

Hereford Funds

Société d'Investissement à Capital Variable incorporated in Luxembourg

Annual report, including audited financial statements,
as at September 30, 2020

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Table of contents

Organisation of the Fund	4
General information	6
Distribution abroad	7
Managers' reports	8
Report of the Réviseur d'Entreprises Agréé / Auditor's report	22
Financial statements	
Statement of net assets	25
Statement of operations and changes in net assets	26
Number of shares outstanding and net asset value per share	28
Sub-fund : Hereford Funds - DSM US Large Cap Growth Fund	
- Statement of investments and other net assets	29
- Geographical and industrial classification of investments	30
Sub-fund : Hereford Funds - DGHM US All-Cap Value Fund	
- Statement of investments and other net assets	31
- Geographical and industrial classification of investments	32
Sub-fund : Hereford Funds - Bin Yuan Greater China Fund	
- Statement of investments and other net assets	33
- Geographical and industrial classification of investments	34
Notes to the financial statements	35
Total Expense Ratio ("TER")	41
Performance	42
Other information to Shareholders (unaudited appendix)	43

Hereford Funds

Organisation of the Fund

REGISTERED OFFICE	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
BOARD OF DIRECTORS OF THE FUND	
Chairman	Mr Anthony GALLIERS-PRATT, Managing Partner, Hereford Funds Advisory S.à r.l., 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg
Directors	<p>Mr Jérôme WIGNY, Partner, Elvinger Hoss Prussen, <i>société anonyme</i>, 2, place Winston Churchill, L-2014 Luxembourg, Grand Duchy of Luxembourg</p> <p>Mr Yves DE VOS, Chairman, VHC Capital Management S.A., 8, Zeilewee, L-6751 Grevenmacher, Grand Duchy of Luxembourg</p> <p>Mr Mark HENDERSON, Managing Partner, Hereford Funds Advisory S.à r.l. 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg</p> <p>Mr Enrico MELA, Independent Director, 79, rue de Kiem, L-8030 Strassen, Grand Duchy of Luxembourg</p>
MANAGEMENT COMPANY	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
CENTRAL ADMINISTRATION	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
DEPOSITARY BANK	Pictet & Cie (Europe) S.A., 15A, avenue J. F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
ADVISORY COMPANY	Hereford Funds Advisory S.à r.l., 8, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg
INVESTMENT MANAGERS	<p>DSM Capital Partners LLC, 7111 Fairway Drive, Suite 350, Palm Beach Gardens, FL-33418, United States for the sub-fund :</p> <ul style="list-style-type: none">• Hereford Funds - DSM US Large Cap Growth Fund <p>Dalton, Greiner, Hartman, Maher & Co., LLC, 565 Fifth Avenue, Suite 2101, New York, NY-10017, United State for the sub-fund :</p> <ul style="list-style-type: none">• Hereford Funds - DGHM US All-Cap Value Fund• Hereford Funds - DGHM US MicroCap Value Fund (until August 19, 2020) <p>Bin Yuan Capital, Room 907, Bldg. A, No. 2389 Zhangyang Road, Pudong District, Shanghai, 200135, China for the sub-fund :</p> <ul style="list-style-type: none">• Hereford Funds - Bin Yuan Greater China Fund

Organisation of the Fund (continued)

CABINET DE RÉVISION AGRÉÉ /AUDITOR

Deloitte Audit, *Société à responsabilité limitée*, 20, boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISER IN LUXEMBOURG

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

General information

The business year of Hereford Funds (the "Fund") runs from October 1 until September 31 of the next period.

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

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

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

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

The prospectus, the Articles of the Fund, the annual report, including audited financial statements, and unaudited semi-annual reports, the Key Investor Information Documents ("KIIDs") as well as the portfolio movements of the Fund are available free of charge at the sales agencies and at the registered office of the Fund.

Hereford Funds

Distribution abroad

Distribution in and from Switzerland

Distribution in and from Switzerland

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

Representative in Switzerland authorised by the FINMA

The representative in Switzerland is FundPartner Solutions (Suisse) SA (the "Representative"), 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Paying Agent in Switzerland authorised by the FINMA

The paying agent in Switzerland is Banque Pictet & Cie SA with its registered office in 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Place of distribution of reference documents

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

Distribution in Germany

Paying and Information Agent in Germany

Paying and Information Agent:

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

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports

Review

For the period October 1, 2019 through September 30, 2020, the Hereford Funds - DSM US Large Cap Growth sub-fund increased approximately 32.0% (NAV USD 248.13 to NAV USD 327.64) while the total returns (including dividends) of the Russell 1000 Growth and the S&P 500 increased 37.5% and 15.1% respectively.

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

Without a doubt, the speed and severity of the global economic downturn caused by COVID-19 was unprecedented. The virus observed no borders and caused the entire global economy to transition from a slow expansion to a deep recession in record time. Before coronavirus became a factor earlier this year, the sub-fund's portfolio had appreciated over 21% from October 1, 2019 through mid-February 2020. By the end of March, due to the virus' impact, the portfolio had declined roughly (15)% from the beginning of the reporting period. Since the March low, the portfolio appreciated more than 55% through September 30, surpassing its value in mid-February. Equity markets discount future earnings and cash flows over the next decade or more. Accordingly, the market recovered before the economy.

We continue to believe that a global economic recovery has begun in the second half of 2020, but given its rise from a very low base, the robust third quarter growth rate will not be sustainable. In our view, a complete recovery from the global recession caused by COVID-19 will require the worldwide distribution of vaccines and treatments. Given that vaccines are at least three months away from approval and distribution, we suspect an end to the pandemic in the developed world is unlikely before year end 2021. Unfortunately, an end to the pandemic in emerging market nations will probably extend well into 2022. Similar to the decade after the Global Financial Crisis in 2008/2009, we expect the period after COVID-19 to be characterized by low inflation (and perhaps fears of deflation), very low interest rates and slow/inconsistent economic growth that may, despite its slow start, develop into a longer growth cycle than the majority of previous economic growth periods.

Portfolio

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

Over the twelve-month period ended September 30, 2020, the sub-fund's selections in the information technology and health care sectors were primarily responsible for the sub-fund's underperformance versus the Russell 1000 Growth. The sub-fund's selections and underweight in consumer staples versus the benchmark benefitted performance in the period.

The strongest contributors to performance over the reporting period were Microsoft (application software/cloud storage services), Alibaba Group (Chinese e-commerce), Adobe (application software development), Amazon.com (online retailer and cloud services provider) and PayPal Holdings (digital and mobile payments).

The weakest contributors to performance were Automatic Data Processing (business outsourcing solutions), Elanco Animal Health (animal health medicines and vaccines), Booking Holdings (online travel), Royal Caribbean Cruises (global cruise operator) and Sirius XM Holdings (satellite/digital radio).

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

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

It is worth noting that the performance of the Russell 1000 Growth over the reporting period was significantly enhanced by Apple (9.0% average weight) and Tesla (0.8% average weight). Together these two companies added 978 basis points to the benchmark's return for the twelve months ended September 30, 2020. With projected consensus revenue and net income growth in the mid-single digits per Bloomberg, we believe Apple is at best fairly valued and arguably overvalued. Historically the sub-fund has not invested in the automobile sector because of its economic cyclicality. In addition, Tesla has not been profitable and faces intensifying competition in the electric-car market, which will require continued sizable capital and R&D expenditures. Despite underperforming due to the price appreciation of these two companies, we will continue to stick to our proven twenty-year long Quality - Predictable - Growth - Valuation discipline. Investing in equities that we believe are clearly overvalued, with both our clients' and our own capital, is not something the sub-fund will do.

