

Hereford Funds

Société d'Investissement à Capital Variable incorporated in Luxembourg

Annual report, including audited financial statements,
as at September 30, 2019

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No distribution notification has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of this sub-fund may not be distributed publicly to investors falling within the scope of the German Investment Act:

- Hereford Funds - FIRTH ASIAN Systematic Equities Fund
- Hereford Funds - FIRTH ASIAN Value Fund

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

Hereford Funds

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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., 25B, 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. 25B, 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-funds :</p> <ul style="list-style-type: none">• Hereford Funds - DGHM US All-Cap Value Fund• Hereford Funds - DGHM US MicroCap Value Fund <p>Firth Investment Management Pte. Ltd, 160 Robinson Road, #10-06 SBF Center, Singapore 068914, Singapore for the sub-funds :</p> <ul style="list-style-type: none">• Hereford Funds - FIRTH ASIAN Systematic Equities Fund• Hereford Funds - FIRTH ASIAN Value Fund <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 30 of the next year.

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

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

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

Any amendments to the articles of incorporation ("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

No distribution notification has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of this sub-fund may not be distributed publicly to investors falling within the scope of the German Investment Act:

- **Hereford Funds - FIRTH ASIAN Systematic Equities Fund**
- **Hereford Funds - FIRTH ASIAN Value Fund**

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, 2018 through September 30, 2019, the Hereford Funds DSM US Large Cap Growth sub-fund increased approximately, 4.7% (NAV USD 237.03 to NAV USD 248.13) while the total returns (including dividends) of the Russell 1000 Growth and the S&P 500 increased 3.7% and 4.3% respectively.

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

In the fourth quarter of 2018, the sub-fund's performance was affected by various ongoing macro concerns including a US-China trade war, slowing global economic growth, political turmoil in the EU due to Brexit, the 'yellow vest' protests in Paris and political problems in Italy. In addition, several large and long-term holdings in the portfolio including Alibaba, Alphabet and Facebook were weak during the quarter.

As a result, in early January of this year, the market's valuation was just 15.7x trailing earnings, which is approximately the long-term market average P/E since WWII. During periods of low-inflation, the market typically sells at 18x to 22x trailing earnings. In certain low-inflation periods of time the market's valuation has exceeded 22x. In others, typically in periods of distressed investor psychology, valuation has dipped to 15x trailing earnings, as it had by year-end 2018. Historically the market has not remained at a compressed valuation level of 15x for very long; thus, in early 2019 we felt the portfolio should experience significant appreciation this year.

The sub-fund's performance over the first three quarters of this year has rebounded strongly following the disappointing fourth quarter of 2018, driven by the compressed valuations at the end of 2018, as well as by continued earnings growth thus far in 2019. We continue to project a high-teens earnings growth rate for the portfolio going forward, and believe it is possible that earnings growth will be higher than that target over the near-term. In our view, the portfolio's valuation remains quite attractive. Our investment approach is built on the simple indisputable fact that over time "Earnings Win" because businesses tend to appreciate in value as earnings grow. We continue to believe that the ongoing strength in earnings creates a favorable opportunity to add to this portfolio of premier quality growth businesses.

Despite the recent strength of yield stocks (which are generally value-style names) as a result of negative rates on government debt throughout Europe and in Japan, growth has outperformed value in both the third quarter and over the course of 2019, and we expect this trend to continue. The traditional businesses that comprise much of the value benchmarks will face ongoing revenue and profit pressures from low inflation and the evolution of digital/internet technologies. At minimum, a pickup in inflation is needed to alleviate the pricing pressure found across the product lines of many companies within the value indices.

Portfolio

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

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

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

Over the twelve-month period ended 30 September 2019, DSM's selections in the health care and information technology sectors were primarily responsible for the sub-fund's outperformance versus the Russell 1000 Growth. DSM's selections in consumer staples and consumer discretionary detracted from performance.

The strongest contributors to performance over the reporting period were Microsoft (application software/cloud storage services), Zoetis (animal health medicines and vaccines), MSCI (investment analytics and index products), PayPal Holdings (digital and mobile payments) and Intuit (financial management software).

The weakest contributors to performance were Norwegian Cruise Line Holdings (global cruise operator), Electronic Arts (interactive entertainment software), Royal Caribbean Cruises (global cruise operator), Regeneron Pharmaceuticals (specialty pharmaceuticals) and Palo Alto Networks (network security solutions).

Changes in Holdings

Over the past few years DSM's portfolio turnover has been below historical levels because earnings results have been very robust while valuations have remained quite reasonable. However, the market's decline during the last quarter of 2018 created opportunities to make changes to improve both the quality and potential returns of the portfolio.

During the reporting period, Norwegian Cruise Line Holdings was sold to fund a starter position in Amazon.com (online retailer and cloud services provider). At the time, Amazon was priced approximately 25% below its all-time high at what DSM believed was a reasonable valuation. Electronic Arts was sold on reduced earnings expectations following delays in the releases of several games. Toronto-Dominion Bank was sold in order to initiate buys of EPAM Systems (business software development and consulting) and Neurocrine Biosciences (specialty pharmaceuticals) as DSM felt these were more compelling investments. Similarly, the portfolio's small positions in Charles Schwab and Canadian Pacific were sold to fund the purchases of Elanco Animal Health (animal health medicines and vaccines) and Sirius XM Holdings (satellite radio and streaming music), a name held previously by the sub-fund. Regeneron Pharmaceuticals was sold because of the on-going discussions among US politicians about limiting the pricing flexibility of drug companies. Proceeds from this sale, as well as from those generated by the trims of several holdings due to appreciation, were used to initiate positions in Global Payments (electronic transaction processing) and Palo Alto Networks.

Hereford Funds - DSM US Large Cap Growth Fund

Managers' reports (continued)

Outlook

DSM has projected for many years that the current global economic expansion would prove to be a longer growth cycle than the majority of previous economic growth periods. In fact, the US economic growth expansion is the longest on record and given improving productivity and wages, as well as moderate inflation, the outlook remains positive. Global economic growth has been a bit weaker recently, particularly in Europe and Japan where growth remains quite modest. Recently the Federal Reserve lowered interest rates as an "insurance policy" to sustain economic growth in the United States going forward. The ECB, Bank of Japan and Bank of China are following a similar rate cut strategy. Over the past decade there have been a few instances of global economic deceleration, however with inflation low, central banks have ample latitude to cut rates to prolong the present economic cycle.

Both China and the US have cut taxes and regulations over the past few years, in an effort to maximize their potential economic growth rates. India has reduced corporate tax rates to 22%, with a 15% tax rate for new corporate entities, including those started by established companies. In contrast, virtually no European nation has reduced their high anti-growth tax rates or eliminated their anti-growth regulatory policies. Despite the massive liquidity provided by the ECB over the last decade, the EU's economy has remained stagnant. While it is likely the ECB will consider additional easing, DSM believes Europe's anti-growth fiscal policies are limiting economic prosperity and must be changed.

Throughout much of the Western world, manufacturing output has fallen below expectations. Nevertheless, employment has remained strong in the United States, and in parts of Europe. Given the combination of low inflation, low interest rates, the possibility of further Federal Reserve rate cuts, and lower tax rates, DSM believes it is unlikely that the US economy will slip into a recession over the next few years. While our previous expectations of global GDP growth in excess of 3% in 2019 may prove a bit too optimistic, we continue to believe that the economic impact of the Chinese - American trade war, European political disarray and potential economic risks associated with Brexit are likely to slow global growth rather than create a global recession over the near-term.

