Korea, Brexit, Italian banks, China imploding, and turmoil in the Middle East. We believe that these issues have been somewhat discounted in the market but that of an economic slowdown or recession has not been discounted. With all of that being said, our investment process is based on 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. In this way, 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 Basic Materials, Insurance, and Technology sectors. Basic Materials was weak due to Owens Corning (-22%). This stock lagged due to a reduction in guidance from higher costs in transporting their products and higher raw materials costs primarily driven by oil. Insurance underperformed due to our exposure to life insurance stocks (Prudential, Principal Financial, and MetLife). Technology struggled due to Micron Technology (-18%). This stock was down due to concerns over excess supply in the memory chip market. We have exited our positions in both Owens Corning and MetLife. We continue to hold Prudential, Principal Financial, and Micron Technology.

Past performance is not an indicator of current or future returns.

Hereford Funds - DGHM US All-Cap Value Fund

Managers' reports (continued)

Sectors that added value to performance were led by Healthcare, Banks, and Telecommunications. Healthcare was led by Encompass Health (+71%). This stock outperformed due to accelerating volume growth in its home health business. In Banks, both Regions Financial and SunTrust performed well due to the anticipation of increasing margins from higher interest rates. Telecommunications was led by Verizon (+13%). This stock outperformed due to more favourable pricing in its wireless business and growth in demand for its data offerings.

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.

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.

October 2018

Established by Dalton, Greiner, Hartman, Maher & Co., LLC.

Hereford Funds - DGHM US MicroCap Value Fund

Managers' reports

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

Performance

The Hereford Funds - DGHM US MicroCap Value Fund returned 8.3% for the year ending September 30, 2018. These results underperformed the Russell Microcap Value (+12.0%) and the Russell 2000 Value (+9.3%).

Attribution Review

Let's look at what drove the fund's performance for the year. Sector breadth deteriorated as only 6 of 16 sectors outperformed the benchmark. The leading sectors were: Consumer Durables, Consumer Services and Banks. Durables benefited from MCBC Holdings (+70%), the maker of MasterCraft and NauticStar ski boats. The company is taking share in a strong consumer category and recently announced an accretive acquisition of Crest Marine. Marcus Corporation (+55%), an owner and operator of theaters and hotels, was a strong performer and positively contributed to Consumer Services given a very robust box office and stronger than expected pricing. First Community Bancshares (+21%) was our best performing bank for the year. A majority of our banks did well relative to the benchmark given our more defensive nature and having a higher percentage of low cost (non-interest-bearing) deposits in a period where deposit rates are rising. Our best performing stock for the year was Penn Virginia Corporation (+88%) which experienced strong operating leverage due to higher oil prices.

Detracting from the fund's performance during the time period were Capital Goods, Retail and Real Estate. Core Molding Technologies (-69%), a Capital Goods manufacturer of Class 8 truck components, underperformed given their inability to keep up with very robust truck demand due to execution issues. We believed that management would solve these issues; however we lost confidence in their ability to do so after a few quarters of execution mishaps and have since sold the name. Francesca's (-48%), in Retail, suffered from a disconnect between its merchandise and core customer. We lost faith in management's ability to re-engage their core constituency and therefore sold the name. Finally, William Lyon Homes (-35%), a homebuilder, suffered from deteriorating sentiment around housing. We believe the weakness is more short-term and continue to see material pent-up demand for new homes.

Characteristics

The portfolio ended the year with 61 stocks with a median market capitalization of USD 628 million. Portfolio characteristics exhibit higher returns, stronger growth and materially better balance sheets, all at lower valuations verses both our relevant benchmarks.

Past performance is not an indicator of current or future returns.

Hereford Funds - DGHM US MicroCap Value Fund

Managers' reports (continued)

Portfolio Characteristics as of September 30, 2018

	DGHM MicroCap Value	Russell Microcap Value	Russell 2000 Value
Valuation			
EV/EBITDA ⁽¹⁾	10.5x	11.5x	11.4x
Free Cash Flow Yield	3.8%	1.8%	3.2%
Last 12 Months P/E	21.0x	26.5x	22.6x
Profitability & Growth			
EBITDA ROA (Ex. cash)	15.0%	10.3%	10.8%
Last 12 Months ROE	9.0%	6.8%	7.6%
Balance Sheet			
Net Debt/Total Capital	27.6%	22.5%	30.4%
EBITDA/Interest Expense	8.9x	5.0x	5.7x

(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 US economy continues to shine relative to the rest of the world with economic growth accelerating. Our micro-cap companies should be the beneficiaries of this growing confidence, as they possess more domestic exposure than large-cap stocks. While most macro indicators remain strong, we do share the fear that some industries are potentially peaking. Housing and trucking equities, for example, have been weak from peak-of-cycle concerns, and some signs point to slowing-like muted existing home sales and lower spot truck pricing. Geopolitical risks continue to pose a threat as tariff talks drive raw material prices higher and create a level of uncertainty in the business community. Moreover, higher interest rates are rising, albeit gradually, which will benefit savers but make it more difficult for consumers and companies to borrow. While we will always thoughtfully evaluate the present risks and opportunities facing our portfolio, we also remain steadfast in seeking to uncover hidden gems that lie below the radar screen of most investors. As always, we appreciate the support you have shown us and will continue to work diligently putting your capital to work.

October 2018

Established by Dalton, Greiner, Hartman, Maher & Co., LLC.

Past performance is not an indicator of current or future returns.

Hereford Funds - FIRTH ASIAN Value Fund

Managers' reports

Returns

For the period October 1, 2017 to September 30, 2018, the Hereford Funds - FIRTH ASIAN Value Fund declined by 11.4%. By comparison, the benchmark, the MSCI AC Asia ex Japan Small Cap Net USD index fell by 2.6% and the MSCI AC Asia ex Japan USD Net index gained 1.5%.

Review

Overall performance of Asian equity markets was lacklustre over the period in review, however this does not tell the entire story, with the year split into two distinct periods. Regional stock markets started the twelve months positively as US dollar weakness combined with strong global growth. The index registered a 16.1% gain over the first four months under review, led by gains in Korea, India and the healthcare sector.

The Fund's significant underweight positions in India, Korea and the IT sector resulted in the portfolio lagging a rapidly rising market, registering a return of 4.2% over the period. With growth factors driving the index to reach consecutive all-time highs in October, November, December and January, the strategy's focus on value, dividend yield and balance sheet strength was likely going to struggle to keep pace with the markets jubilation. The improved performance seen in the later period was not sufficient enough to overcome the underperformance from the first four months.

February 2018 heralded the start of a sell-off in global equities with Asia leading the declines. There were a range of concerns, not least the magnitude of monetary tightening in the US, rising US bond yields, a strengthening US dollar and a trade dispute between the US and China. This resulted in a 16.1% decline in the index over the final eight months of the period and a 15.0% fall for the Fund.

Smaller companies modestly underperformed their larger counterparts over the year with this underperformance most pronounced amongst smaller companies in Hong Kong, India and the Philippines.

Throughout the period investments have been made in accordance with the Fund's objectives and our value-investing approach in smaller capitalisation stocks listed in Asia ex Japan's equity markets. As of September 30, 2018, the portfolio was invested in 48 stocks, seven less than the start of the period.

As a result of portfolio changes and market movements, exposure to Korea and Singapore has risen at the expense of a lower weighting in China/Hong Kong and India. The cash position was 11%.

Outlook

Tighter monetary conditions and thus a higher cost of US dollar capital at a time of decelerating growth, higher energy prices and a trade dispute between the globe's two largest economies pose a strong challenge to the region's equity markets and currencies in the near term. We consider the Fund's cautious stance leaves it well positioned compared with the benchmark in this environment.

Past performance is not an indicator of current or future returns.

Hereford Funds - FIRTH ASIAN Value Fund

Managers' reports (continued)

Lower market prices herald new investment opportunities and the prospect of attractive returns looking beyond the near term. At this juncture, equity market valuations are below average, but are not yet at the levels seen in previous cycle troughs. Potential catalysts for an improvement in risk appetite and an upturn in markets include loosening of monetary policy, a weaker dollar, softer energy prices, robust economic stimulus measures within the region and resolution to trade disputes.

Cash will be deployed into stocks in two general directions. First, when the best businesses are re-priced to fair and reasonable levels. Such businesses are not usually attractively valued. Second, into cyclical but reasonable businesses as they are re-priced towards the bottom of their usual cyclical range.

October 2018

Established by Firth Investment Management Pte. Ltd.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Managers' reports

Performance

For the year ended September 30, 2018, the value of Hereford Funds - Firth Asian Systematic Equities Fund - L2 Share class decreased by 0.21% compared to an increase of 1.45% for the benchmark, the MSCI AC Asia ex Japan USD Net Index.

Similar to last year, the fund generated a return close to the index, but with lower volatility and has performed in line with expectations based on the extensive back testing conducted prior to launch. The fund continues to offer a premium Sharpe ratio, a key target of the process.

Review

Overall performance of Asian equity markets can be described as lacklustre over the period in review, however this does not tell the entire story, with the year split into two distinct periods. Stock markets started the year positively with US dollar weakness combined with relatively positive global growth, leading to strong share price performance for many of Asia's companies. The index registered a 16.4% gain over the first four months under review, led by the mega-cap tech names continuing their march higher. The Fund, driven by strong selection, particularly in the technology sector, outperformed the index by over 1% over this time.

February saw the start of the sell-off in global equities with Asia leading the declines based on a range of concerns. Particular emphasis was placed on expectations regarding the magnitude of likely US Fed tightening leading to a strengthening US dollar and further upside in US bond yields, along with the prospect of a looming trade war between the US and China. This resulted in a 13% decline in the index over the final eight months of the period and a 15% fall for the Fund.

The strategy had been increasingly tilting towards deeper value, lower beta and quality characteristics, which dragged on performance over earlier portions of this period. Nonetheless, in more recent months this strategic bias has been generating outperformance of the benchmark index as such factors as rising US bond yields, Fed tightening, emerging market concerns and trade frictions force investors to implement a more conservative stance, and become more discriminating in stock selection.

Outlook

With rising US bond yields, Fed tightening, emerging market contagion concerns and the looming threat of trade war extension all on the horizon, we believe the Fund is well positioned to outperform in the coming months. The Fund is specifically designed to manage Asian cycle risk, by dampening its volatility through variation of the portfolio beta. In addition, the process emphasizes diversification as a key driver of portfolio construction, and historic testing provides evidence of the success of that strategy over the long run.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Managers' reports (continued)

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. The Fund also continues to maintain a cautious bias with a focus on deeper value, lower beta and quality characteristics. 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.