Changes in Holdings

The sub-fund is continuing to actively monitor the impact of the coronavirus on the portfolio and is taking advantage of market opportunities as they occur. Our trading activity over the reporting period increased from very low levels in recent years as a result.

During the reporting period, MSCI was sold due to substantial price appreciation which stretched the P/E to a level that we felt required a sale. We used the sale proceeds to initiate a position in Boston Scientific (medical devices). After trimming several names, we purchased Varian Medical Systems (radiation therapy), though later sold the position as the company is being acquired. Royal Caribbean Cruises and Booking Holdings were sold because of the vulnerability of travel to the coronavirus, while we sold Palo Alto Networks and Elanco Animal Health following consecutive quarterly earnings misses for both companies. With the proceeds of these sales we initiated positions in Aon PLC (insurance brokerage and benefits consulting), UnitedHealth Group (US managed care) and GoDaddy, Inc. (internet services). For diversification purposes we trimmed several highly-appreciated holdings and purchased MasterCard (electronic payments) and JD.com (Chinese e-commerce).

Outlook

Today a purchase of the S&P 500 provides a dividend yield of approximately 180 basis points. With just modest global economic growth over the next ten years, the S&P 500 can likely provide an average dividend yield in excess of 200 basis points. The S&P 500 yield is quite attractive when compared to the current yield of the 10-year US Treasury note, which is often considered the "risk-free rate", as well as being the benchmark against which equities are valued. The yield of the S&P 500 also compares quite favorably to the negative yields on the 10-year bonds of France, Germany and Switzerland, and the fractionally positive yields provided by those of Japan and the United Kingdom. We are reminded of the age-old investor adage, "Don't fight the Fed", meaning that inevitably the Federal Reserve's low interest rates will drive stock prices higher. If perhaps today's low interest rates are in-fact "manufactured" by the Federal Reserve and other central banks around the world, rates may well rise at some point over the next two to five years. Even if true, interest rates will likely remain historically low in a deflationary world.

Looking immediately forward, many are expecting that the Democrats will sweep the election, winning control of the Senate and Presidency, while maintaining control of the House of Representatives. Although the market likely expects this outcome, we believe it may stumble if a sweep occurs. On the other hand, if the Democrats do not sweep, we suspect some upside to the market is possible.

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

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

We continue to believe that Value will underperform Growth going forward. In our view, Value benchmarks will face revenue and profit pressures from the ongoing evolution of digital/internet technologies. Additionally, Value stocks are generally more cyclical, operate in more competitive industries, have greater capital requirements, and require a pickup in inflation to alleviate the pricing pressure found across the product lines of many companies in the Value indices, which we doubt will be forthcoming in the foreseeable future. That said, it is possible that certain "Old Era" Value names may recover with the global economy and possibly outperform Growth over limited periods of time.

With over 80% of the portfolio invested in digital companies that utilize the internet to provide their services, these companies are well positioned to serve both business and consumer customers in a very broad range of industries, often globally. We believe this mix of businesses provides diversified economic and end market/customer exposure. Importantly digital/internet-based businesses have largely executed well during this severe recessionary period.

We are optimistic that over the long-term the sub-fund's performance will continue to be strong, because our investment approach is built on the simple concept that "Earnings Win". Beginning in 2021, we believe earnings growth in the mid-to-high-teens is possible, despite the coronavirus severely impacting 2020 earnings results. As we have said for many years, "Bull markets climb a wall of worry" and we expect that the global economy will recover from this pandemic and equity markets will continue trending higher.

October, 2020

DSM Capital Partners LLC

Hereford Funds - DGHM US All-Cap Value Fund

Managers' reports

Outlook

Market returns over the past year have been driven by the COVID-19 pandemic and the continued outperformance of growth stocks. While we rely on our multi-factor model and fundamental analysis to construct our portfolios, we acknowledge that growth stocks have vastly outperformed value stocks for an extended period. While it is difficult to predict the future, we believe that stronger economic growth is on the horizon. As the value stock universe consists of a large percentage of cyclical and financial stocks, most of which prosper in a strong economy, we believe this represents a tailwind for our style. In addition, recent market activity indicates that the lofty valuations demanded by large cap growth stocks may be less palatable to investors if the more cyclical parts of the market become a reasonable option. Our view of an economic recovery is contingent on continued improvement in limiting the spread of COVID-19, as we believe the reacceleration of both the services and manufacturing economies globally is dependent on improvement in consumer and corporate confidence based on a more positive pandemic outlook. With all of that being said, our investment process is based upon bottom-up analysis of individual stocks. While we are cognizant of the economic and political backdrop and understand its possible impact on individual stocks, it is not where we start our analysis. We let our process determine the stocks we should be conducting research on, and then we 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 sub-fund's underperformance during the past fiscal year was driven by the Real Estate, Capital Goods and Miscellaneous Financial sectors. Real Estate was weak due to Howard Hughes (-55%). This stock lagged primarily due to its exposure to the commercial office market and a leveraged balance sheet. Capital Goods underperformed due to Raytheon Technologies (-25%). This stock was weak due to its exposure to the commercial aerospace market. Miscellaneous Financials struggled due to CIT Group (-58%). This stock was down over credit concerns. In all three cases, these stocks' end markets have been negatively impacted by the COVID-19 pandemic. We expect each of these markets to recover post-pandemic, thus we continue to hold all three names.

Sectors that added value to performance were Consumer Durables and Basic Materials. Consumer Durables was led by Masco (+33%). This stock moved higher due to its exposure to the robust housing market. Basic Materials was led by Berry Global (+27%). This stock outperformed due to its exposure to the defensive packaging markets.

Conclusion

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

It is important to understand that we will not outperform every quarter and every year. Our process and continuity have stood the test of time across various cycles. We will not overreact and chase the latest flavour 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 2020

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

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

Hereford Funds - DGHM US MicroCap Value Fund (note 1)

Managers' reports

Performance

The Hereford Funds - DGHM US MicroCap Value Fund declined 17.2% from October 1, 2019 through its closure on August 25, 2020, underperforming both the Russell Microcap Value (-6.7%) and the Russell 2000 Value (-9.6%) indices.

Attribution Review

Sector breadth was mixed as 8 of 16 sectors outperformed the Russell Microcap Value benchmark. The leading sectors during the fiscal year were Banks, Miscellaneous Financials and Basic Materials. Leading detractors from a sector perspective were Healthcare, Retail and Utilities.

Top performing stocks included **Collectors Universe** (collectible grading/authentication), **Malibu Boats** (recreational boat manufacturer) and **Century Communities** (homebuilder). Collectors has benefited from solid demand and the recent involvement of an activist investor in the stock. Both Malibu and Century have been favorable beneficiaries of the pandemic play, as consumer demand for socially distanced outdoor activities (e.g. boats) and single-family homes has soared.

Leading detractors included **Newpark Resources** (oil service), **Hersha Hospitality** (hotel owner/operator) and **Ark Restaurants** (restaurant group). Newpark has been negatively impacted by a plunge in oil prices. Hersha and Ark have both been negatively impacted by the pandemic, as hospitality and restaurant business have been hard hit due to reduced travel and indoor dining restrictions/closures.

Characteristics

N/A

Outlook

N/A

October 2020

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

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports

Review

For the period of October 1, 2019 through September 30, 2020, the Hereford Funds - Bin Yuan Greater China Fund (Share Class CI) was up approximately 58.87% while the total return (including dividends) of the MSCI All China increased 32.18%.

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

As a long-only fund manager, company qualities continue to be our priority during the investment. We like businesses with predictable earnings growth, strong cash flow, healthy financial positions and valued at discount prices. Currently, our portfolio's PE is 24.4x estimated 2021 earnings and expected earnings growth rate is 22.2% through 2023. We believe that our portfolio's valuation is still quite attractive.

