



Audited annual report

AS OF 30.9.2016

Hereford Funds

Investment Company with variable capital under Luxembourg Law (SICAV)

R.C.S. Luxembourg N° B 134 375

Hereford Funds – DSM US Large Cap Growth Fund

Hereford Funds – DGHM US All-Cap Value Fund

Hereford Funds – FIRTH ASIAN Systematic Equities Fund

Hereford Funds – FIRTH ASIAN Value Fund

Hereford Funds – IMVA Opportunity Fund



Audited annual report as of 30 September 2016

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Sales restrictions

Shares of this Fund may not be offered, sold or distributed within the United States of America.

Management and Administration

Annual Report as of 30 September 2016
Hereford Funds

Registered Office

44F, rue de la Vallée,
L-2661 Luxembourg

Board of Directors

Chairman

Mr Anthony Galliers-Pratt
Managing Partner
Hereford Funds Advisory S.à r.l.
8, Boulevard Royal, L-2449 Luxembourg

Directors

Mr Jérôme Wigny
Partner
Elvinger, Hoss & Prussen
2, Place Winston Churchill, L-2014 Luxembourg

Mr Yves de Vos
President
VHC Capital Management S.A.
25, Op der Heckmill, L-6783 Grevenmacher

Mr Mark Henderson
Managing Partner
Hereford Funds Advisory S.à r.l.
8, Boulevard Royal, L-2449 Luxembourg

Mr Enrico Mela
Conducting Officer
BSI Fund Management S.A.
44F, rue de la Vallée, L-2661 Luxembourg

Management Company

BSI Fund Management S.A.
44F, rue de la Vallée,
L-2661 Luxembourg

Advisory Company

Hereford Funds Advisory S.à r.l.
8, Boulevard Royal,
L-2449 Luxembourg

Investment Managers

For the Compartment
Hereford Funds – DSM US Large Cap Growth Fund
DSM Capital Partners LLC
7111 Fairway Drive, Suite 350, Palm Beach Gardens,
FL 33418

For the Compartment
Hereford Funds – DGHM US All-Cap Value Fund
Dalton, Greiner, Hartman, Maher & Co., LLC
565 Fifth Avenue, Suite 2101, New York,
NY 10017

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

Countries where the following Compartments of the Fund are authorized for distribution

Germany
Hereford Funds – DSM US Large Cap Growth Fund
Hereford Funds – DGHM US All-Cap Value Fund
Hereford Funds – FIRTH ASIAN Value Fund

Luxembourg
Hereford Funds – DSM US Large Cap Growth Fund
Hereford Funds – DGHM US All-Cap Value Fund
Hereford Funds – FIRTH ASIAN Systematic
Equities Fund
Hereford Funds – FIRTH ASIAN Value Fund

France
Netherlands
Hereford Funds – DSM US Large Cap Growth Fund
Hereford Funds – DGHM US All-Cap Value Fund

Switzerland
Hereford Funds – DSM US Large Cap Growth Fund
Hereford Funds – DGHM US All-Cap Value Fund
Hereford Funds – FIRTH ASIAN Value Fund

Paying Agent in France

Société Générale
29, Boulevard Haussmann
F-75009 Paris, France

Paying Agent in Germany

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

Representative and Paying Service in Switzerland

Société Générale Paris, Zurich Branch
Talacker 50
P.O. Box 5070
CH-8021 Zurich, Switzerland

Custodian Bank

BSI Europe S.A.
122, rue Adolphe Fischer,
L-1521 Luxembourg

Central Administration, Registrar and Transfer Agent

UBS Fund Services (Luxembourg) S.A.,
33A, avenue J.F. Kennedy,
L-1855 Luxembourg

Cabinet de révision agréé

Deloitte Audit Société à responsabilité limitée,
Cabinet de révision agréé
560, rue de Neudorf, L-2220 Luxembourg

Legal Advisor in Luxembourg

Elvinger, Hoss & Prussen
2, Place Winston Churchill,
L-1340 Luxembourg

The sales prospectus, the KIIDs (Key Investor Information Documents), the articles of association of the Fund, annual and semi-annual reports as well as the portfolio movements of the Fund mentioned in this publication are available free of charge at the sales agencies, at the representative in Switzerland and at the registered office of the Fund.

General Information

Annual Report as of 30 September 2016
Hereford Funds

Hereford Funds ("the Fund") is an open-end investment fund with multiple compartments ("société d'investissement à capital variable" (SICAV) à compartiments multiples) governed by Part I of the law of 17 December 2010, relating to undertakings for collective investment, as may be amended from time to time (the "Law").

The Fund was incorporated for an indefinite period on 23 November 2007, with an initial capital of USD 50,000. Its Articles of Incorporation were published in the official gazette "Mémorial C, Recueil des Sociétés et Associations du Grand Duché de Luxembourg" on 8 January 2008. The Fund is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 134 375.

The Fund's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law (EUR 1,250,000 or its equivalent) must be reached within a period of six months following registration of the Fund by the supervisory authorities on the official list of undertakings for collective investment.

The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of specialised products divided into several compartments ("Compartments") included under a same and single structural umbrella.

The Board of Directors has appointed BSI Fund Management S.A. as the Management Company of the Fund to be responsible on a day-to-day basis, under the supervision of the Board of Directors, for providing administration, marketing and investment management and advisory services in respect of all Compartments.

BSI Fund Management S.A. is a public limited company ("société anonyme"). It was incorporated in Luxembourg on 27 March 2014. Its registered office is at 44F, rue de la Vallée, L-2661 Luxembourg in the Grand Duchy of Luxembourg. Its share capital amounted to EUR 2,500,000 as at 27 March 2014.

The Management Company shall also ensure compliance of the Fund with the investment restrictions and will implement the Fund's strategies and investment policy. The Management Company, with the consent of the Fund, may appoint i) an investment manager to provide those investment management services

relating to a specific Compartment or ii) any other adviser, as set out in the relevant Appendix. The fees and expenses payable to such investment manager or adviser in respect of the relevant Compartment will be set out in the relevant Appendix.

The Management Company shall also send reports to the Board of Directors on a regular basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company also acts as the domiciliary agent of the Fund.

The Management Company has delegated, with the consent of the Board of Directors of the Fund, its administrative function to the Central Administrator.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request from the Management Company.

As at 30 September 2016 the following Compartments are active:

Hereford Funds – DSM US Large Cap Growth Fund
Hereford Funds – DGHM US All-Cap Value Fund
Hereford Funds – FIRTH ASIAN Systematic
Equities Fund
Hereford Funds – FIRTH ASIAN Value Fund

The before-mentioned Compartments pursue a policy of achieving capital growth and reinvests income earned; as a result, no dividends shall be paid out.

Currently the following share classes are offered:

Hereford Funds – DSM US Large Cap Growth Fund

Class A Shares - available in: EUR, USD, GBP
Class B and E Shares - available in: USD
Class C and D Shares - available in: EUR, USD
Class U Shares - available in: USD, GBP

Hereford Funds – DGHM US All-Cap Value Fund

Class A Shares - available in: EUR, USD, GBP
Class B Shares - available in: USD
Class D Shares - available in: EUR, USD

*Hereford Funds – FIRTH ASIAN Systematic
Equities Fund*

Class A, B, D, E, L1, L2 and R Shares - available in: USD

Hereford Funds – FIRTH ASIAN Value Fund

Class A Shares - available in: EUR, USD, GBP

Class D Shares - available in: EUR, USD

Class R Shares - available in: EUR, USD, GBP

Description of the share classes:

Class A, Class B, Class E and Class U

These Shares shall be reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law.

Class C and Class D Shares

These Shares shall be normally available in accordance with the provisions of the Prospectus and the Appendix to the Prospectus.

Class L Shares

This share class is only available to investors having entered into a suitable agreement with the Advisory Company.

Class L1 Shares

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

Class L2 Shares

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

Class R Shares

These Shares shall be reserved for investments made by investors qualifying as accredited or institutional investors within the meaning of the SFA and Institutional Investors within the meaning of the Law, who are approved by the Management Company and which provide fee-based investment advisory services to underlying investors.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual report and the latest semi-annual report if available.

The figures stated in this report are historical and not necessarily indicative of future performance.

Report of the Board of Directors

Annual Report as of 30 September 2016
Hereford Funds

Hereford Funds – DSM US Large Cap Growth Fund

Review

For the period 1 October 2015 through 30 September 2016, the Hereford Funds DSM US Large Cap Growth Sub-Fund share class A was up 8.70% (NAV \$152.61 to NAV \$165.89) while the total return (including dividends) of the Russell 1000 Growth was up 13.76% and the S&P 500 was up 15.43%.

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

Over this period, DSM has underperformed the indices due to four factors. First, we believe historically unprecedented low rates globally, including negative interest rates in Japan and much of Europe, are causing investors in search of income to bid up the prices of “yield” stocks to often extreme valuations. Second, during January of 2016, oil traded below \$30 per barrel and then bounced to over \$50 by June. Simultaneously, the prices of other commodities appreciated as well, contributing to a rebound in the performance of the Energy, Materials and Industrials sectors. These are not sectors in which DSM would normally maintain a significant position. Third, earlier in the year, Alexion, Allergan and Shire were each involved with controversial M&A situations that caused the stocks to underperform. In our view, the earnings fundamentals of their businesses remain intact, and we note that Shire’s stock price has recovered significantly. Fourth, Brexit triggered an irrational mini-panic causing investors to sell stocks indiscriminately without regard for underlying business fundamentals or the stable global economic outlook. At this time, Brexit is shaping up to be much less of an economic problem than feared.

As the third quarter progressed, the portfolio began to rebound from the underperformance experienced over the first half of 2016. We believe this rebound was driven by the strong revenue and earnings growth during the first and second quarters in the businesses that underlie the stocks in the portfolio. We estimate that during the first half of 2016, for the portfolio as a whole, weighted average organic revenue growth was in the low-to-mid teens and earnings growth was in the high-teens, which is consistent with the rate of growth in 2015. We expect similar revenue and earnings growth over the last half of 2016 and through 2017 as well. The portfolio’s valuation based on forward four quarters earnings through September

of 2017 approximates 19.4x. It is our belief that the portfolio is considerably undervalued. The DSM portfolio has been fashioned on a bottom-up basis and we believe that the companies in the portfolio are well-positioned to prosper in a slow growth world.

Portfolio

The majority of the portfolio is invested in the technology, health care and consumer discretionary sectors, with smaller weightings in the financials, consumer staples and industrials sectors. While there is not a specific “internet services” sector, we note that the portfolio has maintained a solid weighting in the global internet business through investment in Alibaba, Alphabet (Google), Facebook, Priceline Group and Tencent. The portfolio holdings also include several global services companies, which also do not have a specific sector: Adobe Systems, Automatic Data Processing, FleetCor Technologies, Nielsen and Visa. These holdings all share “contractual” relationships with their customers, which feature consistently high annual customer renewal rates between 65% and 90%.

The strongest contributors to performance over the reporting period were Alibaba Group (Chinese e-commerce), Facebook (social networking website operator), Tencent Holdings (instant messaging and electronic gaming), Alphabet Cl. A&C (internet search and advertising) and Adobe Systems (application software development).

The weakest contributors to performance were Perigo (OTC and generic pharmaceuticals manufacturer/distributor), Alexion Pharmaceuticals (specialty pharmaceuticals), Allergan (specialty pharmaceuticals), Stericycle (medical waste management services) and Cognizant Tech Solutions (business software development and outsourcing services).