October 2018

Established by Firth Investment Management Pte. Ltd.

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Managers' reports

Review

For the period of April 16, 2018 through September 30, 2018, the Hereford Funds - Bin Yuan Greater China Sub-Fund was down approximately 14.03% while the total return (including dividends) of the MSCI All China dropped 15.87%.

The investment manager, Bin Yuan Capital, commented as follows:

For the six months from April to September 2018, our portfolios recorded a revenue growth of 16.9% and a net income growth of 29.5%. The growth rate of revenue and net income of total A-shares are 13.5% and 9.6%, respectively. Our portfolio's financial results beat the market significantly.

As a long-only fund manager, we continued to focus on stocks with predictable earnings growth, strong cash flow, healthy financial positions and valued at reasonable prices. The average net debt ratio $\{(Debt-Cash)/Equity\}$ of our portfolio is 4.1%, showing very strong balance sheet. Our portfolio's current PE is 15.5x estimated 2019 earnings and expected earnings growth rate is 20.1% through 2022. Considering the predictable quality growth of the portfolio, we believe that our portfolio's valuation is still quite attractive.

Portfolio

The majority of the portfolio is invested in the Consumer, Information Technology and Industrials sectors, with smaller weightings in the Energy, Utilities and Materials sectors.

The strongest contributors to performance over the reporting period were Bilibili (a comics and games platform), Shanghai International Airport (an airport operator), Haitian (a flavouring company), Vitasoy (a beverage company) and Ping An (an insurance company).

As the leader in the Animation, Comic and Game industry, Bilibili has a vision to enrich the everyday life of young people. It is the iconic brand of online entertainment for the young generation in China. We believe the company will continue to benefit from the rapid growth of Animation, Comic and Game culture in China.

Shanghai International Airport (SIA) has a unique geographical advantage and will become the largest air hub in China, and even in Asia-Pacific region. As a key international hub, the hinterland of Yangtze River Delta is inhabited by 150 million population and the GDP in this area accounts for 17% of total China GDP with average GDP per capita of USD 17,500. SIA has also leveraged its dominant market position to increase exposure to duty free retail business, which will grow rapidly driven by rising disposable income and increasing numbers of outbound travellers.

The weakest contributors to performance were Sunny Optical (an optical equipment supplier), Livzon Pharmaceutical (a pharmaceutical company), Han's Laser (a laser equipment supplier), Fuanna (a home textile company) and Hikvision (a video surveillance company).

Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Managers' reports (continued)

During April to September, Sunny Optical underperformed primarily due to the temporary low utilization of its new factory. Optical parts have great potential to upgrade and the application will expand to Industry, Retail, Internet of Things and other sectors. As the leading optical company in China, Sunny Optical will continue to benefit from the demand increase.

Livzon underperformed in the current period. The market had concern that one of Livzon's major products, Shenqifuzheng, reached its maturity stage and the growth might slow down. However, we believed that Livzon had abundant new products in the pipeline which would further drive Livzon's growth. The stock was trading at 11X 2019PE with over 15% CAGR.

Changes in Holdings

During the reporting period, the following four stocks' weight increased most: We added Ping'An Insurance due to its high and sustainable premium income growth with longer duration, the industry consolidation trend and the development of healthcare insurance in China; We added Vitasoy because its business will continue to be driven by the steady increase in ready-to-drink tea consumption and the deeper penetration of distribution channels in Mainland China; We added Man Wah Holdings due to its expansion in high-margin domestic market and its increase in efficiency by acquiring factories in Vietnam; We added C&S Paper as the company continued to benefit from the steady increase in domestic tissue consumption and industry consolidation driven by tightened environmental regulations.

The following three stocks' weight decreased most: We sold SANY Heavy Industry as construction machinery was a relatively cyclical industry and we had concerns that the industry might have peaked; We also reduced some consumer discretionary stocks to add consumer staples stocks, which are more resilient in a slowing-down economy. We trimmed Shanghai Jinjiang-B and China CYTS as traveling expenditure was the most vulnerable item.

Local Insights and Observations

Chinese equity market has remained weak during the period from April to September. The growing concern of domestic slowdown and the uncertainty of trade war with US tampered the confidence of the market.

Domestic Consumption Slowdown - Cyclical not Structural

China domestic consumption has slowed down in the period, especially for July and August. We think the slower pace was a short-term cyclical issue not a long-term secular trend change.

Short-term cyclical issue

The higher data base of last year and liquidity tightening in the second quarter were the reasons behind the slow-down.

Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Managers' reports (continued)

To help to improve the residential living standard in less developed areas, the government issued policy to encourage property developers to build housing there with government subsidies. This shanty redevelopment stimulus policy boosted property construction, property sales, and related consumptions in the third and fourth tier cities. The scale of redevelopment this year was lower than last year which impacted consumption and corporate growth data on a year over year basis.

The impact of the liquidity tightening to reduce over leveraged sectors and clean up the intermediary channels in financial system has extended to the third quarter. Under tight liquidity environment, smaller banks felt heavy pressure from interbank liabilities, one of their key funding sources. They chose to give up Small and Medium Enterprises (SME) operational debt which was the only asset that was easy to liquidate. As a result, the capital chain of small enterprises was broken and some of them went bankrupt. Other SME had lower intention and less capital to re-stock which lowered sales data for some sectors.

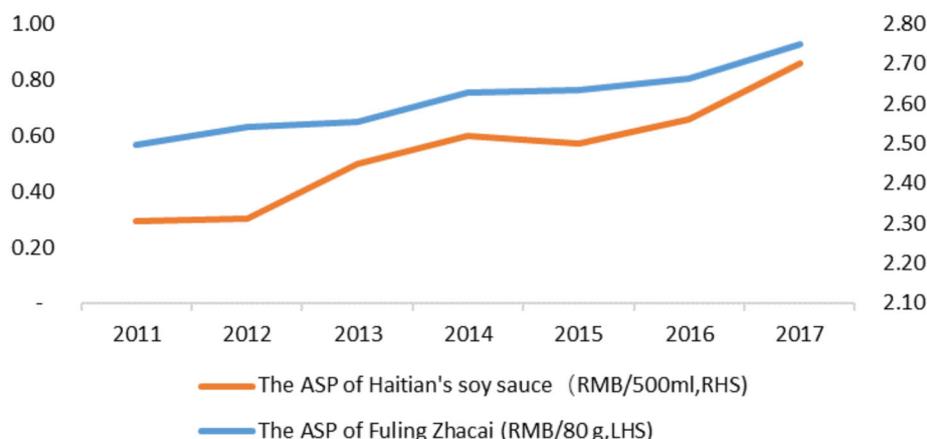
The orderly exit of the stimulus scheme shall help to stabilize property price and improve affordability. The incremental deleveraging impact will continue to be diminishing going forward.

Long-term secular trend intact

The mass consumption becomes predominant driver of overall consumption growth, and "Consumption Upgrade" trend continues in mass market.

Consumers bought low priced non-branded products in the past, and they started to become brand aware on quality and safety and tend to upgrade along the price bucket. The average selling price (ASP) of daily-consumed seasoning food (Fuling pickle and Haitian soybean sauce) shown in Chart 1 demonstrate the upward trend of the consumption pattern.

Chart 1: Comparison of Average Selling Prices (ASP) of Haitian and Fuling's Main Products



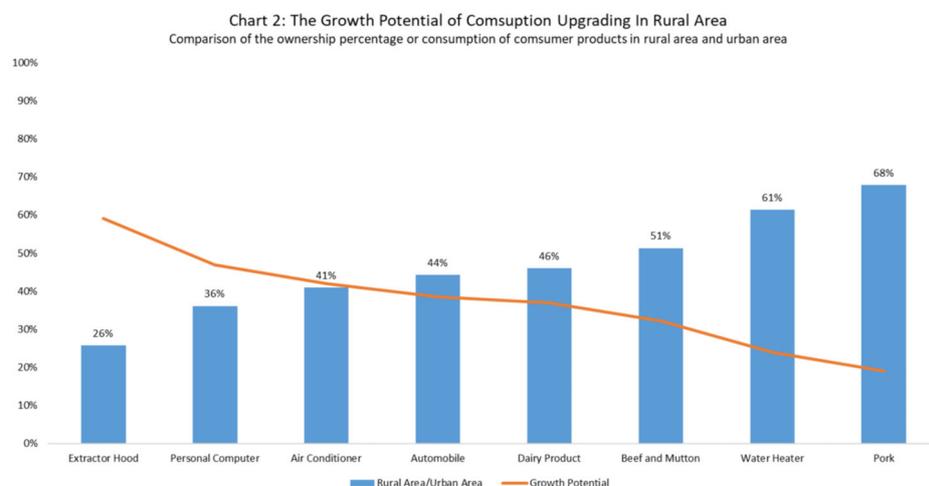
Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Managers' reports (continued)

Our on the road observation also proves that premiumisation trend remains on track. The visit to Chongqing Beer reinforced our confidence on mix upgrade in beverage sector. Higher ASP product Chongqing draft (ASP RMB12) grew at 20% in terms of volume, much faster than lower ASP product. The volume contribution from high end brand "Tuborg" has risen dramatically from 1% in 2013 to 22% in 2017. Our channel check in Liaoning province, Northern east China, surprised us by seeing that washing machines with dryer (ASP more than 40% higher than the one without dryer) were sold well even in Anshan, a low tier city. Increasing number of cosmetic stores were opened in less developed counties. We saw three cosmetic stores with diversified offerings in one street of Qimen county, Anhui province.

The incremental demand driven by low income group is tremendous. Disposable income growth rate of low tier cities outperformed higher tier cities. The wage of construction workers is more than tripled in the past 10 years. The Chart 2 listed the penetration of consumer products in both urban and rural area. If the current rural household consumption level becoming the same as those in urban, driven by urbanization, the incremental sales volume of those products will be increased significantly to the future. For example, the ownership of air conditioners per 100 household in rural areas is only 41% of that in urban areas. If the rural areas ownership catches up the current level of the urban area, the total ownership volume of air conditioner will increase by 42%.



Trade War - What is Expected from China

The trade relationship of Trump administration with China is less negotiable compared to the past. It is expected to be a long-lasting event even most of us believe it would not be beneficial to the global trades. We have discussed that the trade war will not reverse the economy trend in China significantly, it would be an external force for China to adopt more reform which in the long term is good for China. We believe that domestic consumption will not be impacted, while there might be short term uncertainties on consumer discretionary. Taking out trade war noises, our investment attention is still focused on selective consumption sectors and technology sectors that are less relevant to trade issues.