Portfolio

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

The strongest contributors to performance over the reporting period were Bilibili (a games and video platform), China Duty Free (a duty free retailer), and Yuyue Medical Equipment (a medical equipment company).

BILI outperformed during the period. Because the Internet has entered the video age and a video community with social attributes is very attractive. Bilibili is a video platform with a large number of Generation Z users (youngsters) with strong stickiness. While Internet companies have extremely strong expansion capabilities, in the era when video has gradually become a core means of communication, we believe that as the best video platform, BILI can provide services that are more than just watching videos. It will become a lifestyle for young people, and the short-term epidemic factors have only accelerated its growth.

China Duty Free (Former "China International Travel Service") outperformed during the period. The loosening of duty-free retail quota restrictions has led to strong sales growth in Hainan. In the long term, as the leading duty-free shop operator in China with dominant supply chain advantages, the most dynamic and efficient operations team and the large exposure in Hainan Province, the company will continue to benefit from the trend of the overseas consumption flowing back and the consumption upgrade in China.

Yuyue outperformed due to the outbreak of COVID-19 globally. Yuyue is a high-value healthcare equipment manufacturer and building up a professional medical service platform with homecare medical, clinic medical and internet medical. Yuyue's brand has been highly recognized during the COVID-19 outbreak, which will help Yuyue to expand to the overseas market in the next few years. From a long-term point of view, Yuyue will benefit from aging population, upgrading consumption, and increasing medical equipment investment in China by providing a rich portfolio of products with good quality-to-price ratio.

The weakest contributors to performance were Huazhu Group (a chain hotel group), Ping An Insurance (an insurance company), and Hongfa Technology (an electrical equipment company).

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

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Huazhu Lodging Group underperformed during the period due to the outbreak of COVID-19. The company's business was badly impacted by the travel restrictions, and therefore, the company keeps increasing leverage to supply cash flow. We believe that the pandemic might change people's mobility structurally and the demand for hotel will not recover soon.

Ping An Insurance underperformed. Due to downward interest rate and macro economy, market has concerns on its future growth and investment return. In the long run, leveraging its brand and financial group company, Ping An Insurance will keep delivering good performance. With its new top management team being settled down, we believe the company will benefit from increasing penetration rate of insurance.

Hongfa underperformed mainly due to the weak downstream demand. Hongfa is the most competitive relay company with 15% global market share and leading in high voltage relay for new energy car (NEV). However, the global auto supply chain might be disrupted by the epidemic for quite some time, so we chose to shift the weight to some more resilient holdings.

Changes in Holdings

During the reporting period, the following four stocks' weight increased most:

We added CATL due to its leading 55% power cell market share in China and in positive view of cell to pack products. The company is now one of the world's leading power cell suppliers and attaches great importance to product R&D and innovation. Since 2020 Q4, CATL's products will be supplied to mainstream auto companies such as Volkswagen MEB platform and Tesla Model 3. The market share of the company will continue to increase.

We added Meituan due to accelerated online-to-offline local service penetration in China. Meituan is China's largest e-commerce platform with over 60% market share and economies of scale, is the winner of the fierce competition among thousands of Chinese O2O (Online to Offline) internet companies, with excellent management and efficient execution. With the popularity of the Internet, more and more service-oriented consumption began to move online. As the absolute leader of local life service, Meituan has a huge market space for growth. With the increase in disposable income, the frequency of using delivery services and the average price per order will increase.

We added Aier Eye Hospital because as people use more electronic devices, myopia rate in China is expected to increase and Aier, as the leading private ophthalmologic hospital chain in China, will benefit from this trend. Aier is a leading private ophthalmologic hospital chain in China, with well-established first-mover advantages and brand image. We believe the overall ophthalmic market size will grow from the current RMB100 bn to RMB500 bn in the next decade, and Aier will increase its market share from 10% to 25%.

We also added Luxshare Precision because it is one of the most important suppliers of Apple and will be the supplier of iWatch and iPhone assembly service in 2021. Accumulating the most advanced know-how in the industry, Luxshare has been the largest advanced electronics manufacturing platform in China and will keep benefiting from the trend of complicated electronics components and receive more orders from iPhone assembly related businesses.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

The following four stocks' weight decreased most: We sold NARI because compared to those private companies, the State-Owned Enterprise's incentive scheme is less attractive and the demand is relatively government planning driven; We sold Bank of Shanghai after COVID-19 pandemic because its business focuses on SME (small and medium enterprises) clients, thus has big pressure on NPL (non-performing loans), and allocated more on China Merchant Bank instead; We trimmed Ping An Insurance due to downward interest rate and macro economy, and to avoid short-term market concerns on its investment return; We also sold Shanghai Airport due to the negative impact of COVID-19 pandemic over the aviation industry and rebalanced to China Duty Free since outbound traveling is restricted, and travelers will shop duty-free goods in China.

China is Leading the Economy Recovery Post Pandemic

With COVID-19 continuing into the third quarter, new cases have not meaningfully reduced globally. China has performed well during this period with less than 100 domestic new cases due to highly restricted travel restrictions, social distancing, face mask requirements and a very effective new case contact tracking system. The economy has shown a steady recovery from the second quarter and China is leading global growth with Q2 GDP growth returning to a positive 3.2%. By contrast, other economies such as US, UK, Euro Zone and India were still experiencing problems and the corresponding Q2 GDP declined sharply at -9.1%, -21.5%, -14.9% and -23.9% respectively. China has done better in the third quarter. Social activities in China are almost back to normal in recent months as we can see from the following perspectives.

I. Investment Recovery Kicked Off Earlier

Investment, in particular public investment, was the first to recover driving China's GDP growth. The government has played an active role during the tough pandemic period to support the economy. Public investment by state owned entities or companies increased by 3.2% year to date (YTD) to end August. The year to date decline of private investment also shrank from -26.4% in February, -5.7% in July to -2.8% by August.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Stimulated with 11% year on year (YoY) growth in M2 and surging new long term loan growth of 74% YoY during the period from March to August, infrastructure related and real estate investments recovered the fastest, recording an increase of 3.21% and 3.0% YoY YTD ending August. Investment related to people's livelihood was approximately flat. However, investment in manufacturing industry still lagged by dropping 8.1%. (Chart 1)

Chart 1: Accumulated Investment Growth Rate in 2020



Both traditional and new infrastructure (communication networks) performed well. For traditional infrastructure, the monthly average utilization hours per unit of Komatsu excavators in China has recovered to the pre COVID-19 level of around 120 hours for the period from April to August, bouncing from the lowest point of around 30 hours in February. In the meantime, excavator monthly sales volume in China declined by 8% YoY in Q1 but soared by 63% in Q2 and is expected to grow over 50% in Q3. New infrastructure investment is running at an even faster track. Taking 5G investment as an example, it is expected that more than 660,000 5G base stations will be built in 2020. The number of completed 5G base stations tripled in Q2 compared to Q1 and should maintain at that high level through the rest of the year.