DSM believes the world will "muddle through" with continued slow economic growth, and sees the China - US trade war as having much less of a market impact than in the past. While DSM cannot be certain of the future, and there is always a possibility of some unexpected event driving the equity markets downward, we continue to believe that the global economy will expand over the next few years and that global equity markets will track that growth upward.

October 2019

Established by DSM Capital Partners LLC.

Hereford Funds - DGHM US All-Cap Value Fund

Managers' reports

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

Outlook

Our market outlook is similar to that of last year although we are now more concerned over a potential correction versus our prior positive outlook. The US economy has recently shown signs of slowing, particularly in the manufacturing sector. Both Europe and China continue to experience flat to slowing growth. While the valuation of the US market continues to be more or less slightly above the midpoint of its historical range, volatility has increased as the market reacts to various economic developments. The ongoing trade war between the United States and China only adds to the volatility and economic concerns. The Federal Reserve has responded to these economic concerns by lowering the federal funds rate. Offsetting the weak numbers from the manufacturing sector is a healthy US consumer market. Jobs are steadily being added, wages are going up, US banks are well capitalized with no apparent credit concerns, government outlays are growing, housing has begun to grow, auto sales are flat, loan growth is in the low single digits, interest expenses are manageable, and, finally, energy prices are low.

The list of market worries that continually make headlines or are endlessly debated on TV is familiar and this year includes the US fall elections, trade wars, North Korea, Brexit, Italian Banks, China imploding, and turmoil in the Middle East. We believe that these issues have been somewhat discounted in the market. Due to the outperformance of low volatility or risk off stocks, we believe many high volatility or risk on stocks are discounting an economic slowdown or recession.

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 Compartment's underperformance during the past fiscal year was driven by the Energy, Retail and Basic Materials sectors. Energy was weak due to Marathon Oil (-47%). This stock lagged due to concerns that a possible global economic slowdown will negatively impact the price of oil. Retail underperformed due to Kohl's Corp (-30%). This stock was weak due to soft fundamentals as well as market concerns over retail disintermediation by the internet. Basic Materials struggled due to Berry Global (-22%). This stock was down as they lowered guidance two quarters in a row due to softer demand and an inventory build-up. We continue to hold Marathon Oil, Kohl's Corp, and Berry Global.

Sectors that added value to performance were Consumer Staples and Healthcare. Consumer Staples was led by Procter & Gamble (+54%). This stock moved higher more as result of its being a large cap, low volatility company of the kind the market is currently favouring, as discussed above, rather than as a result of strong fundamentals. Healthcare was led by Smith & Nephew (+32%). This stock outperformed due to improving sales growth and operating margins under the leadership of a new management team.

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

Hereford Funds - DGHM US All-Cap Value Fund

Managers' reports (continued)

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 2019

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

Hereford Funds - DGHM US MicroCap Value Fund

Managers' reports

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

Performance

The Hereford Funds DGHM US MicroCap Value Fund declined 5.6% for the year ending September 30, 2019. While down on an absolute basis, these results significantly outperformed both the Russell Microcap Value (-11.6%) and the Russell 2000 Value (-8.2%) indices.

Attribution Review

Sector breadth was favourable as 10 of 16 sectors outperformed the Russell Microcap Value benchmark. The leading sectors during the fiscal year were Energy, Capital Goods and Consumer Services. Our Energy holdings outpaced the sector benchmark as quality mattered, and those companies with good balance sheets generally held up better as economic concerns emerged. Capital Goods generated excess returns led by Foundation Building Materials (building products distributor). Foundation benefited from a rebound in housing sentiment as mortgage rates fell coupled with solid earnings and margin improvement. The Consumer Services sector was led by strong performance from Collectors Universe (collectible grading/authentication), which saw healthy sales and earnings growth in its card and autograph authentication businesses.

Detracting from the sub-fund's performance during the fiscal year were Consumer Durables, Miscellaneous Financials and Basic Materials. The decline in Consumer Durables was driven by Cavco Industries (manufactured housing) and MasterCraft Boat Holdings (recreational boats). Cavco was hit by slower order rates early in the year. We exited this position. MasterCraft sold off after providing a weaker than expected outlook due to higher dealer inventory levels. We continue to hold this position as we find the valuation compelling and view the softer outlook as temporary given weather-related disruptions experienced during the year. In Miscellaneous Financials, Greenhill Financial (boutique M&A advisory) sold off on global macro uncertainty, which led to lower advisory activity. We continue to hold the stock as we find the risk/reward trade-off compelling. Basic Materials was weighed down by Continental Building Products (wallboard manufacturer) and Orion Engineered Carbons (specialty chemicals). Continental was down due to concerns over wallboard pricing, which has recently stabilized. Orion saw deteriorating fundamentals in the specialty carbon black industry, due mostly to weaker global demand from auto end markets. We have sold this position from the portfolio.

Characteristics

As of September 30, 2019, the portfolio consisted of 63 stocks with a weighted median market capitalization of USD 571million. Characteristics of the portfolio remain attractive versus the Russell Microcap Value and Russell 2000 Value indices. Portfolio valuation is relatively more attractive with an EV/EBITDA of 10.0x versus 11.3x and 10.7x for the aforementioned indices, respectively. The portfolio has a healthy free cash flow yield of nearly 5%, as well as better interest coverage and stronger returns, while maintaining similar growth prospects to the relevant benchmarks.

October 2019

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

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

Hereford Funds - FIRTH ASIAN Value Fund (note 1)

Managers' reports

Returns

For the period from end September 30, 2018 to March 29, 2019, the return from the Hereford Funds - Firth Asian Value Fund was +2.9%. By comparison, the return from the benchmark, the MSCI AC Asia ex Japan Small Cap Net USD index was -0.6%.

Review

The portfolio was relatively resilient during a period when United States interest rate policy switched to loosening in the wake of the trade dispute between China and the United States and a slowdown in global trade and economic growth. Local currencies in Asia ex-Japan generally weakened.

The portfolio was reasonably diversified across countries and sectors and maintained its usual characteristics of lower valuation, premium yield, lower balance sheet gearing and higher return on equity relative to its universe.

The sub-fund was liquidated due to its small size as at 29 March 2019.

October 2019

Established by Firth Investment Management Pte. Ltd.

Hereford Funds - FIRTH ASIAN Systematic Equities Fund (note 1)

Managers' reports

Performance

For the period from end September 30, 2018 to September 5, 2019, the value of Hereford Funds - Firth Asian Systematic Equities Fund - L2 Share class decreased by 13.5% compared to a decrease of 3.2% for the benchmark, the MSCI AC Asia ex Japan USD Net Index.

Review

A large, liquidity-fuelled, surge in growth stocks through substantial portions of calendar 2019 significantly impacted relative performance of the sub-fund. The sub-fund's holdings focused on quality, reasonable valuation and a high level of diversification. The sub-fund's automatic stabilisation feature for market risk progressively reduced beta exposure in recognition of what has historically been seen as growing risks for aggregate equity performance.

Towards the latter stages of the financial year, the sub-fund saw an accelerating number of redemptions. By end-August, it was recognized that this was creating an unacceptable level of risk for remaining shareholders, and the decision was made to liquidate the sub-fund and return investor monies.

October 2019

Established by Firth Investment Management Pte. Ltd.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports

Review

For the period of October 1, 2018 through 30 September 2019, the Hereford Funds - Bin Yuan Greater China Fund was up approximately 5.08% while the total return (including dividends) of the MSCI All China increased 2.35%.

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 18.4x estimated 2019 earnings and expected earnings growth rate is 18.3% through 2022. We believe that our portfolio's valuation is still quite attractive.