What should happen: The recipe for China to increase competitiveness is to open and liberalize market, invest in Research and Development (R&D), protect Intellectual Property (IP) and fiscal reform to reduce private sector tax burden.

Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Managers' reports (continued)

What has already happened: China has started to grant tax preferential policy to companies who heavily invested in R&D. It also announced the cut of individual income tax. The research from CLSA estimates over 130m (10% of population) paid income tax last year versus 26m (2% of population) that was published by a recent government paper.

What is expected to happen: China will continue to restructure its economy from low end manufacturing to high end manufacturing and services, from investment driven to consumption driven model.

- China will continue the reform to liberalize the factors and reduce the burden of enterprises resulting from inefficiency of government. Layers in the government system might be reduced to save the cost and pave the way for expansive fiscal policy.
- Tax reform will focus on the fairness of marketplace, and it is the main mechanism through which profit/wealth is allocated and re-distributed. The tax cut initiatives will come out together with the tighter execution of tax declaration.
- China will open up sectors like auto and finance to force domestic players to become competitive. The opening of China International Import Expo in Shanghai signals the determination of openness of the government.
- China might issue more favorable policies to low income people to encourage them to consume and reduce the income gap.
- China will execute on State Owned Enterprise (SOE) reform. The leverage of SOE has been lowered as the result of the supply side reform and we expect more reforms on management incentive and market-oriented mechanism to come.
- China has already built well connected infrastructure network, the incremental return generated from another round of large-scale stimulus infrastructure investment will not be justified. However, the selective investment on sectors that lagged in the past can be expected. This will include grid distribution, 5G...etc. Also, the investment in welfare will rise to improve purchasing power.

Impact to our portfolio

We believe that Chinese government is determined to reform to build a fair and efficient mechanism for enterprises that include both SOE and private companies. Those expected changes would be very favorable to highly innovative and well-managed companies.

As part of our investment process, we continue to look for industry leaders with a culture focusing on sustainability development. The tightening execution on tax, environment, social security and liquidity will impose heavier burden on those less efficient and illegal players, but do no harm to well-managed leaders who invested in the past on those Environmental, Social and Governance (ESG) factors and R&D. They are expected to enjoy tax cut on R&D and will continue to consolidate the market in the long haul. Our holdings like tissue, soybean source, bedding, cabinet, high end technology will benefit from this trend.

November 2018

Established by Bin Yuan Capital.

All management reports have been approved by the Board of Directors of the Fund.

Past performance is not an indicator of current or future returns.

Report of the Réviseur d'Entreprises Agréé / Auditor's report

To the Shareholders of

Hereford Funds
Société d'Investissement à Capital Variable incorporated in Luxembourg
15, avenue J.F. Kennedy, L-1855 Luxembourg

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hereford Funds (the "Fund") and its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at September 30, 2018, and the statement of operations and 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 the Fund and of each of its sub-funds as at September 30, 2018, 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 July 23, 2016 on the audit profession (Law of July 23, 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.

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.

Report of the Réviseur d'Entreprises Agréé / Auditor's report (continued)

Responsibilities of the Board of Directors of the Fund

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 July 23, 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 July 23, 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.
- 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 the *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.



Report of the Réviseur d'Entreprises Agréé / Auditor's report (continued)

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*

A handwritten signature in blue ink, reading "Hennebert", with a large, sweeping flourish underneath.

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

January 10, 2019
560, rue de Neudorf
L-2220 Luxembourg

Hereford Funds

Statement of net assets as at September 30, 2018

	COMBINED	Hereford Funds - DSM US Large Cap Growth Fund	Hereford Funds - DGHM US All-Cap Value Fund
	USD	USD	USD
ASSETS			
Investments in securities at acquisition cost	146,078,435.11	57,301,544.58	41,905,382.94
Net unrealised gain/loss on investments	44,196,589.05	34,967,228.10	8,062,359.91
Investments in securities at market value (note 2.d)	190,275,024.16	92,268,772.68	49,967,742.85
Cash at banks (note 2.d)	4,670,706.37	999,808.57	1,099,564.24
Bank deposits (note 2.d)	390,000.00	0.00	0.00
Interest receivable, net	55.78	0.00	0.00
Formation expenses (note 2.i)	13,292.39	0.00	0.00
Other assets	385.20	0.00	0.00
	195,349,463.90	93,268,581.25	51,067,307.09
LIABILITIES			
Advisory fees payable (note 4)	454,321.29	227,053.10	125,508.81
"Taxe d'abonnement" payable (note 3)	6,479.49	2,958.27	2,009.97
Other fees payable (note 6)	143,338.29	63,761.52	36,541.59
	604,139.07	293,772.89	164,060.37
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2018	194,745,324.83	92,974,808.36	50,903,246.72
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2017	233,712,229.65	95,311,118.00	91,337,661.34
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2016	226,890,466.16	100,191,237.05	88,363,623.60

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

Hereford Funds

Statement of net assets as at September 30, 2018 (continued)

Hereford Funds - DGHM US MicroCap Value Fund	Hereford Funds - FIRTH ASIAN Value Fund	Hereford Funds - FIRTH ASIAN Systematic Equities Fund	Hereford Funds - Bin Yuan Greater China Fund (note 1)
USD	USD	USD	USD
31,273,831.34	5,312,321.87	6,178,371.16	4,106,983.22
2,921,197.77	-1,030,204.38	-164,618.65	-559,373.70
34,195,029.11	4,282,117.49	6,013,752.51	3,547,609.52
1,977,412.68	210,584.48	97,983.84	285,352.56
0.00	270,000.00	0.00	120,000.00
0.00	43.11	0.00	12.67
9,120.25	0.00	2,724.44	1,447.70
385.20	0.00	0.00	0.00
36,181,947.24	4,762,745.08	6,114,460.79	3,954,422.45
92,717.98	0.00	5,002.79	4,038.61
982.25	119.76	310.21	99.03
18,813.84	7,793.45	9,531.07	6,896.82
112,514.07	7,913.21	14,844.07	11,034.46
36,069,433.17	4,754,831.87	6,099,616.72	3,943,387.99
6,602,899.84	34,050,189.67	6,410,360.80	-
-	33,679,055.72	4,656,549.79	-

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

Hereford Funds

Statement of operations and changes in net assets for the year/period ended September 30, 2018

	COMBINED	Hereford Funds - DSM US Large Cap Growth Fund	Hereford Funds - DGHM US All-Cap Value Fund
	USD	USD	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	233,712,229.65	95,311,118.00	91,337,661.34
INCOME			
Dividends, net (note 2.i)	2,388,019.09	426,094.96	843,722.18
Bank interest (note 2.i)	60,048.46	3,104.28	7,780.51
Other income	166,103.03	97,038.21	46,000.42
	2,614,170.58	526,237.45	897,503.11
EXPENSES			
Amortization of formation expenses (note 2.h)	4,030.91	0.00	0.00
Advisory fees (note 4)	2,114,528.30	978,544.35	547,095.00
Depository fees, bank charges and interest	92,974.53	38,225.52	20,171.50
Professional fees, audit fees and other expenses	851,643.61	384,252.92	187,679.15
Administration fees	249,793.99	64,737.20	69,556.46
"Taxe d'abonnement" (note 3)	28,034.60	11,601.78	9,015.09
Transaction fees (note 2.j)	538,853.53	67,118.78	173,946.67
	3,879,859.47	1,544,480.55	1,007,463.87
NET INVESTMENT INCOME/LOSS	-1,265,688.89	-1,018,243.10	-109,960.76
Net realised gain/loss on sales of investments (note 2.f)	18,098,727.99	8,834,005.19	8,852,738.08
Net realised gain/loss on foreign exchange	-153,569.65	-38,691.45	17.88
Net realised loss on options	-686.23	-302.16	0.00
Net realised loss on forward exchange contracts	-12,079.55	0.00	0.00
NET REALISED GAIN/LOSS	16,666,703.67	7,776,768.48	8,742,795.20
Change in net unrealised appreciation/depreciation:			
- on investments	-601,826.93	5,182,424.44	-6,084,634.58
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	16,064,876.74	12,959,192.92	2,658,160.62
Proceeds from subscriptions of shares	69,959,918.14	27,280,631.00	2,858,806.15
Cost of shares redeemed	-124,991,699.70	-42,576,133.56	-45,951,381.39
NET ASSETS AT THE END OF THE YEAR/PERIOD	194,745,324.83	92,974,808.36	50,903,246.72

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

Hereford Funds

Statement of operations and changes in net assets for the year/period ended September 30, 2018 (continued)

Hereford Funds - DGHM US MicroCap Value Fund	Hereford Funds - FIRTH ASIAN Value Fund	Hereford Funds - FIRTH ASIAN Systematic Equities Fund	Hereford Funds - Bin Yuan Greater China Fund (note 1)
USD	USD	USD	USD
6,602,899.84	34,050,189.67	6,410,360.80	-
406,111.52	461,546.56	194,821.76	55,722.11
10,085.19	34,782.12	3,150.67	1,145.69
15,832.54	7,231.86	0.00	0.00
432,029.25	503,560.54	197,972.43	56,867.80
2,901.22	0.00	1,082.51	47.18
326,548.09	235,772.00	21,184.02	5,384.84
11,746.51	11,560.62	5,571.07	5,699.31
134,900.98	96,910.38	38,526.96	9,373.22
30,376.45	39,705.33	44,080.84	1,337.71
3,864.25	1,982.91	1,362.01	208.56
93,824.47	150,279.72	39,563.13	14,120.76
604,161.97	536,210.96	151,370.54	36,171.58
-172,132.72	-32,650.42	46,601.89	20,696.22
930,834.50	-1,120,422.94	719,421.85	-117,848.69
39.48	-90,290.82	-16,730.37	-7,914.37
-227.49	-156.58	0.00	0.00
0.00	-5,392.91	-1,256.01	-5,430.63
758,513.77	-1,248,913.67	748,037.36	-110,497.47
1,968,254.86	-315,826.46	-792,671.49	-559,373.70
2,726,768.63	-1,564,740.13	-44,634.13	-669,871.17
29,050,471.58	5,652,999.54	500,039.88	4,616,969.99
-2,310,706.88	-33,383,617.21	-766,149.83	-3,710.83
36,069,433.17	4,754,831.87	6,099,616.72	3,943,387.99