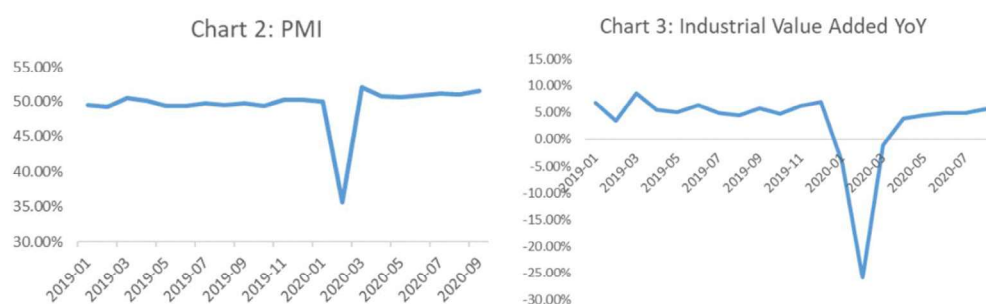
Although enterprises were still quite conservative about capital expenditure, the investment in digitalization upgrades has accelerated. The purchase of software rebounded strongly since April and achieved 10% YoY growth in August. As the U.S. widens its crackdown on Chinese technology companies, domestic tech companies are increasing semiconductor inventory levels and speeding up import substitution. The procurement of semiconductor equipment increased by 26% YoY in Q2 and the high growth will continue in the second half, reflecting the determination of the semiconductor industry.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

II. Manufacturing Recovery to Pre-epidemic Level

With the orderly resumption of production, China's PMI has returned to the expansion level since March (Chart 2). The utilization rate of industrial capacity was 67.3% in Q1 and recovered to 74.4% in Q2, only 2 percentage points less than the same period last year. The YoY growth rate of industrial value added also rebounded to the same level of 2019 at 4.8% in July and 5.6% in August 2020 (Chart 3). This shows that manufacturing has essentially recovered to pre epidemic levels.



III. Consumption Recovery Well on Track

With business and investment activities ramping up, consumer confidence has been restored, demonstrated by the positive trend of retail sales growth in Q3.

a) Narrowed Decline in Retail Sales Year to Date

During the epidemic, the consumption of some discretionary goods had staggered temporarily, which dragged the total retail sales to negative territory of -8.6% by August YTD. With the return to normal work and life, YoY consumer spending has shown a promising trend. Retail sales growth in August alone has turned positive to 0.5% YoY. Unit sales of 3 major home appliances (air conditioner, refrigerator and washing machines) improved from negative 30% YoY in February to positive 2% YoY in August (Chart 4). Automobile and real estate sales grew by 8% and 12% for the first two months of the third quarter respectively (Chart 5&6).

Even for the categories that lagged, the decline has been gradually narrowing. For example, the unit sales of mobile phones recovered from down 56% YoY in February to -13% YoY in August (Chart 7). Passenger transportation, lodging and tourism were the hardest hit by the COVID-19 epidemic but are reviving fast during Q3. According to the Ministry of Culture and Tourism, from July to August, all tourist resorts across the country were reopened, and the number of visitors and income returned to about 90% of pre epidemic levels.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Real estate downstream sectors were among the slowest to recover. Furniture sales were still gloomy in August with a YoY decline of -4.2%. The lagged real estate completion, which is the leading indicator of furniture sales, was the result of the abnormal rainy seasons in July and August this year. We expect the completion to follow the recovery trend of real estate investment and construction in Q4 and pull up consumer demand for furniture and home appliances.

Chart 4: Retail Units YoY of Household Appliances



Chart 5: Total Passenger Vehicle Sales Units

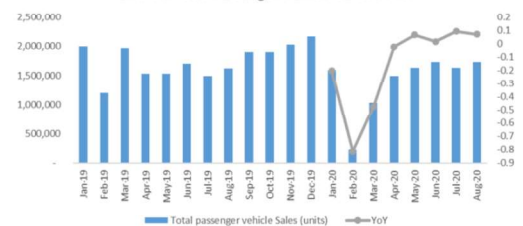


Chart 6: Residential Houses Monthly Sales Area YoY

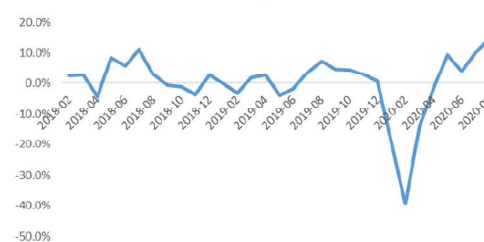
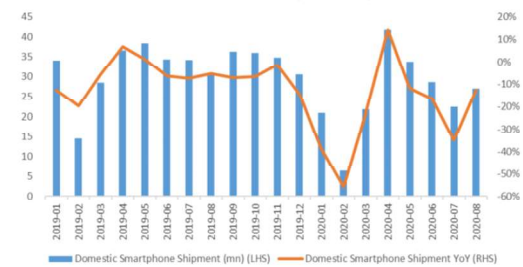


Chart 7: Domestic Smartphone Shipment



Hereford Funds - Bin Yuan Greater China Fund

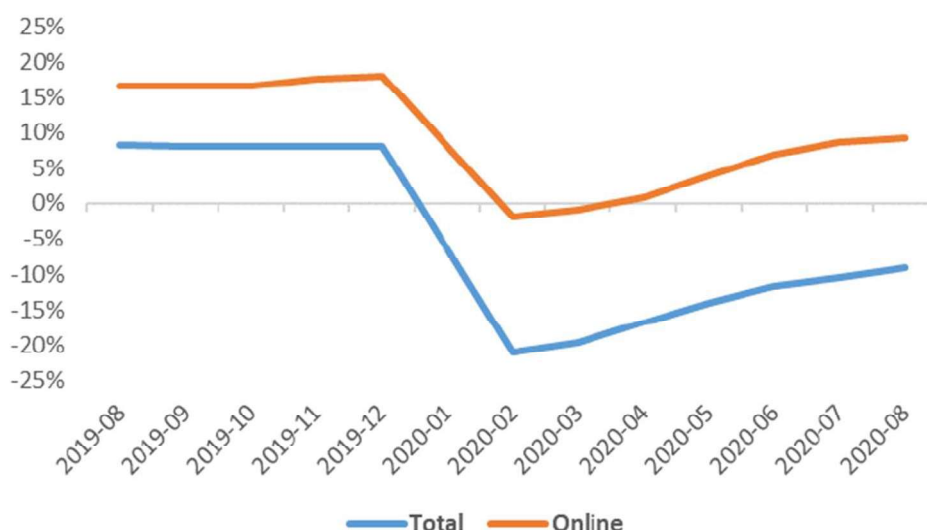
Managers' reports (continued)

b) Structural Trends Witnessed

The COVID-19 epidemic has changed consumer behavior and lifestyle and nurtured some structural opportunities:

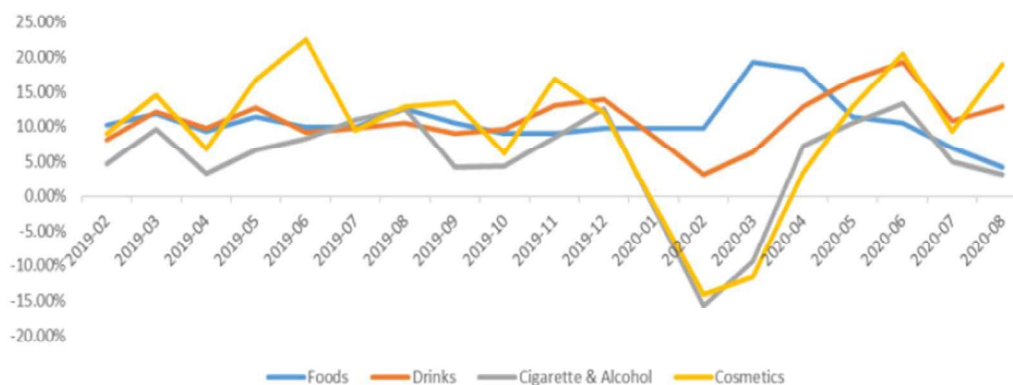
Rising online penetration: Online sales outperformed total retail sales by a much wider margin since the outbreak for its efficiency and convenience. This habit has been developed fast and we expect more categories including services to shift online. (Chart 8)

Chart 8: YoY Growth of Total Retail Sales



Spending returning from overseas to China: The retail growth of cigarette & alcohol and cosmetics categories increased by 4.0% and 14.1%, respectively (Chart 9) in the first two months of Q3. Due to the epidemic, consumers are unable to buy from overseas channels, and most of the unfilled demand for luxury cosmetics, tobacco and alcohol are satisfied in the domestic market in Chinese branded stores or duty-free shops for imported goods.