Portfolio

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

The strongest contributors to performance over the reporting period were C&S Paper (a household tissue company), Shanghai International Airport (an airport operator), NARI Technology (a smart grid company), Sunny Optical (A camera module supplier) and Ping An (an insurance company).

C&S Paper is the fourth largest household tissue manufacturer in Chinese market and is continuously increasing its market share. The company is the most innovative one in developing new products, thus it enjoys the highest gross margin in the industry. Domestic need for household tissue is growing strong, and Chinese household tissue industry is expected to increase steadily by around 10% every year. We expect C&S Paper to deliver decent earnings growth in the next few years driven by the rise of tissue penetration and the expansion of market share.

Shanghai International Airport (SIA) has a unique geographical advantage and will become the largest air hub in China, and in Asia-Pacific region. As a key international hub, the hinterland of Yangtze River Delta is inhabited by 150 million population and the GDP in this area accounts for 23% of total China GDP with average GDP per capita of USD20, 500. SIA has also leveraged its dominant market position to increase exposure to duty free retail business. According to the statistics in its 2018 annual report, the profit from duty free sales of SIA has increased by 43% year on year. We believe that with the rising of disposable income and the increasing numbers of outbound travellers, the duty-free retail business will continue to enjoy stable growth for a long time.

The weakest contributors to performance were Han's Laser (a laser equipment supplier), Huatai Security (a security company), Fortune Ng Fun (A death care company), Tencent (a social media company) and Fuanna Bedding (a home textile company).

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

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Han's Laser underperformed from October 2018 to September 2019. Orders from Apple temporarily reduced in the past year, there is misconduct in its disclosure of European project construction, and the misconduct caused concern about its corporate governance. Though the market of laser equipment is still growing as more applications emerge and Han's Laser remains a leading company in laser equipment industry, we sold out the stock based on our ESG principles and risk-aversion discipline.

Huatai Securities underperformed from October 2018 to September 2019. We believe that as a leading security house, Huatai will benefit from more efficient capital allocation from indirect financing to direct financing. However, compared to other holdings, the transparency of this industry is relatively low due to high volatilities of the market. Thus, we switch the position to more attractive opportunities.

Changes in Holdings

During the reporting period, the following four stocks' weight increased most: We added Bank of Shanghai due to its business emphasis on Small and Medium Enterprises (SMEs), and we believe financial services to SMEs will generate more profit than to State Owned Enterprises (SOEs); We added Yili due to the stable and sustainable liquid milk industry consolidation trend, and the increase of liquid milk consumption per capita in China; We added Gree because its business will continue to be driven by the steady increase in air conditioner penetration rate, and the stock was much undervalued; We also added Moutai due to its expansion in high-end Baijiu market and its foreseeable production capacity increase from 30 thousand tons to 48 thousand tons per year.

The following four stocks' weight decreased most: We sold Little Swan-B because it was delisted, fully acquired by an A-share listed company that we had positions in; We cleared Han's Laser due to its misconduct in disclosure of European project construction and the misconduct violated our internal corporate governance control; We cleared Man Wah holdings due to its export business uncertainties in US-China trade friction; We also cleared Industrial and Commercial Bank of China and shifted to Bank of Shanghai due to the belief that financial services to SMEs will be more profitable.

Environment, Social and Governance (ESG) Investing

– ESG Practices in Bin Yuan

We are pleased to announce that Bin Yuan Capital has recently been approved by Principles for Responsible Investments (UNPRI), the world's leading proponent of responsible investment. Inherited from our prior working history with one of the largest US corporate pension institutions, environmental, social and governance (ESG) factors are embedded in our mindset. Since our starting date in 2012, we have integrated these ESG factors into a systematic ESG rating system, which is part of our stock selection process. The registration with UNPRI is a recognition of our efforts from a reputable organization.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

What We Do More Than Ticking the Boxes?

There are several ESG rating services available for Chinese companies, based on common accepted global standards, but we believe these are not sufficient for assessing companies operating in such a different economic and social environment as that we see in China. ESG is a very fresh concept in China and the stock market regulator is recently buying into the belief that ESG awareness should enhance a company's long-term value to shareholders. The regulator is beginning to develop an ESG framework following global standards. ESG is new to most Chinese companies, especially A share listed firms. They either do not know much about ESG or how to generate reports that include ESG. As a result, the current available ESG ratings may not necessarily reflect the real ESG conditions of the companies. To give a closer to reality score, more research including on-the-ground investigation and engagement with firms is needed instead of just relying on public available information.

1. On-the-ground investigation

Our ESG rating system is incorporated within our fundamental company research and extensive due diligence/on company site meetings with different levels of staff in companies. We will verify the information we have collected from different sources and interview stakeholders on the reputation of the companies.

Governance risks are normally beneath the surface. The governance rating in our ESG scoring system consists of over 20 factors including Board Diversity, Ownership & Control, Conflict of Interest, Business Ethics and all other governance-related factors. We have kept a record of companies' governance history in our risk file, which tracks companies' management stability, insider trading, dividend ratio, financial risk exposure, disclosure and other factors that would impact our ESG rating. We go beyond the company's financial reporting and dig into the local practice of management actions including pledged shares, exchangeable bonds, inappropriate merger and acquisitions...etc. to assess the real substance of the governance.

Bin Yuan will not invest in those companies that have a low ESG rating, and on-the-ground due diligence has helped to steer us away from investing in low corporate governance companies. For example, in early 2018, we had an interest in a physical examination company because it was in a strong growth industry with large market potential. After we visited more than twenty of their physical examination clinics and interviewed with the staff on site, we found that the company paid no attention to service quality. To save costs, the firm did not hire enough qualified doctors, but employed many non-qualified staff to do health check-ups. The clinics generated unreliable check-up reports because of flaws in their checking process. We believe the company has business ethics issues and we decided not to invest in it. Later in July 2018, media reported the scandal of their unqualified doctors, and the share price of this company has fallen by more than 40% since then.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

By contrast, some high-quality Chinese listed companies have stronger awareness of corporate governance. A tissue company that we have researched for more than five years and held for the past 2 years has a relatively high governance standard. The company has transformed from a family-run business to a professionally managed company. When it tried to acquire a company last year, the owner from the targeted company wanted to talk to the tissue company's chairman directly since they were friends. However, the chairman insisted on a formal negotiation with the acquisition department to make sure the acquisition was in full compliance. The professional management team rejected the deal based on the unsatisfactory results of the due diligence, which became the final decision of the company. The share price of this company has outperformed the market by 35% in the past 2 years since we invested.

Environmental and Social issues are important factors that we will investigate while we do on site company due diligences.

Carbon Emission and Waste Emission are the major Environmental problems and Labor Management and Health Safety are the major Social problems for Chinese companies.

Bin Yuan is highly aware of climate change matters and we only focus on carbon emission efficient industries. When we conduct on-site visits to factories, we observe the energy saving practices of the companies, including limiting air-conditioning temperatures, shifting to clean energy, and moving to third-party certified energy-saving office buildings...etc.

We pay attention to industrial waste treatment with our own eyes combined with analysing company provided data and interviewing with the neighbourhood. We also speak to different level employees in a company to understand whether workers have reasonable working hours and are provided with protective clothing. For example, we visited the above-mentioned tissue company's factories, which had a potential exposure to water pollution risk due to the nature of the tissue industry. The company invested in high quality waste treatment equipment and set up a real-time notice board to monitor sewage quality. The real time sewage quality data is displayed for public monitoring. The tissue factory also has set strict standards on health and safety protection of employees. There were eye-catching safety awareness signs all over the factory. At the entrance of each workshop, the factory also provided safety helmet, reflective vest, masks, earplugs and other protective equipment. Anyone who entered the workshop was required to wear protective equipment to ensure health and safety protection.