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

Hereford Funds

Number of shares outstanding and net asset value per share

Sub-fund	Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
			30.09.2018	30.09.2018	30.09.2017	30.09.2016
Hereford Funds - DSM US Large Cap Growth Fund	AI	USD	136,287.12	237.03	207.56	165.89
	BI	USD	312,505.54	165.96	144.32	114.54
	C	USD	-	-	177.86	148.50
	D	USD	10,451.70	375.21	330.29	265.43
	U	USD	19,771.06	247.08	216.36	172.93
Hereford Funds - DGHM US All-Cap Value Fund	AI	USD	68,787.24	237.65	226.25	201.11
	BI	USD	200,591.81	149.06	141.02	124.77
	D	USD	24,700.78	188.46	180.37	161.21
Hereford Funds - DGHM US MicroCap Value Fund	AI	USD	3,075.00	100.38	-	-
	L	USD	270,209.00	132.34	122.18	-
Hereford Funds - FIRTH ASIAN Value Fund	AI	USD	45,413.37	104.70	118.21	106.77
	BI	USD	-	-	105.41	-
Hereford Funds - FIRTH ASIAN Systematic Equities Fund	E	USD	7,985.99	146.07	146.47	120.88
	L1	USD	3,076.70	144.30	145.38	120.52
	L2	USD	30,829.04	145.61	146.15	120.79
Hereford Funds - Bin Yuan Greater China Fund (note 1)	L1	USD	14,110.50	85.77	-	-
	L2	USD	31,839.54	85.84	-	-

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

Hereford Funds - DSM US Large Cap Growth Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
NORWEGIAN CRUISE LINE	USD	54,450.00	3,127,063.50	3.36
			3,127,063.50	3.36
<i>CAYMAN ISLANDS</i>				
TENCENT HOLDING ADR -UNSPONS.-	USD	117,850.00	4,812,994.00	5.18
			4,812,994.00	5.18
<i>CHINA</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	38,975.00	6,421,521.00	6.91
			6,421,521.00	6.91
<i>LIBERIA</i>				
ROYAL CARIBBEAN CRUISES	USD	24,450.00	3,177,033.00	3.42
			3,177,033.00	3.42
<i>UNITED STATES</i>				
ABBOTT LABORATORIES	USD	55,050.00	4,038,468.00	4.34
ADOBE SYSTEMS	USD	17,850.00	4,818,607.50	5.18
ALPHABET 'A'	USD	5,796.00	6,996,235.68	7.53
AUTOMATIC DATA PROCESSING	USD	10,450.00	1,574,397.00	1.69
BECTON DICKINSON & CO	USD	15,600.00	4,071,600.00	4.38
BOOKING HOLDINGS	USD	1,970.00	3,908,480.00	4.20
BURLINGTON STORES	USD	5,800.00	944,936.00	1.02
CHARLES SCHWAB	USD	77,225.00	3,795,608.75	4.08
ELECTRONIC ARTS	USD	13,650.00	1,644,688.50	1.77
FACEBOOK 'A'	USD	40,825.00	6,714,079.50	7.23
INTUIT	USD	9,450.00	2,148,930.00	2.31
MICROSOFT	USD	58,375.00	6,676,348.75	7.18
MONSTER BEVERAGE	USD	63,500.00	3,700,780.00	3.98
MSCI	USD	21,350.00	3,787,703.50	4.07
PAYPAL HOLDINGS	USD	32,525.00	2,856,996.00	3.07
RAYTHEON	USD	9,100.00	1,880,606.00	2.02
REGENERON PHARMACEUTICALS	USD	6,550.00	2,646,462.00	2.85
THERMO FISHER SCIENTIFIC	USD	14,800.00	3,612,384.00	3.89
VISA 'A'	USD	30,300.00	4,547,727.00	4.89
ZOETIS 'A'	USD	47,675.00	4,365,123.00	4.69
			74,730,161.18	80.37
TOTAL INVESTMENTS			92,268,772.68	99.24
CASH AT BANKS			999,808.57	1.08
OTHER NET LIABILITIES			-293,772.89	-0.32
TOTAL NET ASSETS			92,974,808.36	100.00

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

Hereford Funds - DSM US Large Cap Growth Fund

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
United States	80.37
China	6.91
Cayman Islands	5.18
Liberia	3.42
Bermuda	3.36
	99.24

Industrial classification

(in % of net assets)	
Internet, software and IT services	26.85
Holding and finance companies	22.76
Computer and office equipment	18.13
Pharmaceuticals and cosmetics	9.07
Biotechnology	7.19
Electronics and electrical equipment	5.91
Banks and credit institutions	4.89
Gastronomy	3.42
Retail and supermarkets	1.02
	99.24

Hereford Funds - DGHM US All-Cap Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CANADA</i>				
SUNCOR ENERGY	CAD	41,197.00	1,593,911.93	3.13
			1,593,911.93	3.13
<i>UNITED KINGDOM</i>				
SMITH & NEPHEW PLC ADR -SPONS.-	USD	46,591.00	1,728,060.19	3.39
			1,728,060.19	3.39
<i>UNITED STATES</i>				
ABBOTT LABORATORIES	USD	29,383.00	2,155,536.88	4.23
AGCO	USD	21,915.00	1,332,212.85	2.62
ALLSCRIPTS HEALTHCARE SOLUTIONS	USD	119,309.00	1,700,153.25	3.34
ALLSTATE	USD	16,033.00	1,582,457.10	3.11
ANALOG DEVICES	USD	17,130.00	1,583,839.80	3.11
BROOKDALE SENIOR LIVING	USD	97,061.00	954,109.63	1.87
CABOT OIL & GAS	USD	59,090.00	1,330,706.80	2.61
CISCO SYSTEMS	USD	27,504.00	1,338,069.60	2.63
CIT GROUP	USD	27,883.00	1,439,041.63	2.83
CSX	USD	18,005.00	1,333,270.25	2.62
EAGLE MATERIALS	USD	13,133.00	1,119,456.92	2.20
EASTMAN CHEMICAL	USD	13,273.00	1,270,491.56	2.50
ENCOMPASS HEALTH CORP	USD	25,444.00	1,983,359.80	3.90
GAP	USD	44,881.00	1,294,816.85	2.54
HOWARD HUGHES	USD	4,009.00	497,997.98	0.98
JM SMUCKER CO	USD	11,530.00	1,183,093.30	2.32
JP MORGAN CHASE & CO	USD	20,848.00	2,352,488.32	4.62
KOHL'S	USD	15,691.00	1,169,764.05	2.30
LIBERTY PROPERTY TRUST -SBI-	USD	23,122.00	976,904.50	1.92
MARATHON OIL	USD	71,237.00	1,658,397.36	3.26
MASCO	USD	31,111.00	1,138,662.60	2.24
MICRON TECHNOLOGY	USD	22,997.00	1,040,154.31	2.04
NATIONAL OILWELL VARCO	USD	26,992.00	1,162,815.36	2.28
PNC FINANCIAL SERVICES GROUP	USD	9,630.00	1,311,509.70	2.58
PRINCIPAL FINANCIAL GROUP	USD	21,160.00	1,239,764.40	2.44
PROCTER & GAMBLE	USD	18,039.00	1,501,385.97	2.95
PRUDENTIAL FINANCIAL	USD	13,875.00	1,405,815.00	2.76
PUBLIC SERVICE ENTERPRISE GROUP	USD	21,490.00	1,134,457.10	2.23
REGAL-BELOIT	USD	15,775.00	1,300,648.75	2.56
REGIONS FINANCIAL	USD	75,242.00	1,380,690.70	2.71
SUNTRUST BANKS	USD	21,321.00	1,424,029.59	2.80
UNITED TECHNOLOGIES	USD	10,121.00	1,415,017.01	2.78
VERIZON COMMUNICATIONS	USD	31,020.00	1,656,157.80	3.25
XCEL ENERGY	USD	27,081.00	1,278,494.01	2.51
			46,645,770.73	91.64

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

Hereford Funds - DGHM US All-Cap Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Market value (note 2.d)	% of net assets
TOTAL INVESTMENTS	49,967,742.85	98.16
CASH AT BANKS	1,099,564.24	2.16
OTHER NET LIABILITIES	-164,060.37	-0.32
TOTAL NET ASSETS	50,903,246.72	100.00

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

Hereford Funds - DGHM US All-Cap Value Fund

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
United States	91.64
United Kingdom	3.39
Canada	3.13
	98.16

Industrial classification

(in % of net assets)	
Holding and finance companies	13.20
Oil	11.28
Healthcare & social services	9.11
Banks and credit institutions	7.33
Pharmaceuticals and cosmetics	6.34
Insurance	5.55
Construction of machines and appliances	5.18
Retail and supermarkets	4.84
Computer and office equipment	4.67
Construction and building materials	4.44
Biotechnology	4.23
Communications	3.25
Electronics and electrical equipment	3.11
Real Estate Shares	2.90
Aeronautics and astronautics	2.78
Transport and freight	2.62
Public utilities	2.51
Chemicals	2.50
Food and soft drinks	2.32
	98.16