Changes in Holdings

During the reporting period, the larger positions sold due to appreciation included Intuitive Surgical (robotic surgical systems) and LinkedIn (professional networking website), a holding added to the portfolio in the second quarter. Earnings disappointments/weaker business fundamentals led to the sales of Bristol-Myers Squibb (pharmaceuticals), Cerner (healthcare solutions and services), Cognizant Technology Solutions, IMS Health Holdings (healthcare solutions and services), MasterCard (electronic payments), Stericycle

(medical waste management services) and Verisk Analytics (information services).

The larger positions added to the portfolio in the period were Automatic Data Processing (business outsourcing solutions), Charles Schwab (financial services), Electronic Arts (interactive gaming software), Newell Brands (consumer products manufacturer), Sirius XM Holdings (satellite radio) and Zoetis (animal health medicines and vaccines).

In addition, Dollar General and Dollar Tree (US discount store chain operators) were sold on appreciation in the period, but both were repurchased on improved valuation. Perrigo was repurchased though later sold due to a weaker business outlook than we had anticipated.

Outlook

DSM's multi-year global economic outlook of a long, slow global growth economic cycle, characterized by low inflation and low interest rates, has remained unchanged for a number of years and remains our forecast. Unfortunately, developed world government policies have been notable for their lack of fiscal policy initiatives to stimulate global growth. As a result, efforts to jump start the world economy has been left to the quantitative easing policies of central banks. Certainly quantitative easing programs have prevented global deflation, but these policies have also been unable to move global growth to anything more than 3%. At this time, we believe global growth will be below 3% for the next few years. Our expectations for roughly 2% growth in the US, faster growth in China, and growth of 1% or so in Europe persist. Our previous expectation of 1% growth in Japan may prove optimistic, with zero perhaps more probable. It is our long-held opinion that global equity markets will continue to work their way higher, based on continued slow global growth and valuations that are normal in a low inflation world.

In the United States, slow steady economic growth remains intact, with low core inflation, despite weak productivity and rising wages. Although unemployment is low, labor force participation has declined reducing economic growth. Nevertheless, by most accounts the Federal Reserve is headed for a rate increase in December. Concerns are growing that the longer the Fed delays increasing rates, the bigger the potential for unexpected problems in the future,

which might otherwise have been avoided by earlier increases. The November elections are also garnering much attention. We believe that the political and legislative stalemate in Washington will continue with Senate seats likely to be about evenly split, enabling either party to block nearly all significant legislation regardless of who wins the Presidency. Only compromise by both parties will enable the legislative process to move forward.

The Eurozone recovery has less momentum than the recovery in the United States. Accordingly it is unlikely that the ECB will think seriously about reversing or even moderating its accommodative approach anytime soon. Clearly both Europe's very slow growth and its immigration policies are creating political discontent. In Italy, Prime Minister Renzi is forcing a nationwide vote on constitutional changes which would result in the restructuring of its political institutions, and hopefully enable legislation to be enacted more quickly. Regional elections in Spain have not supported the replacement of the "caretaker" government with a majority government, which may lead to an extraordinary third national election within a year. In Germany, Chancellor Merkel's CDU party lost ground in a recent election to both the SPD party and the anti-immigrant party known as Alternative for Germany. Of course, Europe is waiting for the United Kingdom to trigger the Brexit process. We believe Brexit was a clear demonstration that Europeans are disenchanted with the status quo, indicating that fiscal changes must be made because monetary policy alone has not sufficed.

China's economy continues to grow about 6%, driven by solid personal income growth and strong retail sales. Although industrial profits appear steady of late, the government has created a \$50 billion private equity fund whose purpose is to assist in the restructuring of state firms. Presumably this includes the debt-for-equity swap program meant to address some of the bad loans within the country. Japan's unemployment remains low at 3.2%, but the economy is moribund and the government has few options remaining to kindle growth.

The portfolio remains focused on unique global 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 2020. Our strategy continues to focus on

investments in businesses that we believe generate the majority of their revenue in North America and Asian emerging market economies.

We believe that the valuation of the portfolio is quite attractive. In our view, equity P/Es are ignoring low interest rates, low inflation and slow global growth, because investors' perceived political and economic risks are greater today than in the past. We continue to believe that while many well-publicized geopolitical risks remain of concern to investors, the positive scenario of an improving and increasingly stable global financial system, low inflation, steady/slow global economic growth, low interest rates and growing corporate earnings (excluding commodity-related companies) continues to form the foundation of an upwardly driven global equity market. In our view, with the exception of energy, banking and commodity-related businesses, corporate profits remain reasonably solid, and we continue to expect that global markets will trend higher.

October 2016
DSM Capital Partners LLC

Hereford Funds – DGHM US All-Cap Value Fund

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

Outlook

Our market outlook continues to be similar to what we have espoused in these letters over the last several years. The US economy continues to grow, albeit slowly. The valuation of the market is more or less slightly above the midpoint of its historical range. In the current environment, we believe US stocks will continue to grow their sales and earnings. The US consumer is healthy, jobs are steadily being added, US banks are well capitalized with no apparent credit concerns, and government outlays are no longer a headwind. Our market view would only change, all else being equal, if the US economy were to slip back into a recession or if China were to materially slow.

The list of market worries that continually make headlines or are endlessly debated on TV is also familiar. This list includes the health of various European economies, Brexit, Italian banks, German banks, China imploding, turmoil in the Middle East, and the US economy slipping back into a recession. You could also add to this

list when the Federal Reserve will raise interest rates and who will win the US presidential election. We believe that these issues have been discounted in the market. In fact, an increase in rates is most likely beneficial for the long-term health of the US economy. Historically, the market has done well in a rising interest rate environment as long as rates are at a reasonably low level and the rise is gradual.

With all of that being said, our investment process is based upon bottom-up analysis of individual stocks. While we are cognizant of the economic backdrop and understand its implications for individual stocks, it is not where we start our analysis. We let our process determine the stocks we should be conducting research on, and factor in macroeconomic conditions. Thus we believe we can outperform regardless of the market outlook, as our record in both up and down markets shows.

Review

The Compartment's underperformance during the past fiscal year was driven by the Technology, Insurance, and Consumer Staples sectors. Technology was weak due to Check Point Software (-3%). This stock lagged in a very strong sector (Technology within the benchmark has gained 30% over the past year) as they lowered earnings expectations several times due to lower than expected margins. Insurance was weak due to Lincoln National (-13%). This stock underperformed as a result of concerns over its equity-linked annuity products as well as the low interest rate environment. Consumer Staples was weak due to United Natural Foods (-11%). This stock was weak as the company lowered earnings forecasts due to a deflationary food environment. We continue to hold Check Point and United Foods as we believe the issues negatively impacting the stocks are temporary. We have sold our position in Lincoln National and replaced it with Prudential Insurance. Prudential is also a life insurance company, but it does not have as much exposure to equity-linked annuity products and has historically proven to be a higher quality company.

Sectors that added value to performance were led by Consumer Durables, Telecommunications, and Real Estate. Consumer Durables was driven by Thor Industries (+67%). This stock performed well due to strong demand for its recreational vehicle offerings. Telecommunications was led by AT&T (+31%). This stock benefited as investors looked to stocks with strong dividend yields. Real Estate was led by Liberty Property

Trust (+25%). Liberty performed well due to strong fundamentals in the commercial office space.

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.

Finally, over the past year as a result of our investment process, we have increased our allocation to small cap stocks. We are cap-agnostic at this point. In prior years, we were finding more opportunities in the mid and large cap spaces.

It is important to understand that we will not outperform every quarter and every year. Our process and our emphasis on continuity have stood the test of time across various cycles. We will not overreact and chase the 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 2016

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

Hereford Funds – FIRTH ASIAN Systematic Equities Fund

Review

The Hereford Funds – FIRTH ASIAN Systematic Equities Fund was launched on 1 February 2016 and to 30 September 2016 share class L2 of the Compartment gained 20.8% for the eight month period. By comparison, the compartment's benchmark, the MSCI AC Asia ex Japan USD Net index gained 21.8%. The fund has generated a return close to the benchmark, but with considerably lower volatility and has performed in line with expectations prior to the launch. Asian markets fell substantially in January so the compartment benefited from the recovery and the more recent surge in large cap stocks.

The year began with considerable volatility in this region as investors worried about China in particular and global growth generally. By the middle of the year markets had calmed down and overall returns moved back into positive territory.

Throughout the period investments have been made in accordance with the compartment's objectives and our systematic approach in stocks listed in Asia ex Japan's equity markets. As of 30 September 2016 the portfolio was invested in 100 stocks, whereas 60 were held by the end of the fund's first month. The higher level is likely to remain typical in future. Portfolio rebalancing is conducted monthly and turnover is likely to be c.100% per annum. The structure of the portfolio by country and sector was stable, country weightings had not changed materially, while more financial stocks were held with less utilities and cash than at inception. The cash position was 3%, in line with our preference of being close to fully invested.

Outlook

Two factors are of pivotal importance for the direction of our equity markets going forward. First, the direction of US monetary policy. If there is further tightening while growth in Asia is still weak, we can expect Asian equities to struggle in US dollar terms. However, a renewed bout of economic weakness in western developed economies, while delaying the removal of the long-standing extraordinary monetary measures and initially supporting asset prices, may ultimately lead to fears that those measures have reached the limit of their effectiveness.

Second, China's economy continues to be challenged by its policy-driven transition from being led by producers/ fixed investment/ exports with a fixed currency and closed capital account to being consumer-led with a flexible currency and open capital account. Officially economic growth is holding up at reasonably strong levels but this is at the cost of credit growth exceeding that of the underlying economy. It is likely that official data overstates the true picture of economic growth. The history of other transitional economies suggests that the transition is very hard to achieve while maintaining financial market stability. In the meantime low growth and industrial oversupply have created deflationary forces that are washing through Asia and beyond. It is likely that we are only a few years into a ten to fifteen year transition.

Aside from China's challenges, the idea of fiscal reflation by developed economies is shifting from the academic to the policy domain. Recent and pending changes in political leadership in Europe and the US may be the catalyst for a change in policy. While a lift in the growth trajectory could follow, interest rate expectations would also rise from unprecedented and extremely low levels. Accordingly financial assets could be re-priced downwards with perhaps disruptive consequences in the short term.

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

Hereford Funds – FIRTH ASIAN Value Fund

Review

For the period 1 October 2015 to 30 September 2016, the Hereford Funds – FIRTH ASIAN Value Fund gained 6.1%. By comparison, the compartment's benchmark, the MSCI AC Asia ex Japan Small Cap Net USD index gained 10.3% and the MSCI AC Asia ex Japan USD Net index (which tracks large- and mid-cap stocks) gained 16.8%. After a year in which the fund had outperformed the indices in falling markets, it has failed to keep up with both benchmarks in a rising market. However, since the beginning of this calendar year the fund has benefited from improved conditions for value investors and been closer to the small cap index. The larger capitalisation index has been notably strong this year, although this performance has been dominated by a few technology stocks.

After steady gains at the end of 2015 this year began with considerable volatility in this region as investors worried about China in particular and global growth generally. By the middle of this year markets had calmed down and overall returns moved back into positive territory.