Chart 9: YoY Sales Growth of Consumer Staples

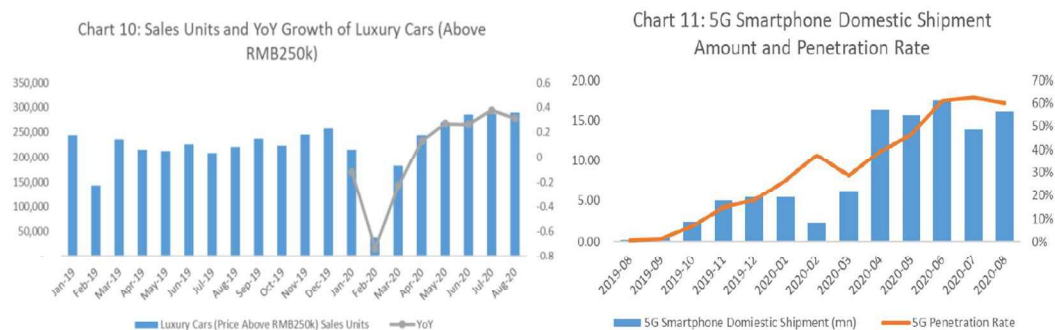


Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Consumption upgrade trend: Consumers are paying more for products with improved functionality. Luxury cars enjoyed over 20% YoY growth since April and 5G smartphones grew from 0% penetration in August 2019 to a 60% penetration rate in new sales in August 2020. (Chart 10&11)



In summary, China has led the resumption of growth post pandemic and we expect the momentum to accelerate into the fourth quarter and next year.

October 2020

Bin Yuan Capital

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

The last months have been largely dominated by the COVID-19 health crisis and by market volatility on an unparalleled scale. The health crisis resulted in an unprecedented slump in the economy and the steepest plunge in the markets in a century. Then came the equally spectacular rebound, largely as a result of the decisive action of central banks and the exemplary coordination of monetary and fiscal policies in the United States, Europe, and China. The Board of Directors of the Fund is carefully monitoring the situation as well as its potential impacts on the Fund. The Fund is in full capacity to continue its usual operations in accordance with its investment policy and its prospectus.

October 2020

The Investment Manager

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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hereford Funds (the "Fund") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at September, 30, 2020 and the statement of operations and changes in net assets for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at September, 30, 2020 and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

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

Other information

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

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

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

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

Responsibilities of the Board of Directors of the Fund

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

For Deloitte Audit, *Cabinet de révision agréé*

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

January 25, 2021
20, boulevard de Kockelscheuer
L-1821 Luxembourg

Hereford Funds

Statement of net assets as at September 30, 2020

	COMBINED	Hereford Funds - DSM US Large Cap Growth Fund	Hereford Funds - DGHM US All-Cap Value Fund	Hereford Funds - Bin Yuan Greater China Fund
	USD	USD	USD	USD
ASSETS				
Investments in securities at acquisition cost	255,975,461.42	45,267,105.70	2,372,777.07	208,335,578.65
Net unrealised gain on investments	90,150,785.32	38,272,328.20	113,183.01	51,765,274.11
Investments in securities at market value (note 2.d)	346,126,246.74	83,539,433.90	2,485,960.08	260,100,852.76
Cash at banks (note 2.d)	6,588,989.41	838,584.79	2,374,152.64	3,376,251.98
Formation expenses (note 2.h)	1,523.67	204.07	95.59	1,224.01
	352,716,759.82	84,378,222.76	4,860,208.31	263,478,328.75
LIABILITIES				
Advisory fees payable (note 4)	527,015.24	213,418.44	22,101.70	291,495.10
Performance fees payable (note 5)	2,862,228.92	0.00	0.00	2,862,228.92
"Taxe d'abonnement" payable (note 3)	9,220.87	2,637.39	149.29	6,434.19
Other fees payable (note 6)	321,741.83	61,617.28	85,200.02	174,924.53
	3,720,206.86	277,673.11	107,451.01	3,335,082.74
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2020	348,996,552.96	84,100,549.65	4,752,757.30	260,143,246.01
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2019	269,188,096.93*	70,785,090.97	35,927,017.09	136,392,457.59
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2018	194,745,324.83**	92,974,808.36	50,903,246.72	3,943,387.99

* Including the total net assets of the liquidated sub-funds Hereford Funds - DGHM US MicroCap Value Fund

** Including the total net assets of the liquidated sub-fund Hereford Funds - DGHM US MicroCap Value Fund, Hereford Funds - FIRTH ASIAN Value Fund and Hereford Funds - FIRTH ASIAN Systematic Equities Fund

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

Statement of operations and changes in net assets for the year/period ended September 30, 2020

	COMBINED	Hereford Funds - DSM US Large Cap Growth Fund	Hereford Funds - DGHM US All-Cap Value Fund
	USD	USD	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	269,188,096.93	70,785,090.97	35,927,017.09
INCOME			
Dividends, net (note 2.i)	2,113,906.35	241,552.77	452,758.96
Bank interest (note 2.i)	475.49	0.00	0.00
	2,114,381.84	241,552.77	452,758.96
EXPENSES			
Amortization of formation expenses (note 2.h)	6,588.30	0.00	0.00
Advisory fees (note 4)	2,037,833.41	779,915.48	241,514.07
Performance fees (note 5)	2,862,228.92	0.00	0.00
Depository fees, bank charges and interest	140,915.95	47,295.41	18,611.15
Professional fees, audit fees and other expenses	930,286.62	225,806.76	156,379.48
Administration fees	125,039.80	51,768.43	15,341.19
"Taxe d'abonnement" (note 3)	32,503.84	9,443.81	2,738.68
Transaction fees (note 2.j)	764,094.93	10,860.24	42,954.31
	6,899,491.77	1,125,090.13	477,538.88
NET INVESTMENT LOSS	-4,785,109.93	-883,537.36	-24,779.92
Net realised gain/loss on sales of investments (note 2.f)	42,861,794.54	10,293,481.26	1,182,932.01
Net realised gain/loss on foreign exchange	106,331.73	0.00	0.00
Net realised loss on forward foreign exchange contracts	-184,122.29	0.00	0.00
NET REALISED GAIN/LOSS	37,998,894.05	9,409,943.90	1,158,152.09
Change in net unrealised appreciation/depreciation:			
- on investments	53,356,902.56	11,888,003.98	-4,957,772.69
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	91,355,796.61	21,297,947.88	-3,799,620.60
Proceeds from subscriptions of shares	175,402,111.45	4,892,439.48	481,743.46
Cost of shares redeemed	-186,949,452.03	-12,874,928.68	-27,856,382.65
NET ASSETS AT THE END OF THE YEAR/PERIOD	348,996,552.96	84,100,549.65	4,752,757.30

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

Hereford Funds

Statement of operations and changes in net assets for the year/period ended September 30, 2020 (continued)

Hereford Funds - DGHM US MicroCap Value Fund (note 1)	Hereford Funds - Bin Yuan Greater China Fund
USD	USD
26,083,531.28	136,392,457.59
237,581.40	1,182,013.22
475.49	0.00
238,056.89	1,182,013.22
6,268.53	319.77
149,819.26	866,584.60
0.00	2,862,228.92
15,991.14	59,018.25
114,189.98	433,910.40
6,056.86	51,873.32
1,529.20	18,792.15
64,553.23	645,727.15
358,408.20	4,938,454.56
-120,351.31	-3,756,441.34
-3,257,137.45	34,642,518.72
-1,116.09	107,447.82
0.00	-184,122.29
-3,378,604.85	30,809,402.91
-1,300,693.07	47,727,364.34
-4,679,297.92	78,536,767.25
87,427.20	169,940,501.31
-21,491,660.56	-124,726,480.14
-	260,143,246.01