2. Engagement

We have an ESG engagement system to reinforce the ESG rating process. Engagement is integrated with our ESG work and is the interaction between companies and us. Since ESG is new to China, it becomes a part of our job to engage with the management to provide our opinion and advice, share best practices and make sure the companies are improving. After the communication, we will track the actions of the company and re-rate the ESG factors from the management dimension based on their progress.

We shared the ESG opinion with a security-camera company and a tissue company 2 years ago, for example, and suggested them to publish standalone ESG reports. These two firms took our advice and issued their ESG report in 2018. We are trying to help more companies to realize the importance of ESG reporting and make their ESG reports closer to global standards.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Besides our ESG reports, we give recommendations to companies on their products based on the ESG guidance. We communicated with a beverage company about developing healthy product lines, and they have developed several sugar-free drinks since then.

We believe that a company which is not sensitive to ESG management has high long-term business risks. After learning about the scandal of GP Certified Public Accountants' unreliable audit on Kangmei Pharmaceutical, we proposed to one furniture company to discontinue using GP as its auditor in order to improve the quality of their future financial reports. The company quickly accepted our suggestion and expressed that they would complete the corresponding replacement work before the preparation of 2019 annual report.

China ESG Is Improving

With continued education and engagement, ESG awareness of Chinese companies has raised gradually over the past years. Government measures, including strict environmental policies have helped fuel the improvements. However, corporate ESG reporting quality is still lagging. Chinese security regulators have started to play a role to promote Responsible Investment and enhance reporting quality. They encourage listed companies to disclose their ESG practices including issuing independent ESG reports. The regulators have also collected the Responsible Investment framework from institutional investors like us to further understand the best practices. Those initiatives will help narrow the reporting quality gap between China and global standard, and foster an open and transparent environment to lead Chinese companies to focus on ESG factors. In spite of those, it will take some time for Chinese ESG reporting to fully reflect the real practices of the companies. The lagging reporting quality will still be one of the inefficiencies that a fund manager can take advantage. Through on-the-ground research and engagement with companies, we can possess earlier and better understanding of the companies' culture and execution in terms of ESG. In our experiences, high ESG rating companies (ESG rating > 3 in our system) outperformed benchmark by almost 300% (Chart 1) in the past 11 years.

Chart 1: High ESG Rating Companies Accumulative Returns



Source: Wind, Bin Yuan Capital

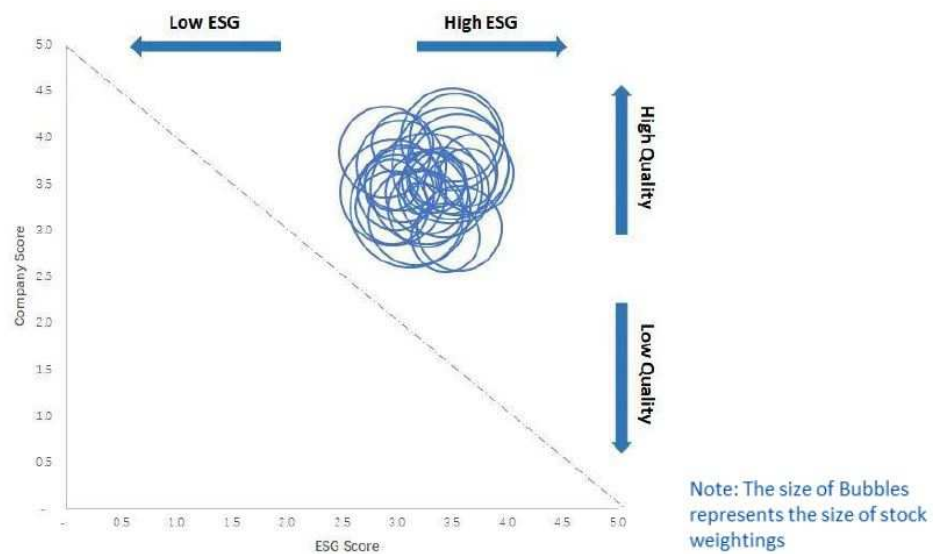
Past performance is not an indicator of current or future returns.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

Our portfolio only focuses on stocks with good ESG ratings (Chart 2), which we believe could grant us long term sustainable returns.

Chart 2: Portfolio ESG Bubble Chart



Appendix - Bin Yuan ESG Framework

It is our belief that Responsible Investment (RI) could bring superior return and benefits to our society and people in the long run. We promote the culture of Responsible Investment in the whole organization to make sure all the staff in Bin Yuan share the same values of building a long-term responsible investment firm and investing in responsible companies that contributing to build a better world. Beyond seeking profit only, the purposes of corporates should also include the responsibility for society and stakeholders. It is very important that companies pursue long term SUSTAINABILITY of economic interest to their shareholders by incorporating social responsibilities.

ESG approach is well incorporated in Bin Yuan's risk management framework and investment process. We believe poor ESG is a key business risk factor. At the screening stage, we will eliminate the companies that are not ESG compliant or qualified. The whole process is managed by our in-house team and we have accumulated many years of practical experience.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

ESG factors have a long-term nature and are often difficult to quantify. Bin Yuan has established an in-house rating system to quantify the qualitative elements of ESG risks the companies are exposed to and how the companies manage them. We rate those factors in two categories, namely Exposure and Management. Exposure refers to how exposed a company is to those risk factors and issues. Management refers to how company is managing those issues. Exposure is scored on a 1-5 scale, with 5 representing no exposure and 1 representing very high exposure. Management is also scored on 1-5 scale, with 5 representing the best practice management and 1 representing poorest practice management. A company with high exposure must have strong management to minimize the risk. We pay special attention to those low rating factors. We will avoid the companies in a high exposure industry with low management rating. ESG factors considered by the Bin Yuan Capital are listed in Chart 3:

Chart 3: Bin Yuan ESG Framework



Source: Bin Yuan Capital

We constantly review the ESG factors of companies we invest in to make sure they are on track as responsible companies pursuing long-term sustainability. If a portfolio holding company does not fully satisfy ESG standards, we will engage with the management to help them to make improvements. We will sell a holding if the company breaches ESG standards and the management have no willingness to change and improve. Negative examples in the market are discussed within the team as a lesson learnt to avoid the risk in the future.

Hereford Funds - Bin Yuan Greater China Fund

Managers' reports (continued)

As for Bin Yuan operations internally, we believe the Responsible Investment culture and its values are most important to our firm. We integrate the Bin Yuan Value into our staff annual appraisal process. Employee buy into our culture of Responsible Investment and the performance of implementing ESG are key elements considered in the annual reviews and promotions. A 40% weight of the staff annual bonus is linked to the team portion (referring to teamwork and leadership performance in Bin Yuan Sustainable and Responsible culture). If the performance linked to ESG objectives is not satisfactory, we will not retain those staff in the firm.

October 2019

Established by Bin Yuan Capital.

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

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

To the Shareholders of

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hereford Funds (the "Fund") and its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at September 30, 2019, 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, 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

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

Other information

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

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

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

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

Responsibilities of the Board of Directors of the Fund

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

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

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

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

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

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



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

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

For Deloitte Audit, *Cabinet de révision agréé*

A handwritten signature in blue ink, appearing to read "Hennebert", with a large, sweeping underline.