Throughout the period investments have been made in accordance with the compartment's objectives and our value-investing approach in smaller capitalisation stocks listed in Asia ex Japan's equity markets. As of 30 September 2016 the portfolio was invested in 58 stocks, two more than as at the previous year-end. Twenty three new stocks were added and twenty one were sold completely. As a result of portfolio changes and market movements, exposure to Hong Kong/China declined in favour of Taiwan in particular, and exposure to consumer sectors declined in favour of industrials. The cash position was 8%, similar to the position a year earlier and in line with our medium term preference of 5-10%.

Outlook

Two factors are of pivotal importance for the direction of our equity markets going forward. First, the direction of US monetary policy. If there is further tightening while growth in Asia is still weak, we can expect Asian equities to struggle in US dollar terms. However, a renewed bout of economic weakness in western developed economies, while delaying the removal of the long-standing extraordinary monetary measures and initially supporting asset prices, may ultimately lead to fears that those measures have reached the limit of their effectiveness.

Second, China's economy continues to be challenged by its policy-driven transition from being led by producers/ fixed investment/ exports with a fixed currency and closed capital account to being consumer-led with a flexible currency and open capital account. Officially economic growth is holding up at reasonably strong levels but this is at the cost of credit growth exceeding that of the underlying economy. It is likely that official data overstates the true picture of economic growth. The history of other transitional economies suggests that the transition is very hard to achieve while maintaining financial market stability. In the meantime low growth and industrial oversupply have created deflationary forces that are washing through Asia and beyond. It is likely that we are only a few years into a ten to fifteen year transition.

Aside from China's challenges, the idea of fiscal refraction by developed economies is shifting from the academic to the policy domain. Recent and pending changes in political leadership in Europe and the US may be the catalyst for a change in policy. While a lift in the growth trajectory could follow, interest rate expectations would also rise from unprecedented and extremely low levels. Accordingly financial assets could be re-priced downwards with perhaps disruptive consequences in the short term.

In this environment of cheap money and low growth we have observed how positive growth has been rewarded with an unusually high valuation in our stock universe. Conversely, low or negative growth stocks have been accorded an unusually low valuation. To rectify this divergence we would expect either business fundamentals to turn around or corporate activity to crystallise the value opportunity. In the absence of a cyclical tailwind currently, value is more likely to be preserved and extracted by self-help measures or action imposed on companies from third parties, whether friendly or not. We've observed a growing number of these actions in the last two years such as companies taking themselves private, sale of core businesses and assets, parent company buying out minority shareholders in a listed subsidiary, and takeovers. Takeover activity is not always possible in some countries from a regulatory or cultural standpoint but our portfolio today has three holdings subject to such actions.

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

Report of the réviseur d'entreprises agréé

To the shareholders of
Hereford Funds
33A, avenue J.F. Kennedy
L-1855 Luxembourg

Following our appointment by the Annual General Meeting of the Shareholders dated of 20 January 2016, we have audited the accompanying financial statements of Hereford Funds (the "Fund") and of each of its Compartments, which comprise the statement of net assets and the statement of investments and other net assets as at 30 September 2016, the statement of operations and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation 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.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the réviseur d'entreprises agréé's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

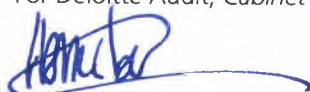
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Hereford Funds and each of its Compartments as of 30 September 2016, 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 of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*



Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

Luxembourg, 12 January 2017

Consolidated Statement of Net Assets

	USD
Assets	30.9.2016
Investments in securities, cost	199 357 784.37
Investments in securities, unrealized appreciation (depreciation)	23 194 310.06
Total investments in securities (Note 1)	222 552 094.43
Cash at banks, deposits on demand and deposit accounts (Note 1)	5 536 987.72
Receivable on securities sales (Note 1)	1 102 114.75
Receivable on dividends	194 570.21
Other receivables	8 568.55
Formation expenses, net (Note 1)	4 536.17
Total Assets	229 398 871.83
Liabilities	
Payable on securities purchases (Note 1)	-1 417 139.01
Payable on redemptions	-70 432.50
Provisions for Investment Advisory fees (Note 2)	-614 283.13
Provisions for distribution fees (Note 2)	-58 782.89
Provisions for service fees (Note 2)	-226 969.31
Provisions for performance fees (Note 2)	-4 158.09
Provisions for directors fees (Note 2)	-17 157.18
Provisions for taxe d'abonnement (Note 3)	-22 273.94
Provisions for audit fees, legal and economic advice (Note 2)	-55 844.62
Provisions for other commissions and fees (Note 2)	-21 365.00
Total provisions	-1 020 834.16
Total Liabilities	-2 508 405.67
Net assets at the end of the financial year	226 890 466.16

Consolidated Statement of Operations

	USD
Income	1.10.2015-30.9.2016
Interest on liquid assets	1 101.11
Dividends (Note 1)	3 623 612.77
Other income	95 578.71
Total income	3 720 292.59
Expenses	
Investment Advisory fees (Note 2)	-2 805 920.66
Distribution fees (Note 2)	-53 913.97
Service fees (Note 2)	-522 629.43
Liquidation fees (Note 2)	-17 170.40
Performance fees (Note 2)	-11 151.48
Directors fees (Note 2)	-7 796.51
Taxe d'abonnement (Note 3)	-29 066.26
Preparing, printing and filing of administrative documents fees (Note 2)	-3 000.00
Audit fees, legal and economic advice (Note 2)	-46 142.45
Publications, printing costs and publicity (Note 2)	-4 448.48
Amortization of formation expenses (Note 2)	-26 882.38
Other commissions and fees (Note 2)	-100 907.75
Interest on cash and bank overdraft	-431.40
Total expenses	-3 629 461.17
Net income (loss) on investments	90 831.42
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	2 022 331.07
Realized gain (loss) on forward foreign exchange contracts	-4 628.52
Realized gain (loss) on foreign exchange	-9 715.96
Total realized gain (loss)	2 007 986.59
Net realized gain (loss) of the financial year	2 098 818.01
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	16 071 095.23
Total changes in unrealized appreciation (depreciation)	16 071 095.23
Net increase (decrease) in net assets as a result of operations	18 169 913.24

Hereford Funds

– DSM US Large Cap Growth Fund

Annual Report as of 30 September 2016

Three-year comparison

Date	ISIN	30.9.2016	30.9.2015	30.9.2014
Net assets in USD		100 191 237.05	107 188 174.87	129 936 344.21
Class A (USD)	LU0327604228			
Shares outstanding		280 477.6850	383 684.1360	463 684.7040
Net asset value per share in USD		165.89	152.61	144.07
Class B (USD)	LU0327604574			
Shares outstanding		340 706.9820	253 411.5060	381 479.0900
Net asset value per share in USD		114.54	104.61	98.19
Class C (USD)	LU0327604731			
Shares outstanding		11 475.2890	13 798.3700	21 219.4570
Net asset value per share in USD		148.50	136.90	133.99
Class D (USD)	LU0327604905			
Shares outstanding		29 901.6230	34 577.4150	39 786.6090
Net asset value per share in USD		265.43	245.51	233.04
Class U (USD)	LU0371643130			
Shares outstanding		28 899.0440	73 845.3770	90 300.7710
Net asset value per share in USD		172.93	159.09	150.19

Performance

	Currency	2015/2016	2014/2015	2013/2014
Class A (USD)	USD	8.7%	5.9%	15.4%
Class B (USD)	USD	9.5%	6.5%	-
Class C (USD)	USD	8.5%	2.2%	11.4%
Class D (USD)	USD	8.1%	5.4%	14.7%
Class U (USD)	USD	8.7%	5.9%	15.4%

Historical performance is no indicator of current or future performance.
The performance data does not take account of any commissions and costs charged when subscribing and redeeming shares.
The performance data were not audited.
The compartment has no benchmark.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	86.05
China	8.05
Netherlands	2.89
Ireland	2.56
Total	99.55

Classification by Currency as a % of net assets	
USD	99.55
Total	99.55

Statement of Net Assets

	USD
Assets	30.9.2016
Investments in securities, cost	82 122 940.37
Investments in securities, unrealized appreciation (depreciation)	17 612 908.18
Total investments in securities (Note 1)	99 735 848.55
Cash at banks, deposits on demand and deposit accounts (Note 1)	957 404.60
Receivable on dividends	32 472.75
Other receivables	1 972.95
Total Assets	100 727 698.85
Liabilities	
Payable on redemptions	-70 432.50
Provisions for Investment Advisory fees (Note 2)	-274 139.55
Provisions for distribution fees (Note 2)	-22 553.53
Provisions for service fees (Note 2)	-117 153.35
Provisions for performance fees (Note 2)	-4 158.09
Provisions for directors fees (Note 2)	-6 676.70
Provisions for taxe d'abonnement (Note 3)	-10 981.31
Provisions for audit fees, legal and economic advice (Note 2)	-22 613.74
Provisions for other commissions and fees (Note 2)	-7 753.03
Total provisions	-466 029.30
Total Liabilities	-536 461.80
Net assets at the end of the financial year	100 191 237.05

Statement of Operations

	USD
Income	1.10.2015-30.9.2016
Interest on liquid assets	67.34
Dividends (Note 1)	451 242.18
Other income	24 707.38
Total income	476 016.90
Expenses	
Investment Advisory fees (Note 2)	-1 181 455.36
Distribution fees (Note 2)	-25 935.11
Service fees (Note 2)	-249 829.68
Performance fees (Note 2)	-9 259.64
Directors fees (Note 2)	-3 652.46
Taxe d'abonnement (Note 3)	-14 057.89
Audit fees, legal and economic advice (Note 2)	-13 780.57
Publications, printing costs and publicity (Note 2)	-1 782.81
Other commissions and fees (Note 2)	-47 182.71
Interest on cash and bank overdraft	-426.22
Total expenses	-1 547 362.45
Net income (loss) on investments	-1 071 345.55
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	7 199 617.50
Realized gain (loss) on foreign exchange	-398.29
Total realized gain (loss)	7 199 219.21
Net realized gain (loss) of the financial year	6 127 873.66
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	2 154 059.06
Total changes in unrealized appreciation (depreciation)	2 154 059.06
Net increase (decrease) in net assets as a result of operations	8 281 932.72

Statement of Changes in Net Assets

	USD
	1.10.2015-30.9.2016
Net assets at the beginning of the financial year	107 188 174.87
Subscriptions	24 002 151.49
Redemptions	-39 281 022.03
Total net subscriptions (redemptions)	-15 278 870.54
Net income (loss) on investments	-1 071 345.55
Total realized gain (loss)	7 199 219.21
Total changes in unrealized appreciation (depreciation)	2 154 059.06
Net increase (decrease) in net assets as a result of operations	8 281 932.72
Net assets at the end of the financial year	100 191 237.05

Changes in the Number of Shares outstanding

	1.10.2015-30.9.2016
Class	A (USD)
Number of shares outstanding at the beginning of the financial year	383 684.1360
Number of shares issued	9 795.0000
Number of shares redeemed	-113 001.4510
Number of shares outstanding at the end of the financial year	280 477.6850
Class	B (USD)
Number of shares outstanding at the beginning of the financial year	253 411.5060
Number of shares issued	181 300.4640
Number of shares redeemed	-94 004.9880
Number of shares outstanding at the end of the financial year	340 706.9820
Class	C (USD)
Number of shares outstanding at the beginning of the financial year	13 798.3700
Number of shares issued	2 111.8480
Number of shares redeemed	-4 434.9290
Number of shares outstanding at the end of the financial year	11 475.2890
Class	D (USD)
Number of shares outstanding at the beginning of the financial year	34 577.4150
Number of shares issued	1 580.7380
Number of shares redeemed	-6 256.5300
Number of shares outstanding at the end of the financial year	29 901.6230
Class	U (USD)
Number of shares outstanding at the beginning of the financial year	73 845.3770
Number of shares issued	10 327.0790
Number of shares redeemed	-55 273.4120
Number of shares outstanding at the end of the financial year	28 899.0440