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
FLY LEASING ADR -SPONS.-	USD	54,774.00	772,313.40	2.14
			772,313.40	2.14
<i>LUXEMBOURG</i>				
ORION ENGINEERED CARBONS	USD	26,107.00	838,034.70	2.32
			838,034.70	2.32
<i>UNITED STATES</i>				
AMERICAN SOFTWARE 'A'	USD	31,230.00	378,819.90	1.05
ARK RESTAURANTS	USD	26,472.00	609,120.72	1.69
ARTESIAN RESOURCES 'A'	USD	12,474.00	458,793.72	1.27
BANKFINANCIAL	USD	22,338.00	356,067.72	0.99
CAPITAL CITY BANK GROUP	USD	12,632.00	294,830.88	0.82
CATCHMARK TIMBER TRUST 'A'	USD	57,653.00	658,973.79	1.83
CAVCO INDUSTRIES	USD	2,259.00	571,527.00	1.58
CBIZ	USD	32,570.00	771,909.00	2.14
CENTRAL VALLEY COMMUNITY BANCORP	USD	9,673.00	209,033.53	0.58
CITY OFFICE REIT	USD	67,858.00	856,367.96	2.37
COBIZ FINANCIAL	USD	7,502.00	166,094.28	0.46
COMMERCIAL VEHICLE GROUP	USD	32,000.00	293,120.00	0.81
COMMUNITY TRUST BANCORP	USD	9,236.00	428,088.60	1.19
COMPUTER PROGRAMS & SYSTEMS	USD	18,327.00	492,079.95	1.36
CONTINENTAL BUILDING PRODUCT	USD	15,001.00	563,287.55	1.56
DUCOMMUN	USD	17,690.00	722,459.60	2.00
EMC INSURANCE GROUP	USD	26,681.00	659,554.32	1.83
EMPLOYERS HOLDINGS	USD	15,953.00	722,670.90	2.00
FIRST BANCORP NORTH CAROLINA	USD	11,703.00	474,088.53	1.31
FIRST COMMUNITY BANCSHARES	USD	19,517.00	661,235.96	1.83
FOUNDATION BUILDING MATERIALS	USD	54,293.00	677,033.71	1.88
GRAY TELEVISION	USD	51,115.00	894,512.50	2.49
GREENHILL	USD	21,677.00	571,188.95	1.58
HERSHA HOSPITALITY TRUST 'A' -SBI-	USD	18,626.00	422,251.42	1.17
HOMETRUST BANCSHARES	USD	16,682.00	486,280.30	1.35
HURCO COMPANIES	USD	9,836.00	443,603.60	1.23
INDEPENDENCE REALTY TRUST	USD	55,324.00	582,561.72	1.62
INNOFOS HOLDINGS	USD	12,567.00	557,974.80	1.55
INVACARE	USD	28,127.00	409,247.85	1.13
ISTAR REIT	USD	52,552.00	587,005.84	1.63
KIMBALL ELECTRONICS	USD	23,958.00	470,774.70	1.31
KULICKE & SOFFA INDUSTRIES	USD	27,557.00	656,958.88	1.82
MARCUS CORPORATION	USD	18,800.00	790,540.00	2.19
MARTEN TRANSPORT	USD	35,420.00	745,591.00	2.07
MCBC HOLDINGS	USD	24,718.00	886,881.84	2.46
MOVADO GROUP	USD	9,734.00	407,854.60	1.13
NATIONAL BANKSHARES	USD	11,230.00	510,403.50	1.42

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

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
NEENAH PAPER	USD	5,669.00	489,234.70	1.36
NEWPARK RESOURCES	USD	76,633.00	793,151.55	2.20
NORTHRIM BANCORP	USD	11,755.00	488,420.25	1.35
PENN VIRGINIA	USD	9,511.00	766,015.94	2.12
PREFORMED LINE PRODUCTS	USD	7,648.00	537,501.44	1.49
RADNET	USD	35,010.00	526,900.50	1.46
RGC RESOURCES	USD	17,939.00	479,150.69	1.33
ROCKY BRANDS	USD	14,910.00	421,953.00	1.17
RUDOLPH TECHNOLOGIES	USD	19,211.00	469,708.95	1.30
SANDRIDGE ENERGY	USD	38,609.00	419,679.83	1.16
SANDY SPRING BANCORP	USD	13,547.00	532,532.57	1.48
SOUTH STATE	USD	5,537.00	454,034.00	1.26
SP PLUS	USD	20,997.00	766,390.50	2.12
STEEL PARTNERS PFD NC 6% 07/02/26 'A'	USD	22,534.00	515,577.92	1.43
STERLING CONSTRUCTION	USD	57,238.00	819,648.16	2.27
TERRITORIAL BANCORP	USD	14,977.00	442,570.35	1.23
TRANSCAT	USD	30,388.00	694,365.80	1.93
UNITIL	USD	10,925.00	556,082.50	1.54
US LIME & MINERALS	USD	7,351.00	580,361.45	1.61
WESTRN NEW ENGLAND BANCORP	USD	38,804.00	419,083.20	1.16
WILLIAM LYON HOMES 'A'	USD	37,431.00	594,778.59	1.65
ZAGG	USD	25,000.00	368,750.00	1.02
			32,584,681.01	90.34
TOTAL INVESTMENTS			34,195,029.11	94.80
CASH AT BANKS			1,977,412.68	5.48
OTHER NET LIABILITIES			-103,008.62	-0.28
TOTAL NET ASSETS			36,069,433.17	100.00

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

Hereford Funds - DGHM US MicroCap Value Fund

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
United States	90.34
Luxembourg	2.32
Bermuda	2.14
	94.80

Industrial classification

(in % of net assets)	
Holding and finance companies	16.76
Banks and credit institutions	12.66
Real Estate Shares	8.62
Electronics and electrical equipment	7.85
Construction and building materials	6.63
Oil	5.48
Utilities	4.26
Public utilities	4.14
Aeronautics and astronautics	4.14
Gastronomy	3.88
Automobiles	3.08
Construction of machines and appliances	2.59
Publishing and graphic arts	2.49
Transport and freight	2.07
Insurance	1.83
Healthcare & social services	1.46
Paper and forest products	1.36
Textiles and clothing	1.17
Pharmaceuticals and cosmetics	1.13
Watch-making	1.13
Internet, software and IT services	1.05
Chemicals	1.02
	94.80

Hereford Funds - FIRTH ASIAN Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
FAIRWOOD HOLDINGS	HKD	21,500.00	75,285.15	1.58
JOHNSON ELECTRIC HOLDINGS	HKD	18,500.00	52,249.76	1.10
SINOPEC KANTONS HOLDINGS	HKD	228,000.00	101,690.54	2.14
			229,225.45	4.82
<i>CAYMAN ISLANDS</i>				
CONVENIENCE RETAIL ASIA	HKD	322,000.00	140,735.04	2.96
PICO FAR EAST HOLDINGS	HKD	282,000.00	110,999.26	2.33
STELLA INTERNATIONAL	HKD	99,500.00	88,883.37	1.87
			340,617.67	7.16
<i>CHINA</i>				
QINGLING MOTORS 'H'	HKD	220,000.00	60,729.08	1.28
SINOTRANS 'H'	HKD	233,000.00	94,987.59	2.00
			155,716.67	3.28
<i>HONG KONG</i>				
DAH CHONG HONG HOLDINGS	HKD	246,000.00	95,886.00	2.02
HONG KONG AIRCRAFT ENGINEERING	HKD	13,200.00	117,746.94	2.48
HUNG HING PRINTING GROUP	HKD	320,000.00	50,709.81	1.07
			264,342.75	5.57
<i>INDIA</i>				
LIC HOUSING FINANCE	INR	8,088.00	46,570.98	0.98
SJVN	INR	75,227.00	28,434.54	0.60
THE JAMMU AND KASHMIR BANK	INR	161,133.00	91,802.90	1.93
			166,808.42	3.51
<i>INDONESIA</i>				
ASAHIMAS FLAT GLASS	IDR	368,700.00	113,814.61	2.39
ASTRA OTOPARTS	IDR	1,113,600.00	106,864.22	2.25
INDOSAT 'B'	IDR	340,700.00	69,733.11	1.47
PT LINK NET TBK	IDR	387,800.00	109,301.00	2.30
			399,712.94	8.41
<i>MALAYSIA</i>				
MALAYSIA AIRPORTS HOLDINGS	MYR	31,000.00	66,666.67	1.40
			66,666.67	1.40
<i>PHILIPPINES</i>				
ASIAN TERMINALS	PHP	451,200.00	112,737.40	2.37
PEPSI-COLA PRODUCTS PHILIPPINES	PHP	3,846,200.00	128,135.52	2.69
PHILIPPINE NATIONAL BANK	PHP	132,390.00	105,363.16	2.22
			346,236.08	7.28

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

Hereford Funds - FIRTH ASIAN Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
<i>SINGAPORE</i>				
COMFORTDELGRO	SGD	59,700.00	106,174.06	2.23
KINGSMEN CREATIVES	SGD	289,600.00	116,573.29	2.45
MAPLETREE LOGISTICS TRUST -UNITS-	SGD	52,400.00	47,170.91	0.99
PARKWAY LIFE	SGD	34,400.00	67,976.69	1.43
QAF	SGD	188,667.00	103,560.71	2.18
THE HOUR GLASS	SGD	244,300.00	118,900.30	2.50
UNITED ENGINEERS (SINGAPORE)	SGD	52,900.00	102,598.11	2.16
UOB-KAY HIAN HOLDINGS	SGD	122,270.00	112,753.05	2.37
			775,707.12	16.31
<i>SOUTH KOREA</i>				
FURSYS	KRW	4,257.00	115,514.96	2.43
GEUMHWA PSC	KRW	3,436.00	100,051.54	2.10
HY-LOK	KRW	2,898.00	62,048.33	1.30
S1 CORP	KRW	305.00	25,131.25	0.53
SAERON AUTOMOTIVE	KRW	21,093.00	100,781.85	2.12
SAMSUNG HEAVY INDUSTRIES	KRW	14,802.00	107,820.13	2.27
			511,348.06	10.75
<i>TAIWAN</i>				
104	TWD	24,000.00	131,660.84	2.77
CAPITAL SECURITIES	TWD	160,000.00	53,974.40	1.14
CAPITAL SECURITIES - PROV-	TWD	11,200.00	3,778.21	0.08
CLEANAWAY COMPANY	TWD	16,000.00	91,442.06	1.92
CYBERLINK	TWD	41,711.00	98,222.29	2.07
EVERLIGHT ELECTRONICS	TWD	101,000.00	103,206.38	2.17
MOMO.COM	TWD	9,000.00	52,320.45	1.10
SCI PHARMTECH	TWD	17,000.00	47,548.56	1.00
SIMPLO TECHNOLOGY	TWD	14,000.00	96,060.01	2.02
TAIWAN FU HSING INDUSTRIAL	TWD	84,000.00	95,326.38	2.00
TEHMAG FOODS	TWD	13,600.00	93,315.44	1.96
			866,855.02	18.23
<i>THAILAND</i>				
HANA MICROELECTRONICS PUBL. -NVDR-	THB	47,600.00	58,138.53	1.22
			58,138.53	1.22
TOTAL I.			4,181,375.38	87.94
II. UNITS OF INVESTMENT FUNDS				
<i>THAILAND</i>				
DIGITAL TELECOMM. INFRASTRUCTURE FUND -FGN-	THB	217,200.00	100,742.11	2.12
			100,742.11	2.12
TOTAL II.			100,742.11	2.12

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

Hereford Funds - FIRTH ASIAN Value Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Market value (note 2.d)	% of net assets
TOTAL INVESTMENTS	4,282,117.49	90.06
CASH AT BANKS	210,584.48	4.43
BANK DEPOSITS	270,000.00	5.68
OTHER NET LIABILITIES	-7,870.10	-0.17
TOTAL NET ASSETS	4,754,831.87	100.00

