

Investment Review

The Hereford Funds – Bin Yuan Greater China Fund (share Class L1) appreciated 4.76% for the month of June (net of fees) compared to a -0.48% return for the benchmark. At the end of June, the Sub Fund was mainly invested in the Information Technology, Consumer, Health Care and Industrials sectors, with minimal weights in the Energy, Utilities and Real Estate sectors.

For the month, the Sub-Fund outperformed the benchmark by 5.33%. In June, the positions that contributed the most to the portfolio's return were Chinasoft Intl, Ecovacs Robot and SG Micro Corp. The positions that contributed the least in the month were C&S Paper, CM Bank and Kweichow Moutai.

Manager's Commentary – Xinjiang Trip Comments from Ping

We visited Xinjiang last month. There were three reasons for me to revisit the Xinjiang Uygur Autonomous Region (Xinjiang). It has been fourteen years since the last time I was in that province visiting companies as a GEM and China fund manager for GE Asset Management Corp. We are fully aware of all the recent concerns about the situation in Xinjiang. We are not trying to argue or prove yes or no with regard to those concerns. We wanted to see for ourselves how the area has developed over recent years, to visit old friends, see how our holdings are doing, and whether the consumption wave has spread to that region.

We talked with representatives of Aier Hospital, C&S Paper and SF Holdings in Xinjiang, and visited four minority ethnic families (Uyghurs, Kazak, Hui and Tajik) during the trip. Just like every civilization, the Xinjiang nomadic economy has moved to farming and industrialization. Through education, people are working in more sophisticated jobs such as technology development and high skilled services. We asked all the school aged children we met whether they would like to do the work as their parents are doing today (farming or raising sheep): all answered no. They have their dreams to be doctors, scientists and teachers etc. and most importantly, to live in the cities, just like we do.

We are happy to see that Xinjiang, a large part of the less developed western China, has enjoyed economic development, catching the wave of urbanization similar to what has happened in the developed eastern China. The interview reinforced our view that the consumption upgrade trend is happening in Xinjiang and the strong competitiveness of our holding companies (such as S.F., Aier, C&S Paper and PDD) will help them build brand image and expand penetration in the local market. China is a multi-ethnic country. The culture is diversified across the whole country, however the desire of people to pursue a happier life is consistent and identical.

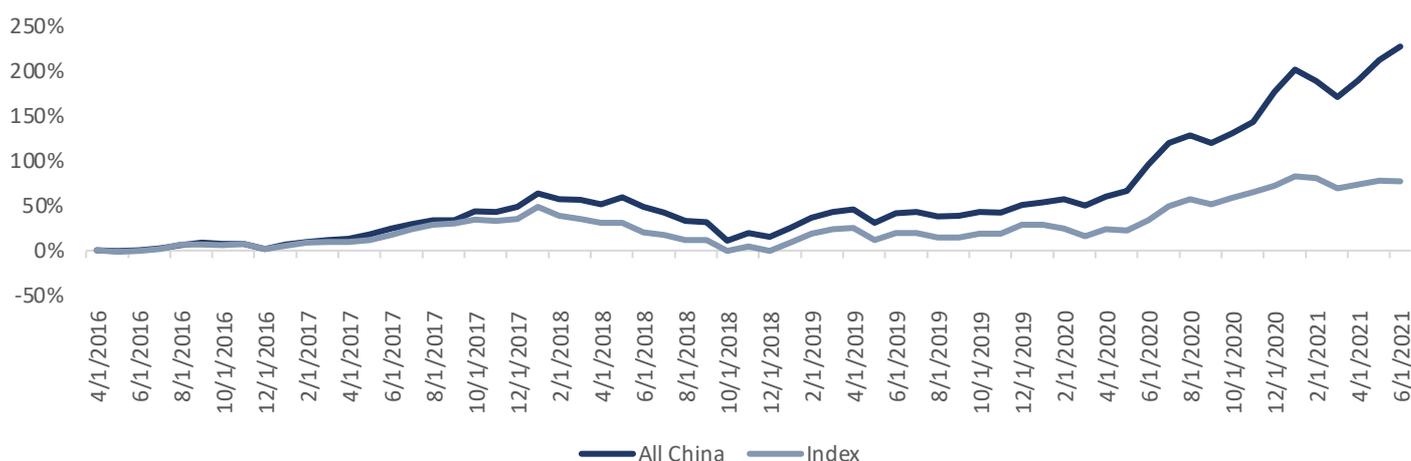
Xinjiang was a place of culture communication and trade exchange in the past. This openness is needed for future development. The Xinjiang economy has been more integrated with other regions in China and also other Asian countries.

