Signatory of: PRI Principles for Responsible Investment

SFDR status as of March 2021: Article 8

HF Hereford Funds

DSM US Large Cap Growth Sub-Fund

Class B - June 2023

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.14% for the month of June compared to a 6.84% return for the Russell 1000 Growth Index and a 6.61% return for the S&P 500 both including dividends. At the end of June, the Sub-Fund was invested in the technology, financials, consumer discretionary, communication services, health care, industrials, materials and consumer staples sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 270bps. This was primarily the result of the Manager's selections in technology. The Manager's selections in consumer discretionary and underweight of the sector also detracted from performance. The Manager's selections in financials and overweight of the sector versus the benchmark benefited performance. In June, the positions that contributed the most to the portfolio's return were Adobe, NVIDIA, Amazon.com, Intuit and Visa. The positions that contributed the least in the month were EPAM Systems, SolarEdge Technologies, Alphabet, UnitedHealth Group and Arista Networks. As highlighted previously, not owning Apple and Tesla continues to contribute to the relative underperformance of the portfolio.

Manager's Commentary

In the Manager's view the economic outlook in the United States and Europe will be determined by how quickly inflation declines as a result of Federal Reserve and ECB tightening. The more rapidly inflation falls, the lower the pressure on both the Federal Reserve and ECB to continue to raise rates, thereby enhancing the potential for a "soft landing" or "muddle through" economic outcome. Despite higher interest rates, moderately slower consumer spending, and pressure in the financial sector, estimates for US GDP growth in 2023 have steadily risen since reaching a low last December. While 1.3% annual GDP growth is hardly robust, it may suggest a muddle through scenario rather than the recession that many economists and market observers have predicted since last summer. Furthermore, money supply growth, as measured by M2, remains in negative territory and is likely the catalyst behind the US CPI's deceleration in May to a 4.0% annual rate.

Europe's macroeconomic outlook remains more tenuous than the US, but as noted previously, Europe may also muddle through. The good news is that the ECB's much tighter money supply growth may have resulted in sharply lower producer prices over the past couple of months. Of course, lower inflation is supporting profits in Europe's critical manufacturing sector as are much lower natural gas prices, which are also helping consumers and businesses recover some of their spending power. Unfortunately, retail sales in Germany have been disappointing and manufacturing PMIs have sunk into the low to mid-40's range for many countries. The Bank of England, where inflation remains stubbornly high, and the European Central Bank persist on paths to higher interest rates, the impact of which won't be fully reflected until well into 2024.

In early October of last year, DSM began discussing their belief that the market had more upside potential than downside risk. Since October, the market has increased well over 20%, driven by continued news of falling inflation and the possibility that the rate hike cycle from the Federal Reserve and the European Central Bank are much nearer the end then the beginning. The Manager's view remains that the odds are on the side of the buyer. Lower inflation diminishes the necessity for additional rate hikes, moderates the absolute level of interest rates, stabilizes the value of bank balance sheets, and enhances the general economic outlook, all of which raise the market's valuation.

DSM remains focused on the firm's investment process and on generating attractive long-term returns for clients. They believe the portfolio's underperformance in 2023 is largely due to the market's focus on a few very large technology companies. As inflation declines, investor confidence should increase and the market's upturn should broaden to include the strong and predictable earnings growth businesses that characterize the portfolio, including all holdings, not just those that are amongst the largest technology companies in the world. Encouragingly, the portfolio's revenue and earnings growth in the first quarter was quite strong at 13% and 26% respectively. Despite a challenging economic environment, the portfolio's holdings are largely generating the earnings growth the Manager expected and should continue to going forward, in part driven by further investments in Artificial Intelligence (AI). Over the past year DSM has initiated a number of new positions with significant leverage to AI technology and has also added to several existing positions while continuing to hold Microsoft, Alphabet and Amazon.com, which are all highly levered to the rollout of AI across the global economy. For this reason, the Manager believes the current portfolio likely represents the highest quality portfolio of businesses they have ever owned with perhaps the highest growth potential.