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

Hereford Funds - FIRTH ASIAN Value Fund

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
Taiwan	18.23
Singapore	16.31
South Korea	10.75
Indonesia	8.41
Philippines	7.28
Cayman Islands	7.16
Hong Kong	5.57
Bermuda	4.82
India	3.51
Thailand	3.34
China	3.28
Malaysia	1.40
	90.06

Industrial classification

(in % of net assets)	
Automobiles	7.67
Retail and supermarkets	6.56
Banks and credit institutions	6.52
Electronics and electrical equipment	6.51
Transport and freight	6.00
Construction of machines and appliances	5.67
Publishing and graphic arts	4.78
Food and soft drinks	4.65
Holding and finance companies	4.36
Miscellaneous trade	4.18
Communications	3.54
Utilities	3.30
Aeronautics and astronautics	2.48
Miscellaneous consumer goods	2.43
Real Estate Shares	2.42
Construction and building materials	2.39
Internet, software and IT services	2.30
Oil	2.14
Units of investment funds	2.12
Transportation	2.00
Environmental services & recycling	1.92
Textiles and clothing	1.87
Gastronomy	1.58
Packaging	1.07
Pharmaceuticals and cosmetics	1.00
Public utilities	0.60
	90.06

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
GEMDALE PROPERTIES AND INVESTMENT	HKD	310,000.00	28,128.10	0.46
HAITONG INT.SECURITIES GROUP	HKD	58,000.00	20,309.48	0.33
JOHNSON ELECTRIC HOLDINGS	HKD	21,000.00	59,310.54	0.97
KERRY PROPERTIES	HKD	7,000.00	23,751.05	0.39
KUNLUN ENERGY	HKD	40,000.00	46,569.19	0.76
NWS HOLDINGS	HKD	19,000.00	37,587.62	0.62
SIHUAN PHARMACEUTICAL HOLDINGS	HKD	153,000.00	31,284.68	0.51
YUE YUEN INDUSTRIAL	HKD	11,500.00	31,965.20	0.52
YUEXIU TRANSPORT INFRASTRUCTURE	HKD	116,000.00	92,059.77	1.51
			370,965.63	6.07
<i>CAYMAN ISLANDS</i>				
361 DEGREES INTERNATIONAL	HKD	245,000.00	62,307.37	1.02
CHINA SCE PROPERTY HOLDINGS	HKD	68,000.00	26,244.37	0.43
CK ASSET HOLDINGS	HKD	4,000.00	30,032.27	0.49
CK HUTCHISON HOLDINGS	HKD	3,000.00	34,581.84	0.57
FUFENG FROUP	HKD	62,000.00	30,188.18	0.49
GREENLAND HONG KONG	HKD	73,000.00	22,576.60	0.37
SHIMAO PROPERTY HOLDINGS	HKD	18,000.00	44,902.71	0.74
TENCENT HOLDINGS	HKD	2,100.00	86,738.30	1.42
			337,571.64	5.53
<i>CHINA</i>				
AGRICULTURAL BANK OF CHINA 'H'	HKD	82,000.00	40,240.68	0.66
BANK OF CHINA 'H'	HKD	115,000.00	51,144.31	0.84
CHINA CINDA ASSET MANAGEMENT 'H'	HKD	130,000.00	32,894.92	0.54
CHINA CITIC BANK 'H'	HKD	51,000.00	32,653.38	0.54
CHINA COMMUNICATIONS SERVICES 'H'	HKD	134,000.00	123,469.69	2.02
CHINA CONSTRUCTION BANK 'H'	HKD	48,000.00	41,958.27	0.69
CHINA HUARONG ASSET MANAGEMENT 'H'	HKD	150,000.00	27,604.13	0.45
CHINA MERCHANTS BANK 'H'	HKD	10,500.00	42,671.38	0.70
CHINA MINSENG BANKING 'H'	HKD	30,000.00	22,275.00	0.37
CHINA RAILWAY 'H'	HKD	98,000.00	97,186.98	1.59
CHINA REINSURANCE GROUP 'H'	HKD	466,000.00	92,307.69	1.51
CHINA SHENHUA ENERGY 'H'	HKD	13,000.00	29,705.11	0.49
CHINA TELECOM CORP 'H'	HKD	190,000.00	94,454.68	1.55
DONGFENG MOTOR GROUP 'H'	HKD	30,000.00	30,901.29	0.51
GUANGZHOU AUTOMOBILE 'H'	HKD	30,000.00	33,239.97	0.54
HUIZHANG BANK 'H'	HKD	152,900.00	66,436.49	1.09
INDUSTRIAL & COMMERCIAL BANK OF CHINA 'H'	HKD	41,000.00	29,970.93	0.49
LONGFOR PROPERTIES	HKD	10,500.00	27,105.72	0.44
PEOPLES INSURANCE CO. GROUP OF CHINA 'H'	HKD	61,000.00	27,440.55	0.45

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

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
PICC PROPERTY AND CASUALTY 'H'	HKD	33,000.00	38,967.83	0.64
SHENZHEN EXPRESSWAY 'H'	HKD	34,000.00	34,152.44	0.56
YANZHOU COAL MINING 'H'	HKD	26,000.00	30,137.06	0.49
			1,046,918.50	17.16
<i>HONG KONG</i>				
AIA GROUP -S-	HKD	10,000.00	89,330.02	1.46
BEIJING ENTREPRISES HOLDINGS LIMITED	HKD	5,000.00	28,051.42	0.46
CHINA MOBILE	HKD	3,500.00	34,508.35	0.57
CHINA RESOURCES POWER HOLDINGS	HKD	22,000.00	38,911.60	0.64
CITIC TELECOM INTERNATIONAL HOLDINGS	HKD	139,000.00	47,429.26	0.78
DAH CHONG HONG HOLDINGS	HKD	150,000.00	58,467.08	0.96
SHOUGANG FUSHAN RESOURCES GROUP	HKD	390,000.00	86,722.97	1.42
SINOTRUK HONG KONG	HKD	57,000.00	124,126.56	2.04
SWIRE PACIFIC 'A'	HKD	6,500.00	71,230.79	1.17
WHEELOCK & COMPANY	HKD	4,000.00	24,000.26	0.39
			602,778.31	9.89
<i>INDIA</i>				
CHENNAI PETROLEUM - DEMAT.-	INR	7,663.00	29,429.97	0.48
INDIA OIL -DEMAT.-	INR	9,444.00	19,978.44	0.33
KARUR VYSYA BANK	INR	44,679.00	47,890.16	0.79
MANGALORE REFINERY & PETROCHEMICALS -DEMAT.-	INR	24,000.00	23,771.55	0.39
NATIONAL HYDROELECTRIC POWER	INR	160,559.00	50,057.01	0.82
OIL & NATURAL GAS CORP	INR	12,105.00	29,590.37	0.49
OIL INDIA	INR	20,000.00	60,573.86	0.99
RURAL ELECTRIFICATION CORP	INR	13,644.00	18,426.65	0.30
SJVN	INR	186,486.00	70,488.55	1.16
TORRENT POWER -DEMAT.-	INR	8,600.00	26,147.60	0.43
			376,354.16	6.18
<i>INDONESIA</i>				
ADARO ENERGY	IDR	430,000.00	52,950.68	0.87
BANK PEMBANGUNAN DAERAH JAWA TIMUR 'B'	IDR	1,845,200.00	80,486.65	1.32
PP LONDON SUMATRA INDONESIA	IDR	1,103,300.00	94,399.75	1.55
PT BUMI SERPONG DAMAI	IDR	274,700.00	21,291.57	0.35
			249,128.65	4.09
<i>MALAYSIA</i>				
ALLIANCE BANK MALAYSIA	MYR	77,800.00	78,580.16	1.29
RHB BANK BERHAD	MYR	53,500.00	69,807.90	1.14
TENAGA NASIONAL	MYR	16,700.00	62,385.41	1.02
			210,773.47	3.45
<i>PHILIPPINES</i>				
FIRST GEN CORPORATION	PHP	301,600.00	93,555.75	1.53
METRO PACIFIC INVESTMENTS	PHP	684,700.00	60,194.82	0.99
			153,750.57	2.52

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

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
<i>SINGAPORE</i>				
JARDINE CYCLE & CARRIAGE	SGD	2,800.00	65,555.65	1.07
OLAM INTERNATIONAL	SGD	20,300.00	30,159.90	0.49
SINGAPORE AIRLINES	SGD	6,100.00	43,483.71	0.71
UOL GROUP	SGD	5,400.00	27,230.20	0.45
			166,429.46	2.72
<i>SOUTH KOREA</i>				
AK HOLDINGS	KRW	550.00	30,344.66	0.50
CJ	KRW	223.00	27,139.81	0.44
DAELIM INDUSTRIAL	KRW	496.00	36,934.30	0.61
DONGWON INDUSTRIES	KRW	348.00	93,803.39	1.54
DOOSAN BOBCAT	KRW	1,187.00	43,231.49	0.71
DOOSAN INFRACORE	KRW	3,577.00	31,601.89	0.52
GS HOLDINGS	KRW	600.00	29,803.75	0.49
HANA FINANCIAL GROUP	KRW	800.00	32,129.64	0.53
HANKOOK TIRE	KRW	2,178.00	98,370.23	1.61
HANWHA CHEMICAL	KRW	1,400.00	24,358.66	0.40
HANWHA CORPORATION	KRW	787.00	23,271.09	0.38
INDUSTRIAL BANK OF KOREA	KRW	2,420.00	33,270.04	0.55
JB FINANCIAL GROUP	KRW	6,214.00	33,779.77	0.55
KOREA PETRO CHEMICAL INDUSTRY	KRW	147.00	24,450.17	0.40
KOREA REAL ESTATE INVESTMENT TRUST CO	KRW	10,069.00	25,325.54	0.42
LG ELECTRONICS	KRW	546.00	34,947.74	0.57
LG FASHION	KRW	1,236.00	29,026.47	0.48
LG UPLUS	KRW	3,600.00	59,391.14	0.97
LOTTE CHEMICAL	KRW	320.00	80,197.88	1.31
LOTTE HIMART	KRW	511.00	30,726.62	0.50
NEXEN TIRE	KRW	3,800.00	32,784.13	0.54
OCI COMPANY	KRW	339.00	33,617.12	0.55
POSCO	KRW	115.00	30,531.72	0.50
SAMSUNG ELECTRONICS	KRW	2,131.00	89,235.42	1.46
SAMSUNG FIRE & MARINE INSURANCE	KRW	136.00	34,819.73	0.57
SHINHAN FINANCIAL GROUP	KRW	824.00	33,427.80	0.55
SK	KRW	194.00	50,193.99	0.82
SK HYNIX	KRW	1,303.00	85,867.71	1.41
SK INNOVATION	KRW	174.00	33,725.30	0.55
SK TELECOM	KRW	186.00	47,285.74	0.78
			1,293,592.94	21.21
<i>TAIWAN</i>				
CHINA DEVELOPMENT FINANCIAL	TWD	187,000.00	69,819.55	1.14
EVA AIRWAYS	TWD	125,000.00	60,794.89	1.00
EVA AIRWAYS -PROV-	TWD	6,250.00	3,039.74	0.05
EVERLIGHT ELECTRONICS	TWD	41,000.00	41,895.66	0.69
GRAND PACIFIC PETROCHEMICAL	TWD	97,000.00	96,577.49	1.58
KING YUAN ELECTRONICS	TWD	30,000.00	20,043.89	0.33
LCY CHEMICAL	TWD	47,000.00	79,890.62	1.31
POU CHEN	TWD	27,000.00	28,518.33	0.47
SIGURD MICROELECTRONICS	TWD	70,000.00	77,489.94	1.27
TAIWAN HON CHUAN ENTERPRISE	TWD	39,000.00	65,270.37	1.07