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

January 9, 2020
20, boulevard de Kockelscheuer
L-1821 Luxembourg

Hereford Funds

Statement of net assets as at September 30, 2019

	COMBINED	Hereford Funds - DSM US Large Cap Growth Fund	Hereford Funds - DGHM US All-Cap Value Fund
	USD	USD	USD
ASSETS			
Investments in securities at acquisition cost	223,970,086.56	44,020,616.18	29,697,825.24
Net unrealised gain on investments	36,793,882.76	26,384,324.22	5,070,955.70
Investments in securities at market value (note 2.d)	260,763,969.32	70,404,940.40	34,768,780.94
Cash at banks (note 2.d)	9,063,080.25	627,874.58	1,270,919.32
Formation expenses (note 2.h)	7,331.53	0.00	0.00
Other assets	210.56	0.00	0.00
	269,834,591.66	71,032,814.98	36,039,700.26
LIABILITIES			
Advisory fees payable (note 4)	447,325.89	189,797.89	87,019.97
"Taxe d'abonnement" payable (note 3)	7,507.43	2,168.94	1,231.68
Other fees payable (note 6)	191,661.41	55,757.18	24,431.52
	646,494.73	247,724.01	112,683.17
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2019	269,188,096.93	70,785,090.97	35,927,017.09
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2018	194,745,324.83	92,974,808.36	50,903,246.72
TOTAL NET ASSETS AS AT SEPTEMBER 30, 2017	233,712,229.65	95,311,118.00	91,337,661.34

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

Hereford Funds

Statement of net assets as at September 30, 2019 (continued)

Hereford Funds - DGHM US MicroCap Value Fund	Hereford Funds - Bin Yuan Greater China Fund
USD	USD
23,702,124.21	126,549,520.93
1,300,693.07	4,037,909.77
25,002,817.28	130,587,430.70
1,137,966.46	6,026,319.89
6,202.73	1,128.80
210.56	0.00
26,147,197.03	136,614,879.39
52,439.44	118,068.59
656.09	3,450.72
10,570.22	100,902.49
63,665.75	222,421.80
26,083,531.28	136,392,457.59
36,069,433.17	3,943,387.99
6,602,899.84	-

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, 2019

	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	194,745,324.83	92,974,808.36	50,903,246.72
INCOME			
Dividends, net (note 2.i)	2,715,272.36	325,773.45	596,136.88
Interest on bonds, net (note 2.i)	11,471.06	0.00	0.00
Bank interest (note 2.i)	6,498.77	0.00	0.00
	2,733,242.19	325,773.45	596,136.88
EXPENSES			
Amortization of formation expenses (note 2.h)	5,960.86	0.00	0.00
Advisory fees (note 4)	1,574,595.73	765,380.04	359,022.48
Depository fees, bank charges and interest	157,876.38	46,015.77	22,077.25
Professional fees, audit fees and other expenses	848,543.37	228,459.70	97,140.95
Administration fees	129,741.09	50,109.39	21,686.89
"Taxe d'abonnement" (note 3)	23,771.34	8,700.60	4,572.26
Transaction fees (note 2.j)	380,879.28	13,259.47	46,268.01
	3,121,368.05	1,111,924.97	550,767.84
NET INVESTMENT INCOME/LOSS	-388,125.86	-786,151.52	45,369.04
Net realised gain/loss on sales of investments (note 2.f)	10,831,139.16	11,890,721.58	778,377.60
Net realised loss on foreign exchange	-92,325.26	0.00	0.00
Net realised gain/loss on forward foreign exchange contracts	28,056.43	0.00	0.00
NET REALISED GAIN/LOSS	10,378,744.47	11,104,570.06	823,746.64
Change in net unrealised appreciation/depreciation:			
- on investments	-7,402,706.29	-8,582,903.88	-2,991,404.21
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	2,976,038.18	2,521,666.18	-2,167,657.57
Proceeds from subscriptions of shares	130,151,965.64	2,012,434.79	491,206.56
Cost of shares redeemed	-58,685,231.72	-26,723,818.36	-13,299,778.62
NET ASSETS AT THE END OF THE YEAR/PERIOD	269,188,096.93	70,785,090.97	35,927,017.09

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, 2019 (continued)

Hereford Funds - DGHM US MicroCap Value Fund	Hereford Funds - FIRTH ASIAN Value Fund (note 1)	Hereford Funds - FIRTH ASIAN Systematic Equities Fund (note 1)	Hereford Funds - Bin Yuan Greater China Fund
USD	USD	USD	USD
36,069,433.17	4,754,831.87	6,099,616.72	3,943,387.99
323,718.71	25,378.73	161,246.89	1,283,017.70
12,691.80	0.00	-1,220.74	0.00
0.00	1,830.53	815.67	3,852.57
336,410.51	27,209.26	160,841.82	1,286,870.27
2,917.52	0.00	2,724.44	318.90
231,513.94	0.00	13,863.37	204,815.90
16,927.38	1,970.06	4,406.26	66,479.66
52,776.29	101,056.74	135,119.04	233,990.65
8,140.09	2,183.15	4,880.45	42,741.12
2,438.72	215.22	688.68	7,155.86
41,907.78	23,132.91	42,583.98	213,727.13
356,621.72	128,558.08	204,266.22	769,229.22
-20,211.21	-101,348.82	-43,424.40	517,641.05
-1,304,840.38	-813,782.01	-820,997.32	1,101,659.69
0.00	-13,198.18	-8,507.00	-70,620.08
0.00	-2,157.21	-2,057.41	32,271.05
-1,325,051.59	-930,486.22	-874,986.13	1,580,951.71
-1,620,504.70	1,030,204.38	164,618.65	4,597,283.47
-2,945,556.29	99,718.16	-710,367.48	6,178,235.18
425,582.00	60,567.89	265,000.05	126,897,174.35
-7,465,927.60	-4,915,117.92	-5,654,249.29	-626,339.93
26,083,531.28	-	-	136,392,457.59

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
		30.09.2019	30.09.2019	30.09.2018	30.09.2017
Hereford Funds - DSM US Large Cap Growth Fund					
AI	USD	119,558.64	248.13	237.03	207.56
BI	USD	186,453.54	174.94	165.96	144.32
D	USD	10,145.46	390.67	375.21	330.29
U	USD	17,543.23	258.66	247.08	216.36
Hereford Funds - DGHM US All-Cap Value Fund					
AI	USD	47,123.23	230.36	237.65	226.25
BI	USD	149,591.81	145.72	149.06	141.02
D	USD	18,016.16	181.70	188.46	180.37
Hereford Funds - DGHM US MicroCap Value Fund					
AI	USD	6,245.00	94.02	100.38	-
L	USD	204,081.00	124.93	132.34	122.18
Hereford Funds - FIRTH ASIAN Value Fund (note 1)					
AI	USD	-	-	104.70	118.21
Hereford Funds - FIRTH ASIAN Systematic Equities Fund (note 1)					
E	USD	-	-	146.07	146.47
L1	USD	-	-	144.30	145.38
L2	USD	-	-	145.61	146.15
Hereford Funds - Bin Yuan Greater China Fund					
CI	USD	473,880.00	104.05	-	-
CB	USD	159,803.58	98.06	-	-
L1	USD	19,683.50	90.13	85.77	-
L2	USD	768,340.33	90.64	85.84	-