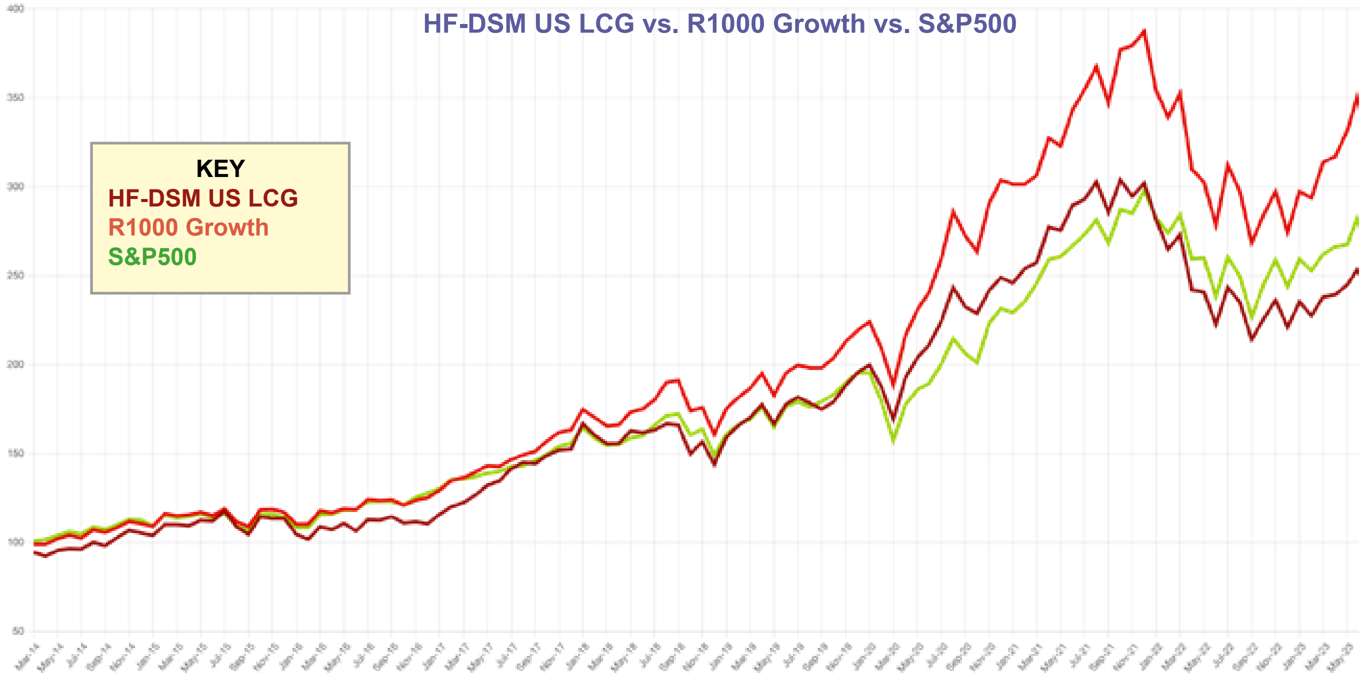
Key Information

NAV B Shares (30/6/23)	US$ 244.9	Strategy Assets	US$ 5,653.7[(a)]
Total Fund Size (all share classes)	US$ 67.9m	Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
HF-DSM US LCG	6.3	(3.3)	4.6	0.5	2.3	4.1							15.3
Russell 1000 Growth[(c)]	8.3	(1.2)	6.8	1.0	4.6	6.8							29.0
S&P 500[(c)]	6.3	(2.4)	3.7	1.6	0.4	6.6							15.9

Period Perf (%)	2022	2021	2020	2019	2018	2017	2016	2015	2014	Cumulative	Annualised
HF-DSM US LCG Returns[(b)]	(26.8)	21.3	27.2	35.9	(5.6)	37.8	(2.6)	7.8	11.5	144.9	10.17%
Russell 1000 Growth[(c)]	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	254.1	14.51%
S&P 500[(c)]	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	185.1	11.88%



HF Hereford Funds

Top Ten Holdings	
Accenture	Intuit
Adobe	Microsoft
Alphabet (Cl. A)	NVIDIA
Amazon.com	SolarEdge Technologies
Autodesk	Visa

Sectoral Breakdown	% of Assets
Information Technology	49.2%
Financials	21.1%
Health Care	7.2%
Consumer Discretionary	6.9%
Communication Services	6.3%
Industrials	2.7%
Materials	2.2%
Consumer Staples	1.9%

Investment Objective

The investment objective of the HF-DSM US LCG is to provide capital appreciation principally through investments in US-based growing corporations with market capitalizations generally above US$ 5 billion. These companies are chosen for their growth prospects, attractive returns, solid business fundamentals and intelligent management. The sub fund may, on an ancillary basis, invest in US-based companies with lower market capitalizations as well as in non-US based companies. The Compartment may invest in American Depository Receipts and American Depository Shares. The reference benchmark for this strategy is the Russell 1000 Growth Index.

Fund Codes	
Bloomberg	DSMUSLA LX
ISIN	LU0327604228
Reuters	LP65102015
Sedol	B28TLX2
	3504726
WKN	A0M58T

Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Volatility	n/a	15.7	16.1
Sharpe Ratio	n/a	0.5	0.5
Information Ratio	n/a	-0.2	
Tracking Error	n/a	6.3	
Beta	n/a	0.9	
Alpha	n/a	-0.1	

Fund Details	
Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC 7111 Fairway Drive, Suite 350, Palm Beach Gardens, FL 33418
Management Company	FundPartner Solutions (Europe) S.A. 15, Avenue John F Kennedy, L-1855 Luxembourg
Custodian	Pictet & Cie (Europe) S.A. 15A, Avenue John F Kennedy, L-1855 Luxembourg
Legal Advisers	Elvinger, Hoss & Prussen 2 Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte Audit S.à,r,l. 560 Rue de Neudorf, L-2220 Luxembourg

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or SWIFT PICTLULXTAS

(a) This refers to the total assets invested in the reference strategy managed by the Investment Manager.
(b) Data and graph depict DSM Composite through November 2007 and Hereford Funds DSM US Large Cap Growth Fund Class A thereafter. Historical gross performance of DSM Large Cap Composite returns (the Reference Strategy) is net of modeled fee and expense typical of Hereford Funds DSM US Large Cap Growth Fund Class A (1.25% fee + 0.25% expense). Fund follows same strategy. Performance presentation incomplete without accompanying footnotes as shown at www.dsmcapital.com.
(c) Total return including dividends.
(d) The fund is registered with the BaFin for public distribution in Germany from 17/10/12, registered with the AFM for public distribution in the Netherlands and registered with the AMF for public distribution in France.
(e) Share Class U has been granted Reporting Status by HMRC as of October 1, 2010.
(f) Share Class D is German tax registered from October 1, 2010.

Annual Management Charge	
Share Class A & U[e]	1.25%
Share Class D[f]	1.75%

Minimum Investment	
Share Class A & U[e]	$100,000 initial / $10,000 subsequent
Share Class D	$10,000 initial / $1,000 subsequent

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