Statement of Investments in Securities and other Net Assets as of 30 September 2016

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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Transferable securities and money market instruments listed on an official stock exchange

Bearer shares

Netherlands

USD	NXP SEMICONDUCTORS EURO.20	28 400.00	2 897 084.00	2.89
Total Netherlands			2 897 084.00	2.89

United States

USD	ADOBE SYSTEMS INC COM USD0.0001	48 425.00	5 256 049.50	5.25
USD	AFFILIATED MNGRS COM USD0.01	19 300.00	2 792 710.00	2.79
USD	ALEXION PHARMACEUT COM USD0.0001	25 800.00	3 161 532.00	3.16
USD	ALLERGAN PLC COM USD0.0001	21 300.00	4 905 603.00	4.90
USD	ALPHABET INC CAP STK USD0.001 CL C	1 310.00	1 018 249.90	1.02
USD	ALPHABET INC CAP STK USD0.001 CL A	7 650.00	6 151 059.00	6.14
USD	AUTO DATA PROCESS COM USD0.10	24 350.00	2 147 670.00	2.14
USD	CELGENE CORP COM USD0.01	35 800.00	3 742 174.00	3.74
USD	DOLLAR GENERAL CP COM USD0.875	21 650.00	1 515 283.50	1.51
USD	DOLLAR TREE INC	26 400.00	2 083 752.00	2.08
USD	ELECTRONIC ARTS INC COM	52 450.00	4 479 230.00	4.47
USD	FACEBOOK INC COM USD0.000006 CL 'A'	54 750.00	7 022 782.50	7.01
USD	FLEETCOR TECHNOLOG COM STK USD0.001	15 975.00	2 775 336.75	2.77
USD	INVESCO LTD COM STK USD0.20	74 800.00	2 338 996.00	2.33
USD	MONSTER BEV CORP USD0.005(NEW)	29 650.00	4 352 916.50	4.34
USD	NEWELL BRANDS INC COM USD1	50 750.00	2 672 495.00	2.67
USD	NIELSEN HLDGS PLC COM EURO.07	37 650.00	2 016 910.50	2.01
USD	PRICELINE.COM INC COM USD0.008	3 075.00	4 524 831.75	4.52
USD	REGENERON PHARMACEUTICALS COM	5 920.00	2 379 958.40	2.38
USD	ROYAL CARIBBEAN COM USD0.01	44 910.00	3 366 004.50	3.36
USD	SCHWAB(CHARLES)CP COM USD0.01	67 600.00	2 134 132.00	2.13
USD	SIRIUS XM HLDGS IN COM USD0.001	721 300.00	3 007 821.00	3.00
USD	STARBUCKS CORP COM USD0.001	62 400.00	3 378 336.00	3.37
USD	VISA INC COM STK USD0.0001	57 950.00	4 792 465.00	4.78
USD	ZOETIS INC COM USD0.01 CL 'A'	80 500.00	4 186 805.00	4.18
Total United States			86 203 103.80	86.05

Total Bearer shares			89 100 187.80	88.94
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Depository receipts

China

USD	ALIBABA GROUP HLDG SPON ADS EACH REP ONE ORD-ADR	39 300.00	4 157 547.00	4.15
Total China			4 157 547.00	4.15

Ireland

USD	SHIRE ADR EACH REPR 3 ORD	13 250.00	2 568 645.00	2.56
Total Ireland			2 568 645.00	2.56

Total Depository receipts			6 726 192.00	6.71
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Total Transferable securities and money market instruments listed on an official stock exchange			95 826 379.80	95.65
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Transferable securities and money market instruments traded on another regulated market

Depository receipts

China

USD	TENCENT HLDGS LIMI UNSP ADR EACH REP 1 ORD	140 250.00	3 909 468.75	3.90
Total China			3 909 468.75	3.90

Total Depository receipts			3 909 468.75	3.90
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Total Transferable securities and money market instruments traded on another regulated market			3 909 468.75	3.90
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Total investments in securities			99 735 848.55	99.55
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Cash at banks, deposits on demand and deposit accounts and other liquid assets			957 404.60	0.96
Other assets and liabilities			-502 016.10	-0.51
Total net assets			100 191 237.05	100.00

Hereford Funds

– DGHM US All-Cap Value Fund

Annual Report as of 30 September 2016

Three-year comparison

Date	ISIN	30.9.2016	30.9.2015	30.9.2014
Net assets in USD		88 363 623.60	199 538 286.25	264 192 060.86
Class A (USD)	LU0435791347			
Shares outstanding		66 194.6050	116 512.3640	202 420.2600
Net asset value per share in USD		201.11	177.79	188.48
Class B (USD)	LU0947125729			
Shares outstanding		574 321.3760	1 601 585.3760	1 894 989.7130
Net asset value per share in USD		124.77	109.70	115.85
Class D (USD)	LU0435791420			
Shares outstanding		21 045.4880	21 878.5190	42 595.1090
Net asset value per share in USD		161.21	143.26	152.75

Performance

	Currency	2015/2016	2014/2015	2013/2014
Class A (USD)	USD	13.1%	-5.7%	12.4%
Class B (USD)	USD	13.7%	-5.3%	12.8%
Class D (USD)	USD	12.5%	-6.2%	11.8%

Historical performance is no indicator of current or future performance.
The performance data does not take account of any commissions and costs charged when subscribing and redeeming shares.
The performance data were not audited.
The compartment has no benchmark.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	90.99
Bermuda	3.23
Israel	2.70
Canada	1.96
Total	98.88

Classification by Currency as a % of net assets	
USD	98.88
Total	98.88

Statement of Net Assets

	USD
Assets	30.9.2016
Investments in securities, cost	79 824 489.73
Investments in securities, unrealized appreciation (depreciation)	7 552 015.37
Total investments in securities (Note 1)	87 376 505.10
Cash at banks, deposits on demand and deposit accounts (Note 1)	1 503 382.00
Receivable on securities sales (Note 1)	1 030 589.76
Receivable on dividends	83 460.47
Other receivables	6 595.60
Total Assets	90 000 532.93
Liabilities	
Payable on securities purchases (Note 1)	-1 290 634.89
Provisions for Investment Advisory fees (Note 2)	-212 724.16
Provisions for distribution fees (Note 2)	-29 541.19
Provisions for service fees (Note 2)	-55 005.74
Provisions for directors fees (Note 2)	-8 167.90
Provisions for taxe d'abonnement (Note 3)	-9 381.82
Provisions for audit fees, legal and economic advice (Note 2)	-22 354.03
Provisions for other commissions and fees (Note 2)	-9 099.60
Total provisions	-346 274.44
Total Liabilities	-1 636 909.33
Net assets at the end of the financial year	88 363 623.60

Statement of Operations

	USD
Income	1.10.2015-30.9.2016
Dividends (Note 1)	2 046 188.12
Other income	48 308.99
Total income	2 094 497.11
Expenses	
Investment Advisory fees (Note 2)	-1 130 118.16
Distribution fees (Note 2)	-20 368.27
Service fees (Note 2)	-166 489.90
Directors fees (Note 2)	-2 870.18
Taxe d'abonnement (Note 3)	-10 614.79
Audit fees, legal and economic advice (Note 2)	-14 356.26
Publications, printing costs and publicity (Note 2)	-1 685.60
Other commissions and fees (Note 2)	-35 395.08
Total expenses	-1 381 898.24
Net income (loss) on investments	712 598.87
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-1 648 175.79
Realized gain (loss) on foreign exchange	-360.51
Total realized gain (loss)	-1 648 536.30
Net realized gain (loss) of the financial year	-935 937.43
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	8 213 400.75
Total changes in unrealized appreciation (depreciation)	8 213 400.75
Net increase (decrease) in net assets as a result of operations	7 277 463.32

Statement of Changes in Net Assets

	USD
	1.10.2015-30.9.2016
Net assets at the beginning of the financial year	199 538 286.25
Subscriptions	15 804 616.84
Redemptions	-134 256 742.81
Total net subscriptions (redemptions)	-118 452 125.97
Net income (loss) on investments	712 598.87
Total realized gain (loss)	-1 648 536.30
Total changes in unrealized appreciation (depreciation)	8 213 400.75
Net increase (decrease) in net assets as a result of operations	7 277 463.32
Net assets at the end of the financial year	88 363 623.60

Changes in the Number of Shares outstanding

	1.10.2015-30.9.2016
Class	A (USD)
Number of shares outstanding at the beginning of the financial year	116 512.3640
Number of shares issued	5 556.2430
Number of shares redeemed	-55 874.0020
Number of shares outstanding at the end of the financial year	66 194.6050
Class	B (USD)
Number of shares outstanding at the beginning of the financial year	1 601 585.3760
Number of shares issued	114 833.0000
Number of shares redeemed	-1 142 097.0000
Number of shares outstanding at the end of the financial year	574 321.3760
Class	D (USD)
Number of shares outstanding at the beginning of the financial year	21 878.5190
Number of shares issued	4 563.1720
Number of shares redeemed	-5 396.2030
Number of shares outstanding at the end of the financial year	21 045.4880

Statement of Investments in Securities and other Net Assets as of 30 September 2016