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

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TAIWAN SEMICONDUCTOR MANUFACTURING	TWD	8,000.00	68,778.05	1.13
TECO ELECTRIC & MACHINERY	TWD	85,000.00	61,662.80	1.01
TONG YANG INDUSTRY	TWD	34,000.00	46,991.79	0.77
TXC	TWD	44,000.00	49,284.39	0.81
WAN HAI LINES	TWD	112,000.00	61,258.32	1.00
WINBOND ELECTRONICS	TWD	46,000.00	21,845.22	0.36
			853,161.05	13.99
<i>THAILAND</i>				
ASIA AVIATION -NVDR-	THB	186,500.00	24,682.13	0.40
BANGCHAK CORPORATION -NVDR-	THB	36,100.00	39,348.33	0.65
IRPC -NVDR-	THB	176,000.00	37,006.80	0.61
PTT GLOBAL CHEMICAL PUBLIC -NVDR-	THB	14,100.00	35,424.40	0.58
QUALITY HOUSES -NVDR-	THB	376,700.00	40,302.47	0.66
RATCHABURI ELECTRICITY -NVDR-	THB	46,000.00	73,608.53	1.21
STAR PETROLEUM REFINING -NVDR-	THB	55,500.00	25,570.50	0.42
THAI OIL NON-VOTING	THB	12,000.00	32,838.59	0.54
TMB BANK -NVDR-	THB	612,300.00	43,546.38	0.71
			352,328.13	5.78
TOTAL INVESTMENTS			6,013,752.51	98.59
CASH AT BANKS			97,983.84	1.61
OTHER NET LIABILITIES			-12,119.63	-0.20
TOTAL NET ASSETS			6,099,616.72	100.00

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

Hereford Funds - FIRTH ASIAN Systematic Equities Fund

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
South Korea	21.21
China	17.16
Taiwan	13.99
Hong Kong	9.89
India	6.18
Bermuda	6.07
Thailand	5.78
Cayman Islands	5.53
Indonesia	4.09
Malaysia	3.45
Singapore	2.72
Philippines	2.52
	98.59

Industrial classification

(in % of net assets)	
Electronics and electrical equipment	10.78
Banks and credit institutions	9.89
Public utilities	7.98
Chemicals	7.48
Holding and finance companies	6.33
Communications	5.89
Transport and freight	5.85
Oil	4.91
Real Estate Shares	4.66
Insurance	4.63
Automobiles	4.61
Agriculture and fisheries	4.38
Construction and building materials	3.75
Textiles and clothing	2.49
Internet, software and IT services	2.20
Tyres and rubber	2.15
Miscellaneous trade	1.56
Mining and steelworks	1.48
Precious metals and stones	1.42
Computer and office equipment	1.19
Conglomerates	1.17
Construction of machines and appliances	1.03
Pharmaceuticals and cosmetics	0.51
Retail and supermarkets	0.50
Miscellaneous	0.49
Biotechnology	0.49
Utilities	0.44
Food and soft drinks	0.33
	98.59

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Statement of investments and other net assets as at September 30, 2018 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
MAN WAH HOLDINGS	HKD	257,600.00	154,397.04	3.92
			154,397.04	3.92
<i>CAYMAN ISLANDS</i>				
BILIBILI ADR -SPONS.-	USD	3,200.00	43,136.00	1.09
SUNNY OPTICAL TECHNOLOGY	HKD	13,100.00	151,174.77	3.83
TENCENT HOLDINGS	HKD	3,700.00	152,824.63	3.88
			347,135.40	8.80
<i>CHINA</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	1,200.00	197,712.00	5.01
C&S PAPER 'A'	CNY	86,290.00	103,463.46	2.62
CHAOZHOU THREE-CIRCLE 'A'	CNY	45,472.00	137,395.06	3.48
CHINA MERCHANTS BANK 'H'	HKD	70,500.00	286,507.84	7.27
CHINA YONGDA AUTOMOBILES SERVICES	HKD	185,000.00	166,206.24	4.21
FORTUNE NG FUNG FOOD (HEBEI) CO 'A'	CNY	47,970.00	74,667.53	1.89
FOSHAN HAITIAN FLAVOURING & FOOD CO 'A'	CNY	2,700.00	31,078.61	0.79
FU SHOU YUAN INTERNATIONAL GROUP	HKD	69,000.00	53,877.89	1.37
HANGZHOU HIKVISION DIGITAL TECHNOLOGY 'A'	CNY	10,550.00	44,066.83	1.12
HAN'S LASER TECHNOLOGY INDUSTRY GROUP 'A'	CNY	22,600.00	139,168.03	3.53
INDUSTRIAL & COMMERCIAL BANK OF CHINA 'H'	HKD	233,000.00	170,322.58	4.32
JIANGSU YANGHE BREWERY 'A'	CNY	4,200.00	78,132.52	1.98
JIANGSU YUYUE MEDICAL EQUIP. & S 'A'	CNY	60,100.00	162,377.72	4.12
LIVZON PHARMACEUTIC 'H'	HKD	29,550.00	101,585.11	2.58
MIDEA GROUP 'A'	CNY	8,400.00	49,199.07	1.25
NARI TECHNOLOGY 'A'	CNY	98,301.00	252,159.43	6.39
OPPEIN HOME GROUP 'A'	CNY	9,727.00	133,946.30	3.40
PING AN INSURANCE 'H'	HKD	17,500.00	177,797.42	4.51
SHANGHAI INTERNATIONAL AIRPORT 'A'	CNY	9,294.00	79,383.63	2.01
SHENZHEN FUANNA BEDDING & FURNISHING 'A'	CNY	134,300.00	157,124.70	3.98
WULIANGYE YIBIN 'A'	CNY	10,776.00	106,419.11	2.70
WUXI LEAD INTELLIGENT 'A'	CNY	21,378.00	81,651.66	2.07
WUXI LITTLE SWAN 'B'	HKD	30,070.00	138,995.97	3.52
			2,923,238.71	74.12
<i>HONG KONG</i>				
VITASOY INTERNATIONAL HOLDINGS	HKD	36,000.00	122,838.37	3.12
			122,838.37	3.12
TOTAL INVESTMENTS			3,547,609.52	89.96
CASH AT BANKS			285,352.56	7.24
BANK DEPOSITS			120,000.00	3.04
OTHER NET LIABILITIES			-9,574.09	-0.24
TOTAL NET ASSETS			3,943,387.99	100.00

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

Hereford Funds - Bin Yuan Greater China Fund (note 1)

Geographical and industrial classification of investments as at September 30, 2018

Geographical classification

(in % of net assets)	
China	74.12
Cayman Islands	8.80
Bermuda	3.92
Hong Kong	3.12
	89.96

Industrial classification

(in % of net assets)	
Banks and credit institutions	11.59
Electronics and electrical equipment	11.45
Construction of machines and appliances	9.91
Internet, software and IT services	8.89
Pharmaceuticals and cosmetics	6.70
Food and soft drinks	5.80
Insurance	4.51
Retail and supermarkets	4.21
Miscellaneous consumer goods	3.98
Textiles and clothing	3.92
Photography and optics	3.83
Miscellaneous investment goods	3.40
Consumer products	2.70
Paper and forest products	2.62
Transport and freight	2.01
Tobacco and alcohol	1.98
Miscellaneous	1.37
Publishing and graphic arts	1.09
	89.96

Hereford Funds

Notes to the financial statements as at September 30, 2018

NOTE 1

GENERAL

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

The Fund was incorporated in Luxembourg on November 23, 2007, for an indefinite period. The Fund is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B134375.

As at September 30, 2018, the Fund offers the following sub-funds:

- 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 expressed in USD,
- Hereford Funds - FIRTH ASIAN Value Fund expressed in USD,
- Hereford Funds - FIRTH ASIAN Systematic Equities Fund expressed in USD
- Hereford Funds - Bin Yuan Greater China Fund expressed in USD (launched on April 16, 2018).

As at September 30, 2018, the following share classes are offered:

- Classes AI, BI and U Shares: these Shares are reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law.

- Classes D Shares: these Shares are normally available in accordance with the provisions of the Prospectus and the Appendix to the Prospectus.

- Classes E Shares : these Shares are reserved for investments made by employees, shareholders and directors of Firth Investment Management Pte. Ltd and their immediate families. All individuals meeting these criteria must also qualify as accredited investors within the meaning of the Singapore Securities and Futures Act ("SFA"). In the event that transferred holder of Class E Shares no longer fulfils these eligibility criteria, their shareholding in Class E Shares is converted into Class A Shares free of charge.

- Classes L Shares: these Shares are 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 are only available for such period of time as determined by the Board of Directors of the Fund in their sole discretion. This class is reserved for subscriptions received during the launch period.

- Classes L1 and L2 Shares: these Shares are 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 are only available for such period of time as determined by the Directors in their sole discretion or the net assets of the sub-fund equal or exceed USD 20,000,000.

Notes to the financial statements as at September 30, 2018 (continued)

The Fund decided to terminate the agreements with EFG Fund Management S.A. (Registered office and Management Company), EFG Bank (Luxembourg) S.A. (Depositary Bank) and European Fund Administration S.A. (Central Administration Agent, Registrar and Transfer Agent) on January 12, 2018, and to appoint Pictet & Cie (Europe) S.A. (Depositary Bank) and FundPartners Solutions (Europe) S.A. (Registered office, Central Administration and Management Company) as of January 13, 2018. The first official NAV was calculated as of January 15, 2018.