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

Hereford Funds

Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		30.09.2020	30.09.2020	30.09.2019	30.09.2018
Hereford Funds - DSM US Large Cap Growth Fund					
AI	USD	103,271.74	327.64	248.13	237.03
BI	USD	169,212.38	232.59	174.94	165.96
D	USD	10,788.60	513.06	390.67	375.21
U	USD	15,727.95	341.54	258.66	247.08
Hereford Funds - DGHM US All-Cap Value Fund					
AI	USD	21,483.96	206.56	230.36	237.65
BI	USD	-	-	145.72	149.06
D	USD	1,943.26	162.06	181.70	188.46
Hereford Funds - DGHM US MicroCap Value Fund (note 1)					
AI	USD	-	-	94.02	100.38
L	USD	-	-	124.93	132.34
Hereford Funds - Bin Yuan Greater China Fund					
AI	USD	31,805.00	100.59	-	-
BI	USD	4,000.00	103.39	-	-
CI	USD	49,181.96	165.30	104.05	-
CB	USD	195,212.05	155.78	98.06	-
L1	USD	22,700.79	143.19	90.13	85.77
L2	USD	526,910.87	140.04	90.64	85.84
DB	USD	275,625.76	102.09	-	-
DI	USD	1,093,080.00	103.21	-	-

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

Hereford Funds - DSM US Large Cap Growth Fund

Statement of investments and other net assets as at September 30, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CAYMAN ISLANDS</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	23,575.00	6,930,578.50	8.24
			6,930,578.50	8.24
<i>CHINA</i>				
JD.COM 'A' ADR -SPONS.-	USD	19,475.00	1,511,454.75	1.80
TENCENT HOLDING ADR -UNSPONS.-	USD	59,600.00	4,031,940.00	4.79
			5,543,394.75	6.59
<i>IRELAND</i>				
AON	USD	9,600.00	1,980,480.00	2.35
			1,980,480.00	2.35
<i>UNITED STATES</i>				
ABBOTT LABORATORIES	USD	9,050.00	984,911.50	1.17
ADOBE	USD	8,175.00	4,009,265.25	4.77
ALPHABET 'A'	USD	3,675.00	5,386,080.00	6.40
AMAZON.COM	USD	2,065.00	6,502,127.45	7.73
AUTOMATIC DATA PROCESSING	USD	12,325.00	1,719,214.25	2.04
BECTON DICKINSON & CO	USD	3,695.00	859,752.60	1.02
BOSTON SCIENTIFIC	USD	28,775.00	1,099,492.75	1.31
BURLINGTON STORES	USD	10,750.00	2,215,467.50	2.63
EPAM SYSTEMS	USD	12,150.00	3,927,852.00	4.67
FACEBOOK 'A'	USD	21,375.00	5,598,112.50	6.66
GLOBAL PAYMENTS	USD	10,275.00	1,824,634.50	2.17
GODADDY 'A'	USD	35,200.00	2,674,144.00	3.18
INTUIT	USD	10,535.00	3,436,622.35	4.09
MASTERCARD 'A'	USD	7,800.00	2,637,726.00	3.14
MICROSOFT	USD	38,775.00	8,155,545.75	9.70
MONSTER BEVERAGE	USD	19,550.00	1,567,910.00	1.86
NEUROCRINE BIOSCIENCES	USD	10,300.00	990,448.00	1.18
PAYPAL HOLDINGS	USD	20,750.00	4,088,372.50	4.86
SIRIUS XM HOLDINGS	USD	282,050.00	1,511,788.00	1.80
THERMO FISHER SCIENTIFIC	USD	4,000.00	1,766,080.00	2.10
UNITEDHEALTH GROUP	USD	5,550.00	1,730,323.50	2.06
VISA 'A'	USD	18,500.00	3,699,445.00	4.40
ZOETIS 'A'	USD	16,325.00	2,699,665.25	3.21
			69,084,980.65	82.15
TOTAL INVESTMENTS			83,539,433.90	99.33
CASH AT BANKS			838,584.79	1.00
OTHER NET LIABILITIES			-277,469.04	-0.33
TOTAL NET ASSETS			84,100,549.65	100.00

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

Hereford Funds - DSM US Large Cap Growth Fund

Geographical and industrial classification of investments as at September 30, 2020

Geographical classification

(in % of net assets)

United States	82.15
Cayman Islands	8.24
China	6.59
Ireland	2.35
	99.33

Industrial classification

(in % of net assets)

Internet, software and IT services	37.91
Computer and office equipment	20.60
Holding and finance companies	10.87
Retail and supermarkets	10.36
Banks and credit institutions	7.54
Pharmaceuticals and cosmetics	5.54
Biotechnology	2.35
Electronics and electrical equipment	2.10
Healthcare & social services	2.06
	99.33

Hereford Funds - DGHM US All-Cap Value Fund

Statement of investments and other net assets as at September 30, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>UNITED STATES</i>				
AGCO	USD	940.00	69,813.80	1.47
AKAMAI TECHNOLOGIES	USD	689.00	76,162.06	1.60
ALLSTATE	USD	671.00	63,167.94	1.33
AMAZON.COM	USD	21.00	66,123.33	1.39
AMERICAN EAGLE OUTFITTERS	USD	4,795.00	71,013.95	1.49
ANALOG DEVICES	USD	506.00	59,070.44	1.24
ASSOCIATED BANC-CORP	USD	3,502.00	44,195.24	0.93
BAXTER INTERNATIONAL	USD	913.00	73,423.46	1.54
BERRY GLOBAL GROUP	USD	1,641.00	79,293.12	1.67
BRANDYWINE REALTY TRUST -SBI-	USD	2,353.00	24,330.02	0.51
CABOT OIL & GAS	USD	2,539.00	44,077.04	0.93
CISCO SYSTEMS	USD	1,256.00	49,473.84	1.04
CIT GROUP	USD	1,706.00	30,213.26	0.64
COMCAST 'A'	USD	1,781.00	82,389.06	1.73
CONOCOPHILLIPS	USD	1,438.00	47,223.92	0.99
CSX	USD	734.00	57,009.78	1.20
DENTSPLY SIRONA	USD	1,605.00	70,186.65	1.48
EASTMAN CHEMICAL	USD	948.00	74,057.76	1.56
ENCOMPASS HEALTH CORP	USD	1,256.00	81,614.88	1.72
GLOBE LIFE	USD	874.00	69,832.60	1.47
HALLIBURTON	USD	3,354.00	40,415.70	0.85
HCA HEALTHCARE	USD	569.00	70,942.92	1.49
HEALTHPEAK PROPERTIES	USD	1,405.00	38,145.75	0.80
HOWARD HUGHES	USD	660.00	38,016.00	0.80
JP MORGAN CHASE & CO	USD	542.00	52,178.34	1.10
MACK-CALI REALTY	USD	2,697.00	34,036.14	0.72
MASCO	USD	1,285.00	70,842.05	1.49
MONDELEZ INTERNATIONAL 'A'	USD	1,467.00	84,279.15	1.77
PEBBLEBROOK HOTEL TRUST -SBI-	USD	3,152.00	39,494.56	0.83
PNC FINANCIAL SERVICES GROUP	USD	434.00	47,700.94	1.00
PROCTER & GAMBLE	USD	785.00	109,107.15	2.31
PRUDENTIAL FINANCIAL	USD	885.00	56,215.20	1.18
PUBLIC SERVICE ENTERPRISE GROUP	USD	1,421.00	78,027.11	1.64
RAYMOND JAMES FINANCIAL	USD	518.00	37,689.68	0.79
RAYTHEON TECHNOLOGIES	USD	1,358.00	78,139.32	1.64
REGIONS FINANCIAL	USD	4,320.00	49,809.60	1.05
STRYKER	USD	378.00	78,763.86	1.66
VALMONT INDUSTRIES	USD	476.00	59,109.68	1.24
VERIZON COMMUNICATIONS	USD	1,735.00	103,215.15	2.18
XCEL ENERGY	USD	1,263.00	87,159.63	1.84
			2,485,960.08	52.31
TOTAL INVESTMENTS			2,485,960.08	52.31
CASH AT BANKS			2,374,152.64	49.95
OTHER NET LIABILITIES			-107,355.42	-2.26
TOTAL NET ASSETS			4,752,757.30	100.00