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Bearer shares			
Bermuda			
USD RENAISSANCE RE HLG COM USD1	23 763.00	2 855 362.08	3.23
Total Bermuda		2 855 362.08	3.23
Canada			
USD SUNCOR ENERGY INC COM NPV 'NEW'	62 212.00	1 728 249.36	1.96
Total Canada		1 728 249.36	1.96
Israel			
USD CHECK POINT SFTWRE ORD ILS0.01	30 780.00	2 388 835.80	2.70
Total Israel		2 388 835.80	2.70
United States			
USD ABBOTT LABS COM	47 486.00	2 008 182.94	2.27
USD ALEXANDRIA REAL ESTATE EQ INC COM	22 644.00	2 462 987.88	2.79
USD AMER INTL GRP COM USD2.50	30 506.00	1 810 226.04	2.05
USD ANALOG DEVICES INC COM	37 973.00	2 447 359.85	2.77
USD AT&T INC COM USD1	70 565.00	2 865 644.65	3.24
USD BED BATH & BEYOND INC COM	36 758.00	1 584 637.38	1.79
USD CABOT OIL & GAS CO COM USD0.10	78 540.00	2 026 332.00	2.29
USD CISCO SYSTEMS COM USD0.001	102 775.00	3 260 023.00	3.69
USD CIT GROUP INC COM NEW USD0.01	57 640.00	2 092 332.00	2.37
USD DICKS SPORTING GOO COM USD0.01	28 191.00	1 598 993.52	1.81
USD EASTMAN CHEM CO COM	29 628.00	2 005 223.04	2.27
USD FLUOR CORP NEW COM	40 903.00	2 099 141.96	2.38
USD GENERAL MILS INC COM	38 083.00	2 432 742.04	2.75
USD GLATFELTER COM	50 287.00	1 090 222.16	1.23
USD HALLIBURTON COM STK USD2.50	44 002.00	1 974 809.76	2.23
USD INVESCO LTD COM STK USD0.20	64 674.00	2 022 355.98	2.29
USD JP MORGAN CHASE & COM USD1	49 782.00	3 314 983.38	3.75
USD NATIONAL OILWELL VARCO INC COM	64 430.00	2 367 158.20	2.68
USD OMNICOM GROUP INC COM USD0.15	23 924.00	2 033 540.00	2.30
USD OWENS CORNING COM STK USD0.01	24 100.00	1 286 699.00	1.46
USD PAREXEL INTL CORP COM	39 525.00	2 745 011.25	3.11
USD PDC ENERGY INC COM USD0.01	30 830.00	2 067 459.80	2.34
USD PFIZER INC COM USD0.05	97 654.00	3 307 540.98	3.74
USD PNC FINANCIAL SVCS COM USD5	23 115.00	2 082 430.35	2.36
USD PRUDENTIAL FINL COM USD0.01	34 078.00	2 782 468.70	3.15
USD PUBLIC SVC ENTERPRISE GROUP COM	52 002.00	2 177 323.74	2.46
USD QEP RESOURCES INC COM USD0.01	123 281.00	2 407 677.93	2.72
USD REGAL BELOIT CORP COM USD0.01	39 638.00	2 358 064.62	2.67
USD REGIONS FINANCIAL CORP NEW COM	213 529.00	2 107 531.23	2.39
USD SUNTRUST BKS INC COM	50 727.00	2 221 842.60	2.51
USD THOR INDS INC COM	29 796.00	2 523 721.20	2.86
USD TIME WARNER INC COM USD0.01	27 949.00	2 225 019.89	2.52
USD UNION PACIFIC CORP COM USD2.50	23 939.00	2 334 770.67	2.64
USD UNITED NAT FOODS INC COM	47 814.00	1 914 472.56	2.17
USD WEC ENERGY GROUP COM USD0.01	31 742.00	1 900 710.96	2.15
Total United States		77 939 641.26	88.20
Total Bearer shares		84 912 088.50	96.09
Investment funds, closed end			
United States			
USD LIBERTY PPTY TST SBI USD0.001	61 076.00	2 464 416.60	2.79
Total United States		2 464 416.60	2.79
Total Investment funds, closed end		2 464 416.60	2.79
Total Transferable securities and money market instruments listed on an official stock exchange		87 376 505.10	98.88
Total investments in securities		87 376 505.10	98.88
Cash at banks, deposits on demand and deposit accounts and other liquid assets		1 503 382.00	1.70
Other assets and liabilities		-516 263.50	-0.58
Total net assets		88 363 623.60	100.00

Hereford Funds – FIRTH ASIAN Systematic Equities Fund

Annual Report as of 30 September 2016

Most important figures

Date	ISIN	30.9.2016
Net assets in USD		4 656 549.79
Class E¹	LU1335425317	
Shares outstanding		4 730.0000
Net asset value per share in USD		120.88
Class L1¹	LU1335425580	
Shares outstanding		5 606.5960
Net asset value per share in USD		120.52
Class L2¹	LU1335425663	
Shares outstanding		28 222.5770
Net asset value per share in USD		120.79

¹ First NAV: 2.2.2016

Performance

	Currency	2016
Class E ¹	USD	-
Class L1 ¹	USD	-
Class L2 ¹	USD	-

¹ Due to the launch on 2 February 2016, no performance data is available.

Historical performance is no indicator of current or future performance.
The performance data does not take account of any commissions and costs charged when subscribing and redeeming shares.
The performance data were not audited.
The compartment has no benchmark.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
China	22.63
South Korea	20.13
Hong Kong	16.16
Taiwan	14.95
United States	8.59
Thailand	5.33
Singapore	4.56
Malaysia	2.97
Indonesia	1.23
Philippines	0.70
Total	97.25

Classification by Currency as a % of net assets	
HKD	36.72
KRW	20.13
TWD	14.94
USD	10.25
THB	5.33
SGD	4.98
MYR	2.97
IDR	1.23
PHP	0.70
Total	97.25

Statement of Net Assets

	USD
Assets	30.9.2016
Investments in securities, cost	4 068 054.54
Investments in securities, unrealized appreciation (depreciation)	460 668.30
Total investments in securities (Note 1)	4 528 722.84
Cash at banks, deposits on demand and deposit accounts (Note 1)	129 376.18
Receivable on dividends	5 135.31
Formation expenses, net (Note 1)	4 536.17
Total Assets	4 667 770.50
Liabilities	
Provisions for Investment Advisory fees (Note 2)	-3 645.35
Provisions for service fees (Note 2)	-5 966.63
Provisions for directors fees (Note 2)	-125.18
Provisions for taxe d'abonnement (Note 3)	-308.00
Provisions for audit fees, legal and economic advice (Note 2)	-837.45
Provisions for other commissions and fees (Note 2)	-338.10
Total provisions	-11 220.71
Total Liabilities	-11 220.71
Net assets at the end of the period	4 656 549.79

Statement of Operations

	USD
Income	2.2.2016-30.9.2016
Dividends (Note 1)	92 425.83
Other income	3 217.87
Total income	95 643.70
Expenses	
Investment Advisory fees (Note 2)	-7 798.07
Service fees (Note 2)	-7 292.83
Performance fees (Note 2)	-1 891.84
Directors fees (Note 2)	-124.75
Taxe d'abonnement (Note 3)	-416.57
Preparing, printing and filing of administrative documents fees (Note 2)	-3 000.00
Audit fees, legal and economic advice (Note 2)	-1 276.22
Publications, printing costs and publicity (Note 2)	-34.69
Amortization of formation expenses (Note 2)	-484.73
Other commissions and fees (Note 2)	-540.15
Interest on cash and bank overdraft	-5.18
Total expenses	-22 865.03
Net income (loss) on investments	72 778.67
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	151 315.23
Realized gain (loss) on forward foreign exchange contracts	-266.43
Realized gain (loss) on foreign exchange	2 811.98
Total realized gain (loss)	153 860.78
Net realized gain (loss) of the period	226 639.45
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	460 668.30
Total changes in unrealized appreciation (depreciation)	460 668.30
Net increase (decrease) in net assets as a result of operations	687 307.75

Statement of Changes in Net Assets

	USD
	2.2.2016-30.9.2016
Net assets at the beginning of the period	0.00
Subscriptions	4 134 227.04
Redemptions	-164 985.00
Total net subscriptions (redemptions)	3 969 242.04
Net income (loss) on investments	72 778.67
Total realized gain (loss)	153 860.78
Total changes in unrealized appreciation (depreciation)	460 668.30
Net increase (decrease) in net assets as a result of operations	687 307.75
Net assets at the end of the period	4 656 549.79

Changes in the Number of Shares outstanding

	2.2.2016-30.9.2016
Class	E
Number of shares outstanding at the beginning of the period	0.0000
Number of shares issued	4 730.0000
Number of shares redeemed	0.0000
Number of shares outstanding at the end of the period	4 730.0000
Class	L1
Number of shares outstanding at the beginning of the period	0.0000
Number of shares issued	5 606.5960
Number of shares redeemed	0.0000
Number of shares outstanding at the end of the period	5 606.5960
Class	L2
Number of shares outstanding at the beginning of the period	0.0000
Number of shares issued	29 722.5770
Number of shares redeemed	-1 500.0000
Number of shares outstanding at the end of the period	28 222.5770

Statement of Investments in Securities and other Net Assets as of 30 September 2016

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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Transferable securities and money market instruments listed on an official stock exchange

Bearer shares

China

HKD	BAIC MOTOR CORP LT 'H'CNY1	50 500.00	53 130.82	1.14
HKD	BANK OF CHINA LTD 'H'HKD1	81 000.00	36 970.33	0.79
HKD	BANK OF COMMUNICAT 'H'CNY1	46 000.00	35 051.80	0.75
HKD	BELLE INTERNATIONA HKD0.01	58 000.00	39 783.65	0.85
HKD	CHINA CONST BK 'H'CNY1	94 000.00	69 688.43	1.50
HKD	CHINA LESSO GROUP HKD0.05	91 000.00	61 715.20	1.33
HKD	CHINA MACHINERY EN 'H'CNY1	76 000.00	44 487.14	0.96
HKD	CHINA TELECOM CORP 'H'CNY1	122 000.00	61 503.75	1.32
HKD	CHINA YONGDA AUTOM HKD0.01	88 000.00	40 505.68	0.87
HKD	HUADIAN FLUXIN ENER 'H'CNY1	120 000.00	28 468.47	0.61
HKD	HUANENG POWER INTL 'H'CNY1	40 000.00	25 013.05	0.54
HKD	HUIZHANG BANK 'H'CNY1	121 000.00	62 091.68	1.33
HKD	INDUSTRIAL & COM B 'H'CNY1	78 000.00	48 775.46	1.05
HKD	LONGFOR PROPERTIES	16 500.00	25 316.05	0.54
HKD	PICC PROPERTY & CA 'H'CNY1	34 000.00	56 287.11	1.21
HKD	SINO-OCEAN GROUP H NPV	78 000.00	35 902.76	0.77
HKD	SINOTRANS LIMITED 'H'CNY1	83 000.00	40 237.50	0.86
HKD	SUNAC CHINA HLDGS HKD0.10 'REG S'	60 000.00	43 166.86	0.93
HKD	TENCENT HLDGS LIM HKD0.00002	5 400.00	148 299.05	3.19
HKD	WEIQIAO TEXTILE CO 'H'CNY1	50 000.00	35 521.12	0.76
SGD	YANGZUJANG SHIPBU NPV	35 400.00	19 472.66	0.42
Total China			1 011 388.57	21.72

Hong Kong

HKD	AGILE PROPERTY HLD HKD0.10	44 000.00	25 018.21	0.54
HKD	AIA GROUP LTD NPV	4 400.00	29 244.64	0.63
HKD	BEIJING ENTER. INV HKD0.1	4 000.00	20 268.31	0.44
HKD	CATHAY PACIFIC AIR HKD0.20	22 000.00	30 634.55	0.66
HKD	CHINA MOBILE LTD NPV	7 000.00	84 702.71	1.82
HKD	CHINA POWER INTL HKD1	74 000.00	28 432.36	0.61
HKD	CHINA RES LAND HKD0.10	10 000.00	27 849.59	0.60
HKD	CHINA RES PWR HLDG HKD1	22 000.00	37 896.07	0.81
HKD	CIFR HLDGS GROUP C HKD0.10	142 000.00	44 489.71	0.96
HKD	FUFENG GROUP LTD HKD0.10	116 000.00	53 692.97	1.15
HKD	HUABAO INTL HLDG HKD0.10	106 000.00	40 727.44	0.87
HKD	HUTCHISON TEL HK H HKD0.25	208 000.00	70 531.66	1.51
HKD	JU TENG INTERNATIO HKD0.1	72 000.00	21 444.18	0.46
HKD	LUK FOOK HLDGS HKD0.10	19 000.00	46 544.91	1.00
USD	SEASPAR CORP COM STK USD0.01	2 600.00	34 658.00	0.74
HKD	WASION GROUP HOLDS HKD0.01	64 000.00	34 822.30	0.75
HKD	WHARF(HLDGS) HKD1	7 000.00	50 947.98	1.09
HKD	WHEELLOCK & COMPANY HKD0.50	12 000.00	70 784.37	1.52
Total Hong Kong			752 689.96	16.16

Indonesia

IDR	PT BANK NEGARA IND LKD SHS(IDR7500 & IDR375)	134 500.00	57 196.71	1.23
Total Indonesia			57 196.71	1.23