Key Information

NAV (30/06/21)	US\$ 212.97 (L1) /201.40 (L2) /149.04 (AI) /153.48 (BI) /231.69 (CB) /152.12 (DB A) /153.79 (DI) /245.85 (CI)	Strategy Assets	US\$ 1,286 m ^(a)
Total Fund Size	US\$ 497.8m	Fund Launch Date	16-Apr-18

Period Performance (%)

	2021	2020	2019	2018	2017	2016	Cumulative	Annualized
Bin Yuan All China Strategy ^(b)	18.13	83.51	30.60	-22.46	44.69	1.07	227.14	25.78
Index ^(c)	3.11	33.41	29.74	-26.64	33.37	1.47	77.19	12.71



Monthly Performance (%)														
	2020							2021						
	Jul	Aug	Sep	Oct	Nov	Dec	2020	Jan	Feb	Mar	Apr	May	Jun	YTD
Bin Yuan GC Fund	12.16	3.90	-3.56	4.62	5.74	13.81	83.51	8.76	-4.27	-6.06	6.90	7.84	4.76	18.13
Index ^(c)	11.27	5.27	-3.44	4.73	3.93	4.16	33.41	6.28	-1.03	-6.35	2.31	2.80	-0.48	3.11

Top Ten Holding					
1	C&S Paper Co-A	6.92%	2	Ecovacs Roboti-A	6.87%
3	CM Bank-H	6.54%	4	Chinasoft Intl	5.99%
5	Bilibili	5.73%	6	IRAY Technolog-A	5.19%
7	Chaozhou Three-A	4.17%	8	Tencent	4.08%
9	SG Micro Corp-A	3.98%	10	Kweichow Moutai	3.64%

Sectoral Breakdown	% of Assets
Information Technology	31
Health Care	14
Consumer Discretionary	13
Industrials	11
Communication Services	11
Consumer Staples	11
Financials	7

Investment Objective

The investment objective of the Compartment is to provide long term capital growth, measured in USD, primarily through investment in equities and equity-linked securities of Greater China Companies, as defined hereafter.

Since Inception ^(d)	Bin Yuan All China	Index
Volatility	18.14%	17.03%
Sharp Ratio	1.48	0.69
Information Ratio	1.79	
Tracking Error	8.51%	
Active Shares	84%	
Beta	1.01	
PE ex ADRs	31.32	

Market Breakdown	% of Assets
A Share (Connect + QFI)	65
Hong Kong (Discounted Dual Listing)	7
Hong Kong	16
US ADR	10

Valuation	Portfolio	Benchmark	Benchmark (excluding Financials)
Period	20210630	20210630	20210630
Forward PE (X)	32.2	17.5	59.4
Forward PB (X)	7.1	2.3	7.5
Forward Div. Yield (%)	0.6	1.6	1.0
Forward ROE (%)	22.0	13.1	12.6
Earning Growth (%) Forward 3 YR	27.2	10.0	14.2
Forward PEGY	1.2	1.5	3.9
FCF Yield	0.7	4.7	1.6

Fund Codes						
Share Class	AI	CB	CI	BI	DI A	DB A
Bloomberg	HEYGCAU LX	HFBYCBYLX	HFBYCIU LX	HEYGCBU LX	HBYCDIA LX	HEYGCD A LX
TK	040149630	040149740	040149734			055401977
ISIN	LU1778252558	LU1778255494	LU1778254844	LU1778253952	LU2200556392	LU2198582640
Lipper ID	68617991	68543207	68563916	68625053	68625729	
Sedol	BMY2Q30	BMXTP35	BMWVFG8	BMY1994		BM93CF2

Fund Details	
Dealing Day ^(d)	Daily
Dividends	None – income accumulated within the fund
Investment Manager	Bin Yuan Capital Room 1505, 15/F, 299QR 287-299 Queen's Road Central Sheung Wan, Hong Kong
Management Company	FundPartner Solutions (Europe) S.A. 15, Avenue John F Kennedy, L-1855 Luxembourg
Custodian	Pictet & Cie (Europe) S.A. 15, Avenue John F Kennedy, L-1855 Luxembourg
Legal Advisors	Elvinger Hoss Prussen S.A. 2, Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte Audit S.à r.l. 560, route de Neudorf, L-2220 Luxembourg

Order Transmission Information

FundPartner Solutions (Europe) S.A.
15, Avenue John F Kennedy,
L-1855 Luxembourg
Via fax +352 46 71 71 7667 or SWIFT PICTLULXTAS

Annual Management Charge	
Share Class A	1.25%
Share Class B	1.00%
Share Class C	0.75%
Share Class DI A, DB A	0.50%

Minimum Investment	
Share Class A	\$100,000 Minimum initial subscription & holding
Share Class B	\$5,000,000 Minimum initial subscription & holding
Share Class C	\$10,000,000 Minimum initial subscription & holding
Share Class DI A, DB A	\$100,000,000 Minimum initial subscription & holding

Footnote:

(a) This refers to the total assets invested in the reference strategy managed by the Investment Manager.

(b) The graph depicts the Bin Yuan All China Strategy (Reference Strategy) from inception in May 2016 to the fund launch on 16/4/18. After launch date actual fund data of Share Class L1 is used. The fund follows the same strategy as the Reference Strategy and simulated returns of the Reference Strategy are net of a modeled fee of 0.75% pa and expenses of 0.40%.

(c) MSCI Inc. discontinued MSCI All China Index and the transition to MSCI China All Shares Index took effect on 27 November 2019. MSCI All China Index Total USD return including dividends (Bloomberg ticker M1ACN Index) was used as benchmark from the inception of April 2018 to November 26, 2019. MSCI China All Shares Net Total USD Return (Bloomberg ticker MXCNANM Index) is used as benchmark since November 27, 2019.

(d) Data depict the Bin Yuan All China Strategy since inception of May 2016 as of April 2018. The fund follows the same strategy. After a longer period after the fund launch, we will use the Hereford Funds Bin Yuan Greater China Fund Share Class L1 in the table.