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

Hereford Funds - DSM US Large Cap Growth Fund

Statement of investments and other net assets as at September 30, 2019 (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	26,350.00	4,406,510.50	6.23
TENCENT HOLDING ADR -UNSPONS.-	USD	92,150.00	3,836,204.50	5.42
			8,242,715.00	11.65
<i>LIBERIA</i>				
ROYAL CARIBBEAN CRUISES	USD	13,300.00	1,440,789.00	2.04
			1,440,789.00	2.04
<i>UNITED STATES</i>				
ABBOTT LABORATORIES	USD	23,975.00	2,005,988.25	2.83
ADOBE	USD	16,300.00	4,502,875.00	6.36
ALPHABET 'A'	USD	3,900.00	4,762,446.00	6.73
AMAZON.COM	USD	1,890.00	3,280,869.90	4.63
AUTOMATIC DATA PROCESSING	USD	19,575.00	3,159,796.50	4.46
BECTON DICKINSON & CO	USD	10,975.00	2,776,236.00	3.92
BOOKING HOLDINGS	USD	1,145.00	2,247,188.45	3.17
BURLINGTON STORES	USD	7,850.00	1,568,587.00	2.22
ELANCO ANIMAL HEALTH	USD	53,800.00	1,430,542.00	2.02
EPAM SYSTEMS	USD	8,625.00	1,572,510.00	2.22
FACEBOOK 'A'	USD	20,775.00	3,699,612.00	5.23
GLOBAL PAYMENTS	USD	9,475.00	1,506,525.00	2.13
INTUIT	USD	7,250.00	1,928,065.00	2.72
MICROSOFT	USD	46,525.00	6,468,370.75	9.13
MONSTER BEVERAGE	USD	37,700.00	2,188,862.00	3.09
MSCI	USD	6,280.00	1,367,470.00	1.93
NEUROCRINE BIOSCIENCES	USD	10,100.00	910,111.00	1.29
PALO ALTO NETWORKS	USD	9,535.00	1,943,519.05	2.75
PAYPAL HOLDINGS	USD	31,550.00	3,268,264.50	4.62
SIRIUS XM HOLDINGS	USD	290,700.00	1,818,328.50	2.57
THERMO FISHER SCIENTIFIC	USD	6,875.00	2,002,481.25	2.83
VISA 'A'	USD	18,900.00	3,250,989.00	4.59
ZOETIS 'A'	USD	24,575.00	3,061,799.25	4.33
			60,721,436.40	85.77
TOTAL INVESTMENTS			70,404,940.40	99.46
CASH AT BANKS			627,874.58	0.89
OTHER NET LIABILITIES			-247,724.01	-0.35
TOTAL NET ASSETS			70,785,090.97	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, 2019

Geographical classification

(in % of net assets)

United States	85.77
Cayman Islands	11.65
Liberia	2.04
	99.46

Industrial classification

(in % of net assets)

Internet, software and IT services	35.34
Computer and office equipment	22.67
Holding and finance companies	15.38
Pharmaceuticals and cosmetics	10.27
Banks and credit institutions	4.59
Biotechnology	4.12
Electronics and electrical equipment	2.83
Retail and supermarkets	2.22
Gastronomy	2.04
	99.46

Hereford Funds - DGHM US All-Cap Value Fund

Statement of investments and other net assets as at September 30, 2019 (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 KINGDOM</i>				
SMITH & NEPHEW ADR -SPONS.-	USD	23,854.00	1,148,093.02	3.20
			1,148,093.02	3.20
<i>UNITED STATES</i>				
ABBOTT LABORATORIES	USD	12,938.00	1,082,522.46	3.01
AGCO	USD	9,676.00	732,473.20	2.04
AKAMAI TECHNOLOGIES	USD	9,836.00	898,813.68	2.50
ALLSTATE	USD	11,393.00	1,238,191.24	3.45
AMERICAN EAGLE OUTFITTERS	USD	53,890.00	874,095.80	2.43
ANALOG DEVICES	USD	7,997.00	893,504.81	2.49
ASSOCIATED BANC-CORP	USD	42,186.00	854,266.50	2.38
BAXTER INTERNATIONAL	USD	14,767.00	1,291,669.49	3.60
BERRY GLOBAL GROUP	USD	20,581.00	808,215.87	2.25
CISCO SYSTEMS	USD	17,547.00	866,997.27	2.41
CIT GROUP	USD	21,444.00	971,627.64	2.70
CONOCOPHILLIPS	USD	18,203.00	1,037,206.94	2.89
EASTMAN CHEMICAL	USD	11,002.00	812,277.66	2.26
ENCOMPASS HEALTH CORP	USD	18,355.00	1,161,504.40	3.23
EXPEDIA	USD	8,040.00	1,080,656.40	3.01
GLOBE LIFE	USD	13,025.00	1,247,274.00	3.47
HALLIBURTON	USD	52,478.00	989,210.30	2.75
HOWARD HUGHES	USD	7,135.00	924,696.00	2.57
JP MORGAN CHASE & CO	USD	14,311.00	1,684,261.59	4.69
KOHL'S	USD	16,733.00	830,960.78	2.31
LIBERTY PROPERTY TRUST -SBI-	USD	14,523.00	745,465.59	2.07
MARATHON OIL	USD	80,976.00	993,575.52	2.77
MASCO	USD	22,115.00	921,753.20	2.57
MONDELEZ INTERNATIONAL 'A'	USD	17,105.00	946,248.60	2.63
PNC FINANCIAL SERVICES GROUP	USD	6,846.00	959,535.36	2.67
PROCTER & GAMBLE	USD	11,418.00	1,420,170.84	3.95
PRUDENTIAL FINANCIAL	USD	11,128.00	1,000,963.60	2.79
PUBLIC SERVICE ENTERPRISE GROUP	USD	17,866.00	1,109,121.28	3.09
REGAL-BELOIT	USD	9,355.00	681,511.75	1.90
REGIONS FINANCIAL	USD	53,556.00	847,255.92	2.36
UNITED TECHNOLOGIES	USD	8,401.00	1,146,904.52	3.19
VERIZON COMMUNICATIONS	USD	21,789.00	1,315,184.04	3.66
XCEL ENERGY	USD	19,303.00	1,252,571.67	3.49
			33,620,687.92	93.58
TOTAL INVESTMENTS			34,768,780.94	96.78
CASH AT BANKS			1,270,919.32	3.54
OTHER NET LIABILITIES			-112,683.17	-0.32
TOTAL NET ASSETS			35,927,017.09	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, 2019

Geographical classification

(in % of net assets)

United States	93.58
United Kingdom	3.20
	96.78

Industrial classification

(in % of net assets)

Holding and finance companies	13.50
Pharmaceuticals and cosmetics	10.75
Banks and credit institutions	9.43
Insurance	6.92
Oil and gas	5.66
Internet, software and IT services	5.51
Real Estate Shares	4.64
Construction of machines and appliances	3.94
Communications	3.66
Public utilities	3.49
Healthcare & social services	3.23
Aeronautics and astronautics	3.19
Biotechnology	3.01
Energy equipment & services	2.75
Food and soft drinks	2.63
Construction and building materials	2.57
Electronics and electrical equipment	2.49
Textiles and clothing	2.43
Computer and office equipment	2.41
Retail and supermarkets	2.31
Chemicals	2.26
	96.78