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

Hereford Funds - DGHM US All-Cap Value Fund

Geographical and industrial classification of investments as at September 30, 2020

Geographical classification

(in % of net assets)

United States	52.31
	52.31

Industrial classification

(in % of net assets)

Holding and finance companies	7.62
Pharmaceuticals and cosmetics	6.99
Communications	3.91
Banks and credit institutions	3.87
Real Estate Shares	3.66
Insurance	2.80
Oil and gas	2.77
Construction of machines and appliances	2.71
Public utilities	1.84
Food and soft drinks	1.77
Healthcare & social services	1.72
Aeronautics and astronautics	1.64
Internet, software and IT services	1.60
Chemicals	1.56
Textiles and clothing	1.49
Construction and building materials	1.49
Retail and supermarkets	1.39
Electronics and electrical equipment	1.24
Transport and freight	1.20
Computer and office equipment	1.04
	52.31

Hereford Funds - Bin Yuan Greater China Fund

Statement of investments and other net assets as at September 30, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CAYMAN ISLANDS</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	44,700.00	13,140,906.00	5.05
BILIBILI ADR -SPONS.-	USD	276,900.00	11,519,040.00	4.43
KE HOLDINGS ADR -SPONS.-	USD	32,782.00	2,009,536.60	0.77
MEITUAN DIANPING 'B' 144A/S	HKD	459,100.00	14,323,873.23	5.50
PINDUODUO 'A' ADR -SPONS.-	USD	102,800.00	7,622,620.00	2.93
SUNNY OPTICAL TECHNOLOGY	HKD	18,100.00	276,286.84	0.11
TENCENT HOLDINGS	HKD	291,200.00	19,219,137.24	7.38
XIAOMI 'B' 144A/S	HKD	2,233,400.00	5,893,274.95	2.27
YIHAI INTERNATIONAL HOLDINGS	HKD	576,000.00	8,985,570.66	3.45
			82,990,245.52	31.89
<i>CHINA</i>				
AIER EYE HOSPITAL GROUP 'A'	CNY	1,733,749.00	13,089,796.46	5.03
C&S PAPER 'A'	CNY	3,497,467.00	11,010,144.13	4.23
CANSINO BIOLOGIGS 'H'	HKD	51,400.00	1,090,339.67	0.42
CHAOZHOU THREE-CIRCLE 'A'	CNY	1,561,947.00	6,621,062.31	2.55
CHINA INTERNATIONAL TRAVEL SERVICE 'A'	CNY	265,550.00	8,692,584.08	3.34
CHINA MERCHANTS BANK 'H'	HKD	3,383,000.00	15,954,612.42	6.12
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	CNY	524,772.00	16,119,327.99	6.19
FORTUNE NG FUNG FOOD (HEBEI) CO 'A'	CNY	1,321,427.00	1,193,253.97	0.46
HUALAN BIOLOGICAL ENGINEERING 'A'	CNY	1,099,212.00	9,198,027.75	3.54
HUNDSUN TECHNOLOGIES 'A'	CNY	648,097.00	9,381,828.19	3.61
JIANGSU YUYUE MEDICAL EQUIP.& S 'A'	CNY	1,871,761.00	9,014,441.72	3.47
JONJEE HI-TECH INDUSTRIAL & COMMERCIAL HOLDING 'A'	CNY	863,471.00	8,304,311.93	3.19
KWEICHOW MOUTAI CO LTD 'A'	CNY	40,203.00	9,849,161.77	3.79
LUXSHARE PRECISION INDUSTRY 'A'	CNY	1,374,762.00	11,532,045.33	4.43
MIDEA GROUP 'A'	CNY	536,052.00	5,714,235.55	2.20
NEW HOPE LIUHE 'A'	CNY	1,118,719.00	4,550,041.74	1.75
PING AN INSURANCE 'H'	HKD	597,500.00	6,129,173.53	2.36
S.F. HOLDING 'A'	CNY	1,060,584.00	12,644,908.70	4.86
SANGFOR TECHNOLOGIES 'A'	CNY	10,963.00	340,869.34	0.13
SG MICRO 'A'	CNY	98,246.00	4,318,259.50	1.66
SHENZHEN SUNWAY COMMUNICATION 'A'	CNY	383,549.00	3,069,810.97	1.18
TAL EDUCATION GROUP 'A' ADR-SPONS.-	USD	14,600.00	1,110,184.00	0.43
VENUS MEDTECH HANGZHOU 'H'	HKD	770,500.00	8,182,186.19	3.15
			177,110,607.24	68.09
TOTAL INVESTMENTS			260,100,852.76	99.98
CASH AT BANKS			3,376,251.98	1.30
OTHER NET LIABILITIES			-3,333,858.73	-1.28
TOTAL NET ASSETS			260,143,246.01	100.00

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

Hereford Funds - Bin Yuan Greater China Fund

Geographical and industrial classification of investments as at September 30, 2020

Geographical classification

(in % of net assets)

China	68.09
Cayman Islands	31.89
	99.98

Industrial classification

(in % of net assets)

Internet, software and IT services	23.94
Electronics and electrical equipment	10.84
Pharmaceuticals and cosmetics	10.16
Publishing and graphic arts	7.36
Construction of machines and appliances	6.19
Banks and credit institutions	6.12
Healthcare & social services	5.46
Computer and office equipment	4.86
Paper and forest products	4.23
Tobacco and alcohol	3.79
Gastronomy	3.45
Miscellaneous	3.34
Holding and finance companies	3.19
Insurance	2.36
Agriculture and fisheries	1.75
Communications	1.18
Real Estate Shares	0.77
Food and soft drinks	0.46
Biotechnology	0.42
Photography and optics	0.11
	99.98

Notes to the financial statements as at September 30, 2020

NOTE 1

GENERAL

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

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

FundPartner Solutions (Europe) S.A. with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg was appointed Management Company of the Fund as of January 13, 2018. It is a management company within the meaning of chapter 15 of the 2010 Law.

a) Sub-funds in activity

As at September 30, 2020, the Fund offers the following sub-funds:

- Hereford Funds - DSM US Large Cap Growth Fund expressed in USD,
- Hereford Funds - DGHM US All-Cap Value Fund expressed in USD,
- Hereford Funds - Bin Yuan Greater China Fund expressed in USD.

b) Significant events and material changes

As at August 4, 2020, the Board of Directors of the Fund took the decision to liquidate the sub-fund Hereford Funds - DGHM US MicroCap Value Fund with effect as at August 19, 2020. As at September 30, 2020, an amount of USD 53,378.47 was still held by the sub-fund in the form of cash at bank to cover liquidation costs.