Malaysia

MYR	HONG LEONG BANK MYR1	14 000.00	44 415.43	0.95
MYR	JCY INTERNATIONAL MYR0.25	130 300.00	16 699.07	0.36
MYR	UNISEM (M) BHD MYR0.50	46 400.00	28 274.21	0.61
MYR	YTL POWER INTL MYR0.50	127 000.00	49 135.53	1.05
Total Malaysia			138 524.24	2.97

Philippines

PHP	FIRST GEN CORPORAT PHP1	62 800.00	32 439.22	0.70
Total Philippines			32 439.22	0.70

Singapore

SGD	DBS GROUP HLDGS SGD1	1 919.00	21 660.79	0.46
SGD	OVERSEA-CHINESE BK NPV	6 300.00	39 968.46	0.86
SGD	SINGAPORE AIRLINES NPV	8 800.00	67 833.80	1.46
SGD	SINGAPORE TELECOMM NPV(POST RE-ORG)	6 800.00	19 799.77	0.43
SGD	YANLORD LAND GROUP NPV	61 400.00	63 045.95	1.35
Total Singapore			212 308.77	4.56

South Korea

KRW	BNK FINANCIAL GROU KRW5000	2 960.00	23 059.70	0.50
KRW	DGB FINANCIAL GROU KRW5000	5 075.00	41 610.07	0.89
KRW	DONGSUNG HOLDINGS KRW1000.00	7 350.00	45 380.67	0.97
KRW	HYOSUNG KRW5000	175.00	20 656.47	0.44

Description		Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
KRW	HYUNDAI DEVELOPMEN KRW5000	549.00	25 571.98	0.55
KRW	HYUNDAI STEEL KRW5000	461.00	21 263.72	0.46
KRW	INDL BANK OF KOREA KRW5000	2 000.00	21 700.64	0.47
KRW	KIA MOTORS CORP KRW5000	1 000.00	38 271.21	0.82
KRW	KOREA ELEC POWER KRW5000	1 100.00	53 933.81	1.16
KRW	KOREA PETROCHEMICA KRW5000	250.00	48 463.25	1.04
KRW	LG UPLUS CORP KRW5000	3 600.00	38 407.41	0.83
KRW	NEXEN TIRE CP KRW5000	3 800.00	51 064.60	1.10
KRW	SAMSUNG CARD KRW5000	1 550.00	70 508.92	1.51
KRW	SAMSUNG ELECTRONIC KRW5000	152.00	220 543.88	4.74
KRW	SEAH BESTEEL CORP KRW5000	828.00	18 832.71	0.40
KRW	SK HOLDINGS CO LTD KRW200	180.00	34 648.39	0.74
KRW	SK HYNIX INC KRW5000	1 970.00	71 906.30	1.54
KRW	SK TELECOM KRW500	320.00	65 664.87	1.41
KRW	WOORI BANK KRW5000	2 500.00	25 877.33	0.56
Total South Korea			937 365.93	20.13
Taiwan				
TWD	CASETEK HOLDINGS L TWD10	5 000.00	18 184.43	0.39
TWD	CHINA LIFE INS TWD10	31 200.00	28 517.01	0.61
TWD	COMPEQ MFG TWD10	97 000.00	49 512.69	1.06
TWD	CTBC FINANCIAL HOL TWD10	35 000.00	20 321.90	0.44
TWD	EVERLIGHT ELECTRON TWD10	25 000.00	40 037.65	0.86
TWD	FOXCONN TECH CO TWD10	13 130.00	38 453.18	0.83
TWD	HON HAI PRECISION TWD10	7 700.00	19 406.29	0.42
TWD	INVENTEC CORP TWD10	50 000.00	40 835.21	0.88
TWD	KINSUS INTERCONNE TWD10	14 000.00	32 649.02	0.70
TWD	LOTES CO LTD TWD10	17 000.00	45 339.84	0.97
TWD	MERCURIES LIFE INS TWD10	99 750.00	47 256.78	1.02
TWD	SIGURD MICROELECTR TWD10	40 000.00	29 924.55	0.64
TWD	SINOPAC FIN HLDGS TWD10	177 450.00	52 365.17	1.13
TWD	TAIWAN HON CHUAN E TWD10	27 000.00	42 077.81	0.90
TWD	TAIWAN PCB TECHVES TWD10	24 000.00	25 726.18	0.55
TWD	TAIWAN SEMICON MAN TWD10	14 000.00	81 510.90	1.75
TWD	TRIPOD TECHNOLOGY TWD10	18 000.00	40 024.88	0.86
TWD	ZHEN DING TECHNOLO TWD10	20 000.00	43 834.04	0.94
Total Taiwan			695 977.53	14.95
Total Bearer shares			3 837 890.93	82.42
Depository receipts				
China				
USD	ALIBABA GROUP HLDG SPON ADS EACH REP ONE ORD-ADR	400.00	42 316.00	0.91
Total China			42 316.00	0.91
Thailand				
THB	BANGCHAK PETROLEUM THB1(NVDR)	46 200.00	40 666.67	0.87
THB	BANGKOK BANK THB10 (NVDR)	7 800.00	36 580.09	0.78
THB	BCPG PCL THB5 (NVDR)	2 310.00	753.33	0.02
THB	KIATNAKIN BANK THB10(NVDR)	25 300.00	38 698.41	0.83
THB	SANSIRI THB1.07(NVDR)	998 000.00	50 116.02	1.08
THB	STAR PETROLEUM PLC THB6.92 (NVDR)	14 000.00	4 363.64	0.09
THB	THAI OIL PCL THB10(NVDR)	17 600.00	34 793.65	0.75
THB	THAICOM PUBLIC COM THB5(NVDR)	70 800.00	42 296.10	0.91
Total Thailand			248 267.91	5.33
Total Depository receipts			290 583.91	6.24
Total Transferable securities and money market instruments listed on an official stock exchange			4 128 474.84	88.66
UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010				
Investment funds, open end				
United States				
USD	ISHARES MSCI INDIA ETF	13 600.00	400 248.00	8.59
Total United States			400 248.00	8.59
Total Investment funds, open end			400 248.00	8.59
Total UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010			400 248.00	8.59
Total investments in securities			4 528 722.84	97.25
Cash at banks, deposits on demand and deposit accounts and other liquid assets			129 376.18	2.78
Other assets and liabilities			-1 549.23	-0.03
Total net assets			4 656 549.79	100.00

Hereford Funds – FIRTH ASIAN Value Fund

Annual Report as of 30 September 2016

Three-year comparison

Date	ISIN	30.9.2016	30.9.2015	30.9.2014
Net assets in USD		33 679 055.72	33 968 887.89	75 449 313.14
Class A (USD)	LU0618975774			
Shares outstanding		315 430.2920	337 641.3310	663 396.0020
Net asset value per share in USD		106.77	100.61	113.73

Performance

	Currency	2015/2016	2014/2015	2013/2014
Class A (USD)	USD	6.1%	-11.5%	3.0%

Historical performance is no indicator of current or future performance.
 The performance data does not take account of any commissions and costs charged when subscribing and redeeming shares.
 The performance data were not audited.
 The compartment has no benchmark.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Hong Kong	18.78
Singapore	16.50
Taiwan	15.61
India	8.99
Philippines	8.37
Thailand	7.60
South Korea	5.61
Indonesia	4.47
Luxembourg	2.12
China	1.96
Malaysia	1.77
Total	91.78

Classification by Currency as a % of net assets	
HKD	20.73
SGD	15.80
TWD	15.61
PHP	8.37
INR	8.23
THB	7.60
KRW	5.62
IDR	4.47
USD	3.58
MYR	1.77
Total	91.78

Statement of Net Assets

	USD
	30.9.2016
Assets	
Investments in securities, cost	33 342 299.73
Investments in securities, unrealized appreciation (depreciation)	-2 431 281.79
Total investments in securities (Note 1)	30 911 017.94
Cash at banks, deposits on demand and deposit accounts (Note 1)	2 946 824.94
Receivable on securities sales (Note 1)	71 524.99
Receivable on dividends	73 501.68
Total Assets	34 002 869.55
Liabilities	
Payable on securities purchases (Note 1)	-126 504.12
Provisions for Investment Advisory fees (Note 2)	-123 774.07
Provisions for distribution fees (Note 2)	-6 688.17
Provisions for service fees (Note 2)	-48 843.59
Provisions for directors fees (Note 2)	-2 187.40
Provisions for taxe d'abonnement (Note 3)	-1 602.81
Provisions for audit fees, legal and economic advice (Note 2)	-10 039.40
Provisions for other commissions and fees (Note 2)	-4 174.27
Total provisions	-197 309.71
Total Liabilities	-323 813.83
Net assets at the end of the financial year	33 679 055.72

Statement of Operations

	USD
	1.10.2015-30.9.2016
Income	
Interest on liquid assets	1 033.77
Dividends (Note 1)	1 032 220.70
Other income	12 866.42
Total income	1 046 120.89
Expenses	
Investment Advisory fees (Note 2)	-486 549.07
Distribution fees (Note 2)	-7 610.59
Service fees (Note 2)	-98 386.01
Directors fees (Note 2)	-1 149.12
Taxe d'abonnement (Note 3)	-3 977.01
Audit fees, legal and economic advice (Note 2)	-16 729.40
Publications, printing costs and publicity (Note 2)	-945.38
Amortization of formation expenses (Note 2)	-14 676.64
Other commissions and fees (Note 2)	-17 789.81
Total expenses	-647 813.03
Net income (loss) on investments	398 307.86
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-3 144 743.37
Realized gain (loss) on forward foreign exchange contracts	-4 362.09
Realized gain (loss) on foreign exchange	-12 125.23
Total realized gain (loss)	-3 161 230.69
Net realized gain (loss) of the financial year	-2 762 922.83
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	4 653 949.14
Total changes in unrealized appreciation (depreciation)	4 653 949.14
Net increase (decrease) in net assets as a result of operations	1 891 026.31

Statement of Changes in Net Assets

	USD
	1.10.2015-30.9.2016
Net assets at the beginning of the financial year	33 968 887.89
Subscriptions	2 855 347.08
Redemptions	-5 036 205.56
Total net subscriptions (redemptions)	-2 180 858.48
Net income (loss) on investments	398 307.86
Total realized gain (loss)	-3 161 230.69
Total changes in unrealized appreciation (depreciation)	4 653 949.14
Net increase (decrease) in net assets as a result of operations	1 891 026.31
Net assets at the end of the financial year	33 679 055.72

Changes in the Number of Shares outstanding

	1.10.2015-30.9.2016
Class	A (USD)
Number of shares outstanding at the beginning of the financial year	337 641.3310
Number of shares issued	28 261.0660
Number of shares redeemed	-50 472.1050
Number of shares outstanding at the end of the financial year	315 430.2920

Statement of Investments in Securities and other Net Assets as of 30 September 2016

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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Transferable securities and money market instruments listed on an official stock exchange

Bearer shares

China

HKD	SINOTRANS LIMITED 'H' CNY1	1 359 000.00	658 828.38	1.96
Total China			658 828.38	1.96