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets as at September 30, 2019 (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>				
AMERICAN SOFTWARE 'A'	USD	29,173.00	438,178.46	1.68
ARK RESTAURANTS	USD	21,038.00	426,229.88	1.63
ARTESIAN RESOURCES 'A'	USD	9,438.00	349,206.00	1.34
BANKFINANCIAL	USD	16,967.00	201,907.30	0.77
BONANZA CREEK	USD	17,063.00	382,040.57	1.46
CAPITAL CITY BANK GROUP	USD	7,711.00	211,666.95	0.81
CATCHMARK TIMBER TRUST 'A'	USD	50,245.00	536,114.15	2.06
CATO CORP 'A'	USD	24,917.00	438,788.37	1.68
CBIZ	USD	25,406.00	597,041.00	2.29
CENTRAL VALLEY COMMUNITY BANCORP	USD	16,997.00	345,888.95	1.33
CITY OFFICE REIT	USD	39,357.00	566,347.23	2.17
COLLECTORS UNIVERSE	USD	18,445.00	525,313.60	2.01
COMMERCIAL VEHICLE GROUP	USD	37,293.00	268,882.53	1.03
COMMUNITY TRUST BANCORP	USD	7,557.00	321,777.06	1.23
CONTINENTAL BUILDING PRODUCT	USD	14,723.00	401,790.67	1.54
DUCOMMUN	USD	11,399.00	483,317.60	1.85
EMPLOYERS HOLDINGS	USD	12,469.00	543,399.02	2.08
FIRST BANCORP NORTH CAROLINA	USD	9,137.00	328,018.30	1.26
FIRST COMMUNITY BANCSHARES	USD	14,810.00	479,399.70	1.84
FOUNDATION BUILDING MATERIALS	USD	16,105.00	249,466.45	0.96
GREENHILL	USD	21,794.00	285,937.28	1.10
HANGER	USD	19,188.00	391,051.44	1.50
HARVARD BIOSCIENCE	USD	128,406.00	394,848.45	1.51
HELIX ENERGY SOLUTIONS GROUP	USD	55,598.00	448,119.88	1.72
HERSHA HOSPITALITY TRUST 'A' -SBI-	USD	33,663.00	500,905.44	1.92
HOMETRUST BANCSHARES	USD	13,030.00	339,692.10	1.30
HURCO COMPANIES	USD	6,025.00	193,824.25	0.74
INDEPENDENCE REALTY TRUST	USD	45,570.00	652,106.70	2.50
INNOPHOS HOLDINGS	USD	10,748.00	348,880.08	1.34
ISTAR REIT	USD	46,290.00	604,084.50	2.32
KAISER ALUMINUM	USD	3,080.00	304,827.60	1.17
KIMBALL ELECTRONICS	USD	18,708.00	271,453.08	1.04
KULICKE & SOFFA INDUSTRIES	USD	20,410.00	479,226.80	1.84
L B FOSTER	USD	13,321.00	288,666.07	1.11
MARCUS CORPORATION	USD	14,098.00	521,766.98	2.00
MARTEN TRANSPORT	USD	21,894.00	454,957.32	1.74
MASTERCRAFT BOAT HOLDINGS	USD	24,635.00	367,677.38	1.41
MTS SYSTEMS	USD	5,268.00	291,057.00	1.12
NATHANS FAMOUS	USD	1,557.00	111,870.45	0.43
NATIONAL BANKSHARES	USD	8,660.00	346,833.00	1.33
NEWPARK RESOURCES	USD	51,945.00	395,820.90	1.52
NIC	USD	19,500.00	402,675.00	1.54
NORTHRIM BANCORP	USD	8,897.00	352,943.99	1.35
ORTHOFIX MEDICAL	USD	7,805.00	413,821.10	1.59
PACIFIC MERCANTILE BANCORP	USD	36,668.00	275,376.68	1.06
PREFORMED LINE PRODUCTS	USD	5,969.00	325,847.71	1.25

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

Hereford Funds - DGHM US MicroCap Value Fund

Statement of investments and other net assets as at September 30, 2019 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2.d)	% of net assets
RADNET	USD	33,004.00	473,937.44	1.82
RGC RESOURCES	USD	11,883.00	347,458.92	1.33
ROCKY BRANDS	USD	13,744.00	456,713.12	1.75
RUDOLPH TECHNOLOGIES	USD	15,680.00	413,324.80	1.58
SANDY SPRING BANCORP	USD	10,280.00	346,538.80	1.33
SOUTH STATE	USD	5,110.00	384,783.00	1.48
SP PLUS	USD	16,412.00	607,244.00	2.33
STEEL PARTNERS PFD NC 6% 07/02/26 'A'	USD	12,418.00	262,889.06	1.01
STERLING CONSTRUCTION	USD	54,862.00	721,435.30	2.76
TERRITORIAL BANCORP	USD	11,721.00	334,986.18	1.28
TRANSCAT	USD	20,604.00	527,668.44	2.02
UNITIL	USD	8,254.00	523,633.76	2.01
UNIVERSAL LOGISTICS SERVICES	USD	8,579.00	199,719.12	0.77
US LIME & MINERALS	USD	5,931.00	453,721.50	1.74
VERA BRADLEY	USD	34,871.00	352,197.10	1.35
WESTRN NEW ENGLAND BANCORP	USD	29,301.00	279,238.53	1.07
WILLIAM LYON HOMES 'A'	USD	22,509.00	458,283.24	1.76
			25,002,817.28	95.86
TOTAL INVESTMENTS			25,002,817.28	95.86
CASH AT BANKS			1,137,966.46	4.36
OTHER NET LIABILITIES			-57,252.46	-0.22
TOTAL NET ASSETS			26,083,531.28	100.00

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

Hereford Funds - DGHM US MicroCap Value Fund

Geographical and industrial classification of investments as at September 30, 2019

Geographical classification

(in % of net assets)

United States	95.86
	95.86

Industrial classification

(in % of net assets)

Banks and credit institutions	13.54
Holding and finance companies	13.37
Real Estate Shares	10.97
Electronics and electrical equipment	8.85
Utilities	6.63
Oil	4.70
Public utilities	4.68
Construction and building materials	4.24
Gastronomy	4.06
Automobiles	3.79
Healthcare & social services	3.32
Internet, software and IT services	3.22
Textiles and clothing	3.10
Aeronautics and astronautics	1.85
Construction of machines and appliances	1.85
Transport and freight	1.74
Retail and supermarkets	1.68
Pharmaceuticals and cosmetics	1.59
Biotechnology	1.51
Stainless steel	1.17
	95.86

Hereford Funds - Bin Yuan Greater China Fund

Statement of investments and other net assets as at September 30, 2019 (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	44,000.00	7,358,120.00	5.39
BILIBILI ADR -SPONS.-	USD	377,600.00	5,331,712.00	3.91
CHINA YONGDA AUTOMOBILES SERVICES HOLDINGS	HKD	3,985,000.00	3,288,887.22	2.41
SUNNY OPTICAL TECHNOLOGY	HKD	288,900.00	4,245,378.30	3.11
TENCENT HOLDINGS	HKD	138,000.00	5,812,628.01	4.26
			26,036,725.53	19.08
<i>CHINA</i>				
AIER EYE HOSPITAL GROUP 'A'	CNY	139,293.00	692,132.25	0.51
BANK OF SHANGAI 'A'	CNY	4,748,523.00	6,219,690.33	4.56
C&S PAPER 'A'	CNY	4,207,468.00	7,338,187.07	5.38
CHAOZHOU THREE-CIRCLE 'A'	CNY	1,767,341.00	4,951,638.76	3.63
CHINA MERCHANTS BANK 'H'	HKD	2,058,500.00	9,794,360.34	7.18
FORTUNE NG FUNG FOOD (HEBEI) CO 'A'	CNY	1,507,167.00	1,917,104.70	1.41
GREE ELECTRICAL APPLIANCES 'A'	CNY	702,158.00	5,636,221.81	4.13
HANGZHOU HIKVISION DIGITAL TECHNOLOGY 'A'	CNY	829,010.00	3,751,119.48	2.75
INNER MONGOLIA YILI INDUSTRY 'A'	CNY	1,195,230.00	4,775,288.47	3.50
JIANGSU YUYUE MEDICAL EQUIP. & S 'A'	CNY	2,531,786.00	7,660,892.19	5.62
KWEICHOW MOUTAI CO LTD 'A'	CNY	34,751.00	5,598,397.77	4.10
LIVZON PHARMACEUTIC 'H'	HKD	1,112,705.00	2,852,938.91	2.09
MIDEA GROUP 'A'	CNY	555,835.00	3,978,921.73	2.92
NARI TECHNOLOGY 'A'	CNY	2,732,570.00	7,828,223.46	5.74
OPPEIN HOME GROUP 'A'	CNY	267,399.00	4,175,201.34	3.06
PING AN INSURANCE 'H'	HKD	810,000.00	9,304,330.12	6.82
S.F. HOLDING 'A'	CNY	725,997.00	4,009,129.20	2.94
SG MICRO 'A'	CNY	72,945.00	1,752,807.50	1.29
SHANGHAI INTERNATIONAL AIRPORT 'A'	CNY	516,066.00	5,767,636.55	4.23
SHENZHEN FUANNA BEDDING & FURNISHING 'A'	CNY	2,358,326.00	2,167,236.39	1.59
WULIANGYE YIBIN 'A'	CNY	108,980.00	1,981,618.75	1.45
			102,153,077.12	74.90
<i>HONG KONG</i>				
VITASOY INTERNATIONAL HOLDINGS	HKD	592,000.00	2,397,628.05	1.76
			2,397,628.05	1.76
TOTAL INVESTMENTS			130,587,430.70	95.74
CASH AT BANKS			6,026,319.89	4.42
OTHER NET LIABILITIES			-221,293.00	-0.16
TOTAL NET ASSETS			136,392,457.59	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, 2019