Following the decision of the main shareholder of the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund to redeem all his shares held in the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund, the Board of Directors of the Fund took the decision to include a provision for liquidation expenses for the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund for an amount of USD 75,000 as at July 31, 2020.

c) Share classes

As at September 30, 2020, the following share classes are offered:

Hereford Funds - DSM US Large Cap Growth Fund:

- AI (USD),
- BI (USD),
- D (USD),
- U (USD);

Notes to the financial statements as at September 30, 2020 (continued)

Hereford Funds - DGHM US All-Cap Value Fund:

- AI (USD),
- D (USD);

Hereford Funds - Bin Yuan Greater China Fund:

- AI (USD) (since July 23, 2020),
- BI (USD) (since September 24, 2020),
- CI (USD),
- CB (USD),
- DB (USD) (since August 11, 2020),
- DI (USD) (since September 25, 2020),
- L1 (USD),
- L2 (USD);

As at September 30, 2020, the following share classes are offered:

- Classes AI, BI, DI and U Shares: these Shares are reserved for investments made by investors qualifying as Institutional Investors within the meaning of the Law.
- Classes D Shares: these Shares are normally available in accordance with the provisions of the Prospectus and the Appendix to the Prospectus.
- Classes DB Shares: these Shares are reserved for investments made by investors qualifying as Institutional Investors within the meaning of the 2010 Law, who are approved by the Investment Manager.
- Classes L1 and L2 Shares: these Shares are reserved for investments made by investors qualifying as accredited or institutional investors within the meaning of the SFA and Institutional Investors within the meaning of the Law and are only available for such period of time as determined by the Directors in their sole discretion or the net assets of the sub-fund equal or exceed USD 20,000,000.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

a) Presentation of the financial statements

The financial statements are prepared in accordance with generally accepted accounting principles and with the legal reporting requirements applicable in Luxembourg relating to UCIs.

b) Combined financial statements for the Fund

The combined financial statements of the Fund are expressed in USD and correspond to the sum of items in the financial statements of each sub-fund, converted into USD at the exchange rate prevailing at the closing date.

c) Conversion of foreign currencies for each sub-fund

Cash at banks, other net assets as well as the market value of the investment portfolio expressed in currencies other than the currency of the sub-fund are converted into the currency of the sub-fund at the exchange rate prevailing at the end of the closing date.

Notes to the financial statements as at September 30, 2020 (continued)

Income and expenses expressed in currencies other than the base currency of the sub-fund are converted into the base currency of the sub-fund at the exchange rate applicable on the transaction date.

Resulting foreign exchange gains and losses are recorded in the statement of operations and changes in net assets.

d) Valuation of assets

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

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

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

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

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

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

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

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

e) Acquisition cost of investment securities in the portfolio

The cost of investment securities denominated in currencies other than the base currency of the different sub-funds is converted into the base currency of the different sub-funds at the exchange rate prevailing on the acquisition date.

f) Net realised gain or loss on sales of investments

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

Notes to the financial statements as at September 30, 2020 (continued)

g) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward exchange contracts are determined on the valuation day on the basis of the forward exchange prices applicable on this date and are recorded in the statement of net assets.

h) Formation expenses

Formation expenses are amortised over a period of five years.

i) Income

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

j) Transaction fees

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

NOTE 3

"TAXE D'ABONNEMENT"

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

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

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

NOTE 4

ADVISORY FEES

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

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

The effective rates per annum are as following:

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

- 1.25% for Class AI,
- 0.70% for Class BI,
- 1.75% for Class D,

Hereford Funds

Notes to the financial statements as at September 30, 2020 (continued)

- 1.25% for Class U;

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

- 1.25% for Class AI,
- 0.70% for Class BI, (liquidated as of September 17, 2020)
- 1.75% for Class D;

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

- 1.50% for Class AI (liquidated as of August 19, 2020),
- 0.80% for Class L (liquidated as of August 19, 2020);

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

- 1.25% for Class AI, (launched on July 23, 2020)
- 1.00% for Class BI, (launched on September 24, 2020)
- 0.50% for Class CI,
- 0.75% for Class CB,
- 0.50% for Class DB, (launched on August 11, 2020))
- 0.50% for Class DI, (launched on September 25, 2020)
- 0.75% for Class L1,
- 0.25% for Class L2.

NOTE 5

PERFORMANCE FEES

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

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

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

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

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

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

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

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

Notes to the financial statements as at September 30, 2020 (continued)

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

The performance fees cannot exceed the annual performance of the NAV per share.

For the year ended September 30, 2020, the performance fees amounted to USD 2,862,228.92 for the sub-fund.

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

NOTE 6 OTHER FEES PAYABLE

As at September 30, 2020, the other fees payable include mainly audit, management company, distribution, director, administration, liquidation, and depositary fees.

Following the decision of the main shareholder of the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund to redeem all his shares held in the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund, the liquidation fees includes a provision for liquidation expenses of the sub-fund HEREFORD FUNDS - DGHM US All-Cap Value Fund for an amount of USD 75,000.

NOTE 7 EXCHANGE RATES AS AT SEPTEMBER 30, 2020

As at September 30, 2020, the exchange rates used are the following:

1 USD =	6.810600	CNY
1 USD =	7.750025	HKD

NOTE 8 PORTFOLIO MOVEMENTS

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

NOTE 9 SUBSEQUENT EVENT

No significant event occurred after the year-end.

Total Expense Ratio ("TER")

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

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

For the period from October 1, 2019 to September 30, 2020, the TER was:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
HEREFORD FUNDS - DSM US Large Cap Growth Fund			
AI	USD	1.75%	1.75%
BI	USD	1.06%	1.06%
D	USD	2.29%	2.29%
U	USD	1.75%	1.75%
HEREFORD FUNDS - DGHM US All-Cap Value Fund			
AI	USD	1.96%	1.96%
D	USD	2.31%	2.31%
Hereford Funds - Bin Yuan Greater China Fund			
AI	USD	1.45%	1.45%
BI	USD	1.05%	1.05%
CI	USD	1.06%	1.06%
CB	USD	1.06%	1.06%
L1	USD	1.06%	1.06%
L2	USD	4.12%	0.57%
DB	USD	0.68%	0.68%
DI	USD	0.64%	0.64%

Performance

The performance per share class was calculated by comparing the net assets per share as at September 30, 2019 with the net assets per share as at September 30, 2020.

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

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

As at September 30, 2020, performances were the following:

Class	Currency	Performance for the financial year ending September 30, 2020	Performance for the financial year ending September 30, 2019	Performance for the financial year ending September 30, 2018	Performance for the financial year ending September 30, 2017
HEREFORD FUNDS - DSM US Large Cap Growth Fund					
AI	USD	32.04%	4.68%	14.20%	25.12%
BI	USD	32.95%	5.41%	14.99%	26.00%
D	USD	31.33%	4.12%	13.60%	24.44%
U	USD	32.04%	4.69%	14.20%	25.11%
HEREFORD FUNDS - DGHM US All-Cap Value Fund					
AI	USD	-10.33%	-3.07%	5.04%	12.50%
D	USD	-10.81%	-3.59%	4.49%	11.89%
Hereford Funds - Bin Yuan Greater China Fund					
AI	USD	0.59% *	-	-	-
BI	USD	3.39% *	-	-	-
CI	USD	58.87%	4.05% *	-	-
CB	USD	58.86%	-1.94% *	-	-
L1	USD	58.87%	5.08%	-14.23% *	-
L2	USD	54.50%	5.59%	-14.16% *	-
DB	USD	2.09% *	-	-	-
DI	USD	3.21% *	-	-	-

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

Other information to Shareholders (unaudited appendix)

1. Securities Financing Transactions Regulation ("SFTR")

As at September 30, 2020, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

2. Remuneration of the members of the Management Company

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

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

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

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

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

3. Information on risk measurement

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