FundPartner Solutions (Europe) S.A. with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg was appointed Management Company of the Fund as of January 13, 2018. It is a management company within the meaning of chapter 15 of the Law.

NOTE 2

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 in Transferable Securities and with generally accepted accounting principles in Luxembourg.

b) 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 sub-fund.

c) 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 sub-fund 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 sub-fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gain or loss on foreign exchange is disclosed in the statement of operations and changes in net assets.

d) Valuation of assets

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

2) 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 of the Fund, on the basis of their estimated sale prices;

3) Cash and other liquid assets are be valued at their face value with interest accrued;

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

Notes to the financial statements as at September 30, 2018 (continued)

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

6) The units/shares of undertakings for collective investment are valued on the basis of the last known net asset value;

7) In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors of the Fund 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;

8) For each sub-fund, securities whose value is expressed in a currency other than the reference currency of that sub-fund are 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.

e) Acquisition cost of securities in the portfolio

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

f) Net realised gain/(loss) on sales of investments

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

g) Accounting of forward exchange contracts

The unrealised gains or losses resulting from outstanding forward exchange contracts are determined on the basis of the forward rates applicable at the period-end and are recorded in the statement of net assets. The net realised gains or losses and the changes in net unrealised appreciations or depreciations on forward exchange contracts are recorded in the statement of operations and changes in net assets.

h) Formation expenses

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

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

i) Income

Dividends are recorded net of withholding tax at ex-date. Interest is recorded on an accrual basis.

Hereford Funds

Notes to the financial statements as at September 30, 2018 (continued)

j) Transaction fees

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

NOTE 3

"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 sub-fund 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 December 17, 2010, the net assets invested in undertakings for collective investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

NOTE 4

ADVISORY FEES

The Advisory Company is entitled to advisory fees, payable on a quarterly basis at a total annual rate which could vary for each sub-fund, but which does not exceed 2.5% of the average net asset value of the relevant sub-fund, 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 effective rates per annum are as following:

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

- 1.25% for Class AI,
- 0.70% for Class BI,
- 1.00% for Class C,
- 1.75% for Class D,
- 1.25% for Class U;

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

- 1.25% for Class AI,
- 0.95% (until January 12, 2018)/0.70% (from January 13, 2018) for Class BI,
- 1.75% for Class D;

For the sub-fund Hereford Funds - DGHM US MicroCap Value Fund:

- 1.50% for Class AI (launched on September 27, 2018),
- 1.00% for Class L;

Hereford Funds

Notes to the financial statements as at September 30, 2018 (continued)

For the sub-fund Hereford Funds - FIRTH ASIAN Value Fund:

- 1.50% for Class AI,
- 1.00% for Class BI;

For the sub-fund Hereford Funds - FIRTH ASIAN Systematic Equities Fund:

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

For the sub-fund Hereford Funds - Bin Yuan Greater China Fund:

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

NOTE 5

PERFORMANCE FEE

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

For the sub-fund Hereford Funds - DSM US Large Cap Growth Fund (until November 29, 2017):

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 fee is thus only paid in quarters where the relative performance of the Class is positive and where the quarter-end NAV per share is equal of 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 are paid to the Advisory Company annually, within 30 days following the financial year end.

At the date of the financial statements, no performance fee was paid by the sub-fund.

For the sub-fund Hereford Funds - FIRTH ASIAN Value Fund:

Notes to the financial statements as at September 30, 2018 (continued)

In addition, in relation to Class AI, BI 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.

A performance fee is thus only 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 are 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, no performance fee was paid by the sub-fund.

For the sub-fund 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 until January 12, 2018 (periods ending March 31, June 30, September 30 and December 30) and since January 13, 2018 on annual basis, 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 NDUCEAXJ 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 fee is thus only 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.

Notes to the financial statements as at September 30, 2018 (continued)

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 are 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, no performance fee was paid by the sub-fund.

For the sub-fund Hereford Funds - Bin Yuan Greater China Fund:

In relation to the class L2 shares for, the Advisory Company will receive a performance fee, accrued on each valuation date, paid annually, based on the Net Asset Value, equivalent to such performance level of the Net Asset Value per share (measured against the high water mark) over the return of the to the MSCI All China Index (Bloomberg ticker MXACN Index) (calculated since the last performance fee payment.

The performance fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and advisory fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the Net Asset Value per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the Net Asset Value per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last Net Asset Value per share on which a performance fee has been paid;
- The initial Net Asset Value per share.

The high water mark will be decreased by the dividends paid to shareholders.

If the performance of the Net Asset Value per share is negative over the calculation period, no performance fee will be calculated. If the performance of the Net Asset Value per share is positive, but the performance of the Benchmark Index is negative, the calculated performance fee will be based on the minimum between (i) the absolute performance of the Net Asset Value per share and (ii) Performance Fee Level of the outperformance over the Benchmark Index.

At the date of the financial statements, no performance fee was paid by the sub-fund.

There are no performance fees in relation to the sub-funds Hereford Funds - DSM US Large Cap Growth Fund (since November 30, 2017), Hereford Funds - DGHM US All-Cap Value Fund and Hereford Funds - DGHM US MicroCap Value Fund.

NOTE 6

OTHER FEES PAYABLE

As at September 30, 2018, the other fees payable include mainly administration, depository, management and audit expenses.

Hereford Funds

Notes to the financial statements as at September 30, 2018 (continued)

NOTE 7 EXCHANGE RATES AS AT SEPTEMBER 30, 2018

As at September 30, 2018, the exchange rates used are the following:

1 USD =	1.292600	CAD
1 USD =	0.860956	EUR
1 USD =	7.824917	HKD
1 USD =	14,901.601830	IDR
1 USD =	72.490011	INR
1 USD =	1,109.256294	KRW
1 USD =	4.138500	MYR
1 USD =	54.029985	PHP
1 USD =	1.366351	SGD
1 USD =	32.340002	THB
1 USD =	30.532996	TWD

NOTE 8 PORTFOLIO MOVEMENTS

The statement of changes in investments for the reporting year is available free of charge at the registered office of the Fund or from the Depositary Bank and at the office of the Representative and Paying Agent in Switzerland and Information Agent in Germany.

NOTE 9 SUBSEQUENT EVENT

No significant event occurred after the year-end.

Hereford Funds

Total Expense Ratio ("TER")

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER)" of collective investment schemes of May 16, 2008 (version of April 20, 2015) of the Swiss Funds & Asset Management Association ("SFAMA"), the Fund is obliged to publish a TER for the latest 12-month period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant year) expressed in its reference currency.

For the period from October 1, 2017 to September 30, 2018, the TER was:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
Hereford Funds - DSM US Large Cap Growth Fund			
AI	USD	1.46%	1.50%
BI	USD	0.89%	0.91%
D	USD	1.85%	1.90%
U	USD	1.43%	1.46%
Hereford Funds - DGHM US All-Cap Value Fund			
AI	USD	1.61%	1.61%
BI	USD	0.90%	0.90%
D	USD	1.95%	1.95%
Hereford Funds - DGHM US MicroCap Value Fund			
AI	USD	1.28%	1.28%
L	USD	1.18%	1.18%
Hereford Funds - FIRTH ASIAN Value Fund			
AI	USD	1.59%	1.59%
Hereford Funds - FIRTH ASIAN Systematic Equities Fund			
E	USD	1.32%	1.32%
L1	USD	1.65%	1.65%
L2	USD	1.43%	1.43%
Hereford Funds - Bin Yuan Greater China Fund			
L1	USD	1.02%	1.02%
L2	USD	0.79%	0.79%

Hereford Funds

Performance

The performance per share class was calculated by comparing the net assets per share as at September 30, 2017 with the net assets per share as at September 30, 2018.

The performance was calculated at the end of each period according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of July 1, 2013) of the Swiss Funds & Asset Management Association ("SFAMA").

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at September 30, 2018, performances were the following:

Class	Currency	Performance for the financial year ending September 30, 2018	Performance for the financial year ending September 30, 2017	Performance for the financial year ending September 30, 2016
Hereford Funds - DSM US Large Cap Growth Fund				
AI	USD	14.20%	25.12%	8.70%
BI	USD	14.99%	26.00%	9.50%
D	USD	13.60%	24.44%	8.10%
U	USD	14.20%	25.11%	8.70%
Hereford Funds - DGHM US All-Cap Value Fund				
AI	USD	5.04%	12.50%	13.10%
BI	USD	5.70%	13.02%	13.70%
D	USD	4.49%	11.89%	12.50%
Hereford Funds - DGHM US MicroCap Value Fund				
AI	USD	0.38% *	-	-
L	USD	8.32%	22.18% *	-
Hereford Funds - FIRTH ASIAN Value Fund				
AI	USD	-11.43%	10.71%	6.10% *
Hereford Funds - FIRTH ASIAN Systematic Equities Fund				
E	USD	-0.27%	21.17%	21.49% *
L1	USD	-0.74%	20.63%	21.13% *
L2	USD	-0.37%	21.00%	21.40% *
Hereford Funds - Bin Yuan Greater China Fund				
L1	USD	-14.23% *	-	-
L2	USD	-14.16% *	-	-

* The performance of share classes launched during the year was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share as at the end of the year.

Other information to Shareholders (unaudited appendix)

1. Securities Financing Transactions Regulation ("SFTR")

As at September 30, 2018, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

2. Remuneration of the members of the Management Company

The details of the up-to-date remuneration policy of EFG Fund Management S.A., which acted as Management Company of the Fund until January 12, 2018, including a description of how remuneration and benefits are calculated are available on <http://www.efgfundmanagement.com/Governance.html>. A paper copy was made available free of charge upon request.

The new Management Company as from January 13, 2018, FundPartner Solutions (Europe) S.A. (hereafter "FPSESA"), has adopted a Remuneration Policy which is in accordance with the principles established by the law of May 10, 2016, amending the law of December 17, 2010 (the "UCITS Law").

FPSESA has identified 15 Beneficiaries: the risk takers (including the 3 Conducting Officers exercising their activity in Luxembourg) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.

According to the remuneration policy of FPSESA the benefits are attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.

Total fixed and variable remuneration for each Fund are based on apportionment of Asset Under Management represented by the SICAV.

As at the date of the report, however, the Total fixed and variable remuneration of the Beneficiaries were not available for disclosure.

3. Information on risk measurement

The global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