Hong Kong

HKD	AEON STORES(HK) CO NPV	700 500.00	650 287.84	1.93
HKD	BOSSINI INTL HLDGS HKD0.10	4 784 000.00	302 240.22	0.90
HKD	CHEN HSONG HOLDING HKD0.10	1 632 000.00	345 087.32	1.02
HKD	CLEAR MEDIA HKD0.10	358 000.00	341 108.44	1.01
HKD	FAIRWOOD HOLDINGS HKD1.00	162 000.00	751 938.83	2.23
HKD	HUNG HING PRINTING HKD0.10	4 114 000.00	514 518.53	1.53
HKD	HUTCHISON TEL HK H HKD0.25	1 864 000.00	632 072.15	1.88
HKD	JOHNSON ELEC HLDGS COM HKD0.05 (POST REV/SPL)	234 000.00	596 770.22	1.77
HKD	LUNG KEE(BERMUDA) HKD0.10	2 511 000.00	815 853.64	2.42
HKD	ORIENTAL WATCH HLD HKD0.10	2 342 000.00	365 373.68	1.09
HKD	PICO FAR EAST HLDG HKD0.05	2 296 000.00	689 751.74	2.05
HKD	SUN HING VISION GR HKD0.10	911 000.00	319 486.33	0.95
Total Hong Kong			6 324 488.94	18.78

India

INR	HT MEDIA LTD INR2	547 804.00	687 017.63	2.04
INR	JAMMU & KASHMIR BA INR1	597 756.00	697 142.59	2.07
USD	MAKEMYTRIP LTD USD0.0005	10 814.00	255 210.40	0.76
INR	MPHASIS BFL LTD INR10	93 474.00	729 554.88	2.17
INR	SJVN LTD INR10	1 509 009.00	657 273.37	1.95
Total India			3 026 198.87	8.99

Indonesia

IDR	ASAHIMAS FLAT GLAS IDR500	1 247 300.00	664 219.28	1.97
IDR	LINK NET TBK IDR100	2 522 300.00	842 634.00	2.50
Total Indonesia			1 506 853.28	4.47

Malaysia

MYR	ALLIANZ MALAYSIA MYR1	244 500.00	597 134.57	1.77
Total Malaysia			597 134.57	1.77

Philippines

PHP	ASIAN TERMINALS PHP1	1 234 100.00	274 329.27	0.81
PHP	INTEGRATED MICRO-E PHP1	2 883 400.00	362 691.82	1.08
PHP	MANILA WATER CO PHP1	1 240 400.00	749 432.31	2.23
PHP	PEPSI-COLA PRODUCT PHP0.15	11 302 200.00	743 458.46	2.21
PHP	PHILIPPINE NATL BK PHP40	572 840.00	688 660.11	2.04
Total Philippines			2 818 571.97	8.37

Singapore

SGD	AURIC PACIFIC GP NPV	423 300.00	361 688.73	1.07
SGD	COURTS ASIA LTD NPV	2 486 700.00	784 246.58	2.33
SGD	CWT LIMITED SGD0.25	207 200.00	303 934.87	0.90
USD	ELEC & ELITEK INTL SGD0.8	268 500.00	234 937.50	0.70
SGD	KINGSMEN CREATIVE NPV	1 026 100.00	492 937.40	1.46
SGD	PARKWAY LIFE REAL ESTATE INVESTMENT TRUST	327 800.00	625 090.76	1.86
SGD	QAF SGD0.40	818 930.00	729 766.36	2.17
SGD	SMRT CORPORATION SGD0.10	531 800.00	655 267.15	1.94
SGD	SUPER GROUP LTD NPV	691 300.00	403 082.99	1.20
SGD	UOB-KAY HIAN HOLDI SGD0.10	339 800.00	326 479.15	0.97
SGD	VENTURE CORP LTD SGD0.25	96 600.00	639 064.14	1.90
Total Singapore			5 556 495.63	16.50

South Korea

KRW	FURSYS KRW1000	21 705.00	643 454.19	1.91
KRW	G2R KRW1000	46 541.00	350 319.97	1.04
KRW	KT SKYLIFE CO LTD KRW2500	49 620.00	720 860.78	2.14
KRW	SAERON AUTOMOTIVE KRW500	19 551.00	142 014.80	0.42
Total South Korea			1 856 649.74	5.51

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Taiwan			
TWD 104 CORP TWD10	75 000.00	331 387.28	0.98
TWD CAPITAL SECURITIES TWD10	2 441 000.00	635 451.98	1.89
TWD CLEANAWAY COMPANY TWD10	118 000.00	651 257.76	1.93
TWD CYBERLINK CORP TWD10	300 711.00	648 516.17	1.92
TWD E-LIFE MALL CORP TWD10	214 000.00	410 310.89	1.22
TWD JOHNSON HEALTH TEC TWD10	201 000.00	334 086.23	0.99
TWD MAKALOT INDUSTRIAL TWD10	107 238.00	513 174.14	1.52
TWD MOMO COM INC TWD10	54 000.00	362 635.79	1.08
TWD SCI PHARMTECH INC TWD10	122 000.00	343 283.73	1.02
TWD TAIWAN FU HSING TWD10	249 000.00	334 033.59	0.99
TWD TEHMAG FOODS CORPO TWD10	56 000.00	343 015.74	1.02
TWD TRIPOD TECHNOLOGY TWD10	157 000.00	349 105.93	1.04
Total Taiwan		5 256 259.23	15.60
Total Bearer shares		27 601 480.61	81.95
Depository receipts			
Thailand			
THB AMATA CORP THB1(NVDR)	1 816 600.00	587 183.84	1.74
THB GLOW ENERGY THB10(NVDR)	286 400.00	659 174.60	1.96
THB THAI STANLEY ELEC THB5(NVDR)	130 800.00	645 506.49	1.92
Total Thailand		1 891 864.93	5.62
Total Depository receipts		1 891 864.93	5.62
Investment funds, closed end			
Thailand			
THB DIGITAL TELECOMMUNICATIONS INFRASTRUCTURE FUND	1 563 400.00	667 772.58	1.98
Total Thailand		667 772.58	1.98
Total Investment funds, closed end		667 772.58	1.98
Total Transferable securities and money market instruments listed on an official stock exchange		30 161 118.12	89.55
Transferable securities and money market instruments traded on another regulated market			
Bearer shares			
South Korea			
KRW INTOPS CO KRW500	2 080.00	34 561.22	0.10
Total South Korea		34 561.22	0.10
Total Bearer shares		34 561.22	0.10
Total Transferable securities and money market instruments traded on another regulated market		34 561.22	0.10
UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010			
Investment funds, open end			
Luxembourg			
USD DB X-TRACKERS FTSE VIETNAM ETF-1C-CAP	28 740.00	715 338.60	2.13
Total Luxembourg		715 338.60	2.13
Total Investment funds, open end		715 338.60	2.13
Total UCITS/Other UCIs in accordance with Article 41 (1) e) of the amended Luxembourg law of 17 December 2010		715 338.60	2.13
Total investments in securities		30 911 017.94	91.78
Cash at banks, deposits on demand and deposit accounts and other liquid assets		2 946 824.94	8.75
Other assets and liabilities		-178 787.16	-0.53
Total net assets		33 679 055.72	100.00

Hereford Funds – IMVA Opportunity Fund

Annual Report as of 30 September 2016

Three-year comparison

Date	ISIN	17.11.2015*	30.9.2015	30.9.2014
Net assets in USD		1 633 263.15	1 601 080.01	4 136 399.52
Class A (USD)	LU1022309220			
Shares outstanding		9 940.7130	9 940.7130	10 853.2790
Net asset value per share in USD		55.82	54.72	86.17
Class L (USD)	LU1022310400			
Shares outstanding		19 230.0000	19 230.0000	37 030.0000
Net asset value per share in USD		56.08	54.97	86.45

* See note 8

Structure of the Securities Portfolio

As all shares of Hereford Funds – IMVA Opportunity Fund have been redeemed as at 17 November 2015, there is no securities portfolio or securities portfolio structure at the end of the reporting period. (See note 8).

Statement of Operations

	USD
	1.10.2015-30.9.2016
Income	
Dividends (Note 1)	1 535.94
Other Income	6 478.05
Total income	8 013.99
Expenses	
Service fees (Note 2)	-631.01
Liquidation fees (Note 2)	-17 170.40
Amortization of formation expenses (Note 2)	-11 721.01
Total expenses	-29 522.42
Net income (loss) on investments	-21 508.43
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-535 682.50
Realized gain (loss) on foreign exchange	356.09
Total realized gain (loss)	-535 326.41
Net realized gain (loss) of the financial year	-556 834.84
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	589 017.98
Total changes in unrealized appreciation (depreciation)	589 017.98
Net increase (decrease) in net assets as a result of operations	32 183.14

Statement of Changes in Net Assets

	USD
	1.10.2015-30.9.2016
Net assets at the beginning of the financial year	1 601 080.01
Redemptions	-1 633 263.15
Total net subscriptions (redemptions)	-1 633 263.15
Net income (loss) on investments	-21 508.43
Total realized gain (loss)	-535 326.41
Total changes in unrealized appreciation (depreciation)	589 017.98
Net increase (decrease) in net assets as a result of operations	32 183.14
Net assets at the end of the financial year	0.00

Changes in the Number of Shares outstanding

	1.10.2015-30.9.2016
Class	A (USD)
Number of shares outstanding at the beginning of the financial year	9 940.7130
Number of shares issued	0.0000
Number of shares redeemed	-9 940.7130
Number of shares outstanding at the end of the financial year	0.0000
Class	L (USD)
Number of shares outstanding at the beginning of the financial year	19 230.0000
Number of shares issued	0.0000
Number of shares redeemed	-19 230.0000
Number of shares outstanding at the end of the financial year	0.0000

Notes to the Financial Statements

Annual Report as of 30 September 2016
Hereford Funds

Note 1 – Summary of significant accounting policies

The financial statements of the Fund are prepared in accordance with generally accepted accounting policies and Luxembourg legal and regulatory requirements relating to undertakings for collective investment. The combined financial statements are expressed in USD and are presented for information purposes only.

a) Calculation of the net asset value

The net asset value as well as issue, redemption and conversion prices for Shares are calculated by the Central Administration for each Compartment in the reference currency of the Compartment on the basis of the latest available prices, at intervals which may vary for each Compartment and are specified in the Appendix to the Prospectus.

The net asset value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The net assets of a Compartment correspond to the difference between the total assets and the total liabilities of the Compartment.

The Fund's total net assets will be expressed in US Dollars and correspond to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in US Dollars, be converted into US Dollars, and added together.

b) Valuation principles

- Securities and/or financial derivative instruments admitted to official listing on an official stock exchange or traded on any other organised market will be valued at the last available price, unless such a price is not deemed to be representative of their fair market value;
- Securities not listed on stock exchanges or not traded on any regulated market and securities with an official listing for which the last available price is not representative of a fair market value are valued prudently and in good faith by the Board of Directors, on the basis of their estimated sale prices;
- Cash and other liquid assets will be valued at their face value with interest accrued;
- Financial derivative instruments which are not listed on a regulated market will be valued in a reliable

and verifiable manner on a daily basis, in accordance with market practice;

- Swaps are valued at their fair value based on the underlying securities (at close of business or intra-day) as well as on the characteristics of the underlying commitments, interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve;
- Liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;
- The units/shares of undertakings for collective investment will be valued on the basis of the last known net asset value;
- In the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments;
- For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial center which is most representative for those securities.

c) Formation expenses

The costs and expenses incurred in connection with the formation of the Fund respectively in connection with the launching of new Compartments or Classes of Shares are amortised over a period not exceeding 5 years.

d) Conversion of foreign currencies

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different compartments are translated at the mid closing spot rates of exchange ruling on the valuation date. Income and expenses denominated in currencies other than the currency of the different Compartments are converted at the mid closing spot rates at payment date. Profit and loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different Compartments is converted at the mid closing spot rate on the day of acquisition.

e) Net realized result on sales of securities

Capital gains or losses arising from sales of investment securities are computed using the weighted average cost basis.

f) Income recognition

Interest income is accounted for on an accrual basis. Dividends are accrued on the date upon which the relevant security becomes ex-dividend. These are accounted for net of any applicable withholding taxes in the relevant country.

g) Consolidated financial statements

The consolidated financial statements of the Fund are expressed in USD. The various items of the consolidated statement of net assets and the consolidated statement of operations as of 30 September 2016 of the Fund are equal to the sum of the corresponding items in the financial statements of each Compartment.