Geographical classification

(in % of net assets)

China	74.90
Cayman Islands	19.08
Hong Kong	1.76
	95.74

Industrial classification

(in % of net assets)

Electronics and electrical equipment	14.72
Banks and credit institutions	11.74
Internet, software and IT services	9.65
Pharmaceuticals and cosmetics	7.71
Insurance	6.82
Construction of machines and appliances	5.74
Paper and forest products	5.38
Consumer products	4.95
Transport and freight	4.23
Tobacco and alcohol	4.10
Publishing and graphic arts	3.91
Food and soft drinks	3.17
Photography and optics	3.11
Miscellaneous investment goods	3.06
Computer and office equipment	2.94
Retail and supermarkets	2.41
Miscellaneous consumer goods	1.59
Healthcare & social services	0.51
	95.74

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

Notes to the financial statements as at September 30, 2019

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.

As at September 30, 2019, the Fund offers the following sub-funds:

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

The Board of Directors of the Fund has decided to liquidate the following sub funds:

- Hereford Funds - FIRTH ASIAN Value Fund expressed in USD (effective as of March 29, 2019)
- Hereford Funds - FIRTH ASIAN Systematic Equities Fund expressed in USD (effective as of September 6, 2019)

As at September 30, 2019, the following share classes are offered:

- Class CB Share is launched during this period.

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

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

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

Notes to the financial statements as at September 30, 2019 (continued)

- Classes L 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 Management Company and which provide fee-based investment advisory services to underlying investors and are only available for such period of time as determined by the Board of Directors of the Fund in their sole discretion. This class is reserved for subscriptions received during the launch period.

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

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.

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;

Notes to the financial statements as at September 30, 2019 (continued)

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 nets assets.

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.

Notes to the financial statements as at September 30, 2019 (continued)

j) Transaction fees

Transaction fees disclosed under the item "Transaction fees" in the expenses of the statement of operations and changes in net assets are mainly composed of broker fees incurred by the Fund paid to the 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,
- 1.00% for Class C,
- 1.75% for Class D,
- 1.25% for Class U;

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

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

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

- 1.50% for Class AI,
- 0.80% for Class L;

Notes to the financial statements as at September 30, 2019 (continued)

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

- 1.50% for Class AI (liquidated as of April 25, 2019),
- 1.00% for Class BI (liquidated as of April 25, 2019);

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

- 0.25% for Class E (liquidated as of September 6, 2019),
- 0.75% for Class L1 (liquidated as of September 6, 2019),
- 0.25% for Class L2 (liquidated as of September 6, 2019);

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

- 0.75% for Class CB,
- 0.75% for Class L1,
- 0.25% for Class L2,
- 0.50% for Class CI (launched on August 8, 2019).

NOTE 5

PERFORMANCE FEES

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

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

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

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

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

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

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

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

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

Notes to the financial statements as at September 30, 2019 (continued)

In relation to the class L2 shares for, 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 to the MSCI All China Index (Bloomberg ticker MXACN Index) (calculated since the last performance fee payment).

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

The performance fee is equal to the outperformance of the 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 will be decreased by the dividends paid to shareholders.

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.

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

There are no performance fees in relation to the sub-funds Hereford Funds - DSM US Large Cap Growth Fund, 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, 2019, the other fees payable include mainly administration, depositary, management and audit expenses.

NOTE 7

EXCHANGE RATES AS AT SEPTEMBER 30, 2019

As at September 30, 2019, the exchange rates used are the following:

1 USD =	1.324001	CAD
1 USD =	0.917263	EUR
1 USD =	7.839414	HKD
1 USD =	14,194.30605	IDR
1 USD =	70.868783	INR
1 USD =	1,196.154169	KRW
1 USD =	4.1870	MYR
1 USD =	51.829994	PHP
1 USD =	1.3829	SGD

Hereford Funds

Notes to the financial statements as at September 30, 2019 (continued)

1 USD = 30.585003 THB
1 USD = 31.024498 TWD

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 period-end.

Hereford Funds

Total Expense Ratio ("TER")

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

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

For the year from October 1, 2018 to September 30, 2019, 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	1.74%	1.74%
BI	USD	1.06%	1.06%
D	USD	2.28%	2.28%
U	USD	1.75%	1.75%
Hereford Funds - DGHM US All-Cap Value Fund			
AI	USD	1.81%	1.81%
BI	USD	0.96%*	0.96%
D	USD	2.34%	2.34%
Hereford Funds - DGHM US MicroCap Value Fund			
AI	USD	1.86%	1.86%
L	USD	1.13%*	1.13%
Hereford Funds - Bin Yuan Greater China Fund			
CI	USD	1.01%	1.01%
CB	USD	1.17%	1.17%
L1	USD	1.41%	1.41%
L2	USD	0.85%	0.85%

* The TER of the share class BI is over a rolling period of one year, while the cap of 0.90% was implemented as from January 1, 2019.

**The TER of the share class L is over a rolling period of one year, while the cap of 1.00% was implemented as from January 1, 2019.

Hereford Funds

Performance

The performance per share class was calculated by comparing the net assets per share as at September 30, 2018 with the net assets per share as at September 30, 2019.

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, 2019, performances were the following:

Class	Currency	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	4.68%	14.20%	25.12%
BI	USD	5.41%	14.99%	26.00%
D	USD	4.12%	13.60%	24.44%
U	USD	4.69%	14.20%	25.11%
Hereford Funds - DGHM US All-Cap Value Fund				
AI	USD	-3.07%	5.04%	12.50%
BI	USD	-2.24%	5.70%	13.02%
D	USD	-3.59%	4.49%	11.89%
Hereford Funds - DGHM US MicroCap Value Fund				
AI	USD	-6.34%	0.38% *	-
L	USD	-5.60%	8.32%	22.18%
Hereford Funds - Bin Yuan Greater China Fund				
CI	USD	4.05% *	-	-
CB	USD	-1.94% *	-	-
L1	USD	5.08%	-14.23% *	-
L2	USD	5.59%	-14.16% *	-

* 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, 2019, 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.