The exchange rates used as of 30 September 2016 are as follows:

Exchange rates		
USD 1 =	CNY	6.670000
USD 1 =	EUR	0.889838
USD 1 =	HKD	7.755950
USD 1 =	IDR	13 051.013803
USD 1 =	INR	66.580000
USD 1 =	KRW	1 101.349969
USD 1 =	MYR	4.135500
USD 1 =	PHP	48.495000
USD 1 =	SGD	1.363450
USD 1 =	THB	34.650000
USD 1 =	TWD	31.345500

For the liquidated or merged Compartments, the exchange rate used for the conversion of the consolidated financial statements is the one as at liquidation or merger date.

h) Receivable on securities sales,

Payable on securities purchases

The account "Receivable on securities sales" can also include receivables from foreign currency transactions. The account "Payable on securities purchases" can also include payables from foreign currency transactions.

Note 2 – Fees and Expenses

The Custodian Bank, the Central Administrator and the Management Company are entitled to fees in line with current practice in Luxembourg, payable on a monthly basis, which shall in aggregate not exceed 0.5% of the average net asset value of the respective Compartment. These fees are disclosed as Service fees in the Statement of Operations.

Hereford Funds – DSM US Large Cap Growth Fund

Advisory fees specific to this Compartment

Class A Shares: 1.25% per annum.

Class B Shares: 0.75% per annum.

Class C Shares: 1.00% per annum.

Class D Shares: 1.75% per annum.

Class E Shares: 0.90% per annum.

Class U Shares: 1.25% per annum.

Performance fees specific to this Compartment

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

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

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

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

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

For the period from 1 October 2015 to 30 September 2016, no performance fee was due.

Hereford Funds – DGHM US All-Cap Value Fund

Advisory fees specific to this Compartment

Class A Shares: 1.25% per annum.

Class B Shares: 0.95% per annum.

Class D Shares: 1.75% per annum.

There are no performance fees in relation to this Compartment.

Hereford Funds – FIRTH ASIAN Systematic Equities Fund

Advisory fees specific to this Compartment

Class A Shares: 1.50% per annum.

Class B Shares: 1.00% per annum.

Class D Shares: 2.00% per annum.

Class E Shares: 0.25% per annum.

Class L1 Shares: 0.75% per annum.

Class L2 Shares: 0.25% per annum.

Class R Shares: 1.50% per annum.

Performance fees specific to this Compartment

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

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

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

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

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

The first performance fee of any Share Class will be calculated for the period starting with the launch of the relevant Class of Shares and ending at the end of the calendar quarter in which such Class was launched.

For the period from 1 October 2015 to 30 September 2016, a performance fee of USD 1 891.84 was due.

Hereford Funds – FIRTH ASIAN Value Fund

Advisory fees specific to this Compartment

Class A Shares: 1.50% per annum.

Class D Shares: 2.00% per annum.

Class R Shares: 1.50% per annum.

Performance fees specific to this Compartment

In addition, in relation to Class A and D 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), 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 MSCI AC Asia ex Japan Small Cap USD Net Index benchmark since the payment of the previous performance fee or if none since launch.

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

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

The first performance fee of any Share Class will be 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.

For the period from 1 October 2015 to 30 September 2016, no performance fee was due.

Hereford Funds – IMVA Opportunity Fund

Advisory fees specific to this Compartment

Class A Shares: 1.25% per annum.

Class D Shares: 1.75% per annum.

Class L Shares: 0.75% per annum.

There are no performance fees in relation to this Compartment.

Other costs charged to the Fund include:

- All taxes (such as any financial transaction tax) and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (see paragraph Tax Status below) charged on the Fund's net assets.
- Brokerage fees and charges on transactions involving securities in portfolio as well as any cash payments.
- Remuneration of the Custodian Bank's correspondents.
- Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
- The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents

required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.

The fees associated with the creation of a new Compartment will be, in principle, exclusively borne by this new Compartment. Nevertheless the Board of Directors of the Fund may decide, in circumstances where it would appear to be fairer to the Compartments concerned, that the initial setting up costs of the Fund, not yet amortised at the time the new Compartment is launched, will be equally borne by all existing Compartments including the new Compartment. The Board of Directors may also decide that the costs associated with the opening of new Compartments be borne by the existing Compartments.

Each of the Directors will be entitled to remuneration for his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director and Delegate may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting the Investment Manager(s). All recurring expenditure is paid when incurred or invoiced from the net assets of the Compartment. Other expenditure may be amortised over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically relate to one Compartment, in which case they will be charged to that Compartment.

Note 3 – Taxe d'abonnement

According to the law and practice currently in force in the Grand Duchy of Luxembourg, the Fund is not liable to any Luxembourg tax on withholding, income, capital gains or wealth taxes. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum ("Taxe d'abonnement") of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end

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

The Taxe d'abonnement is waived for that part of the Fund assets invested in units or shares of other undertakings for collective investment that have already paid the Taxe d'abonnement in accordance with the statutory provisions of Luxembourg law.

Note 4 – Dividend Policy

It is the policy of the Fund that dividends will not be distributed and income will be capitalized.

The Board of Directors reserves the right to introduce a distribution policy which may vary according to each Compartment.

Note 5 – Transaction costs

During the financial year from 1 October 2015 until 30 September 2016 the Fund incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

Hereford Funds	Transaction costs
– DSM US Large Cap Growth Fund	80 932.55 USD
– DGHM US All-Cap Value Fund	268 743.28 USD
– FIRTH ASIAN Systematic Equities Fund	15 664.45 USD
– FIRTH ASIAN Value Fund	95 948.25 USD
– IMVA Opportunity Fund*	5 488.47 USD

* liquidated, see Note 8

Not all transaction costs are separately identifiable. For fixed income investments, forward currency contracts and other derivative contracts, transaction costs are included in the purchase and sale price of the investment. Whilst not separately identifiable these transaction costs are captured within the performance of each Compartment.

Note 6 – Related party transactions

All transactions with related parties were entered into the ordinary course of business and under normal commercial terms. The related parties to the Fund is the Advisory Company. The fees for the transactions with related parties are described in note 2.

As of 30 September 2016, the Compartments had not invested in related parties and there were no direct shareholdings in the Fund by any member of the Board of Directors.

Note 7 – Changes in securities portfolio

Information about the changes that have occurred in the securities portfolio of the Compartments during the year can be obtained free of charge at the Registered Office of the Fund or from the Custodian Bank.

Note 8 – Event

On 16 November 2015 the Board of Directors of the Fund decided to put the Compartment Hereford Funds – IMVA Opportunity Fund into liquidation with effect as of 17 November 2015.

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

Unaudited Information

Annual Report as of 30 September 2016
Hereford Funds

1) Global Exposure

Risk Management is applied pursuant to the applicable laws and regulatory provisions. Global Exposure is calculated based on commitment approach.

Leverage is defined pursuant to the applicable ESMA directives as the total of the notional values of the derivatives used by the respective compartment. According to this definition, leverage may result in artificially increased leverage amounts, as some derivatives that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

Compartment	Global risk calculation method
Hereford Funds – DSM US Large Cap Growth Fund	Commitment approach
Hereford Funds – DGHM US All-Cap Value Fund	Commitment approach
Hereford Funds – FIRTH ASIAN Systematic Equities Fund	Commitment approach
Hereford Funds – FIRTH ASIAN Value Fund	Commitment approach

2) UK Distributing status - reporting fund status

As of 30 September 2016 the following Compartments and Classes of Shares of Hereford Funds were granted UK reporting fund status:

- Hereford Funds – DSM US Large Cap Growth Fund
Class A in USD
Class B in USD
Class U in USD
- Hereford Funds – DGHM US All-Cap Value Fund
Class A in USD
Class B in USD
- Hereford Funds – FIRTH ASIAN Systematic Equities Fund
Class L1 in USD
Class L2 in USD
- Hereford Funds – FIRTH ASIAN Value Fund
Class A in USD

3) Total Expense Ratio (TER)

The calculation of the Total Expense Ratio (TER) is based on the stipulated fees and commissions paid by the Compartments on the average net assets of the Compartments during the reporting period (annualised), as allocated to each Class of Shares. Transaction costs are excluded from the calculation.

TER for the last 12 months:

Hereford Funds	Total Expense Ratio (TER)
– DSM US Large Cap Growth Fund Class A (USD)	1.62 %
– DSM US Large Cap Growth Fund Class B (USD)	0.93 %
– DSM US Large Cap Growth Fund Class C (USD)	1.96 %*
– DSM US Large Cap Growth Fund Class D (USD)	2.16 %
– DSM US Large Cap Growth Fund Class U (USD)	1.59 %
– DGHM US All-Cap Value Fund Class A (USD)	1.64 %
– DGHM US All-Cap Value Fund Class B (USD)	1.12 %
– DGHM US All-Cap Value Fund Class D (USD)	2.20 %
– FIRTH ASIAN Systematic Equities Fund Class E	0.69 %
– FIRTH ASIAN Systematic Equities Fund Class L1	1.14 %
– FIRTH ASIAN Systematic Equities Fund Class L2	0.71 %**
– FIRTH ASIAN Value Fund Class A (USD)	1.91 %

* thereof performance fee 0.55%

** thereof performance fee 0.07%

4) Applicable law, place of performance and authoritative language

The Luxembourg District Court is the place of performance for all legal disputes between the shareholders, the Fund and the custodian bank. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Fund and/or the custodian bank can elect to make themselves subject to the jurisdiction of the countries in which Fund shares were bought and sold.

The English version of these financial statements is the authoritative version and only this version was audited by the auditor. However, in the case of shares sold to investors from the other countries in which Fund shares can be bought and sold, the Fund and the Custodian Bank may recognize approved translations (i.e. approved by the Fund and the Custodian Bank) into the languages concerned as binding upon themselves and the Fund.

5) Remuneration Policy disclosure

In accordance with the Directive 2014/91/EU of 23 July 2014 on UCITS as regards depositary functions, remuneration policies and sanctions ("UCITS V Directive"), the Management Company has established and implemented a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the SICAV nor impair compliance with the Management Company's duty to act in the best interest of the SICAV and of its shareholders.

The remuneration policy of the Management Company is in line with the business strategy, objectives, values and interests of the Management Company and the other UCITS that it manages or the Investors of such UCITS, and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on longer term performance and its investment risks and that the actual payment of performance based components of remuneration is spread over the same period.

The Management Company ensures that the fixed and variable component of total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component.

Further details of the up-to-date remuneration policy, including but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee, are available at the following website: <http://www.bsi-fundmanagement.com/Governance-and-contact/Governance.html>. A paper copy of the policy is made available free of charge upon request.

