

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (0.29)% for the month of August compared to a (0.50)% return for the Russell 1000 Growth Index and a 0.14% return for the S&P 500 including dividends. At the end of August, the Fund was invested primarily in the technology, health care and consumer discretionary sectors, with smaller weights in the financials, consumer staples and industrials sectors.

For the month, the Fund exceeded the benchmark by approximately 20 bps. This was primarily the result of the Manager's selections in the technology sector as well as the Manager's overweight in technology versus the benchmark. In August, the best performing positions in the portfolio were Alibaba Group, Tencent Holdings, Adobe Systems, Priceline and FleetCor. The worst performers for the month were Bristol-Myers Squibb, Allergan, Dollar Tree, Celgene and Regeneron Pharmaceuticals.

Manager's Commentary

Performance over the first half of this year was disappointing. However, DSM's portfolio has begun to rebound from the underperformance during the third quarter. We believe our rebound is driven by the strong revenue and earnings growth during the first and second quarter in the businesses that underlie the stocks in the portfolio. We estimate that for the portfolio as a whole, weighted average revenue and earnings growth was 25% and 21% respectively in the second quarter, compared to 14% and 18% in the first quarter. The first quarter and second quarter rates are consistent with the revenue and earnings growth experienced during all of 2015. We expect similar revenue and earnings growth over the last half of 2016 as well.

We continue to believe that global investors are using equities with yield as substitutes for western world and Japanese government bonds, whose yields are negative or minimal. This extraordinary situation has developed because slow global growth in recent years has caused the Federal Reserve, European Central Bank, Bank of England and Bank of Japan to manage interest rates downward to levels rarely, if ever, experienced in the United States, Europe and Japan. Relatively higher US interest rates, along with the comparatively stronger US economy, combined with the perceived negative economic impact of Brexit on Europe's economy, have caused the dollar to strengthen. These factors are causing global investors in search of income to aim capital at the United States. Certainly, dollar based investors are also seeking investments with yield.

Over the short run stocks will respond to emotion, but over the long run, stocks are driven by earnings and rational valuations. This year we believe that historically unprecedented low rates are causing investors in search of income to bid up the prices of yield stocks to sometimes extreme, and therefore risky, valuations. At DSM, our investment team remains focused on quality/predictable businesses and the appropriate valuation at which to invest in them. Inevitably we believe that logic and rationality will prevail and the DSM portfolio, driven by a growing stream of earnings, can move higher. Accordingly, our focus remains on earnings, and we note again that earnings reports were very solid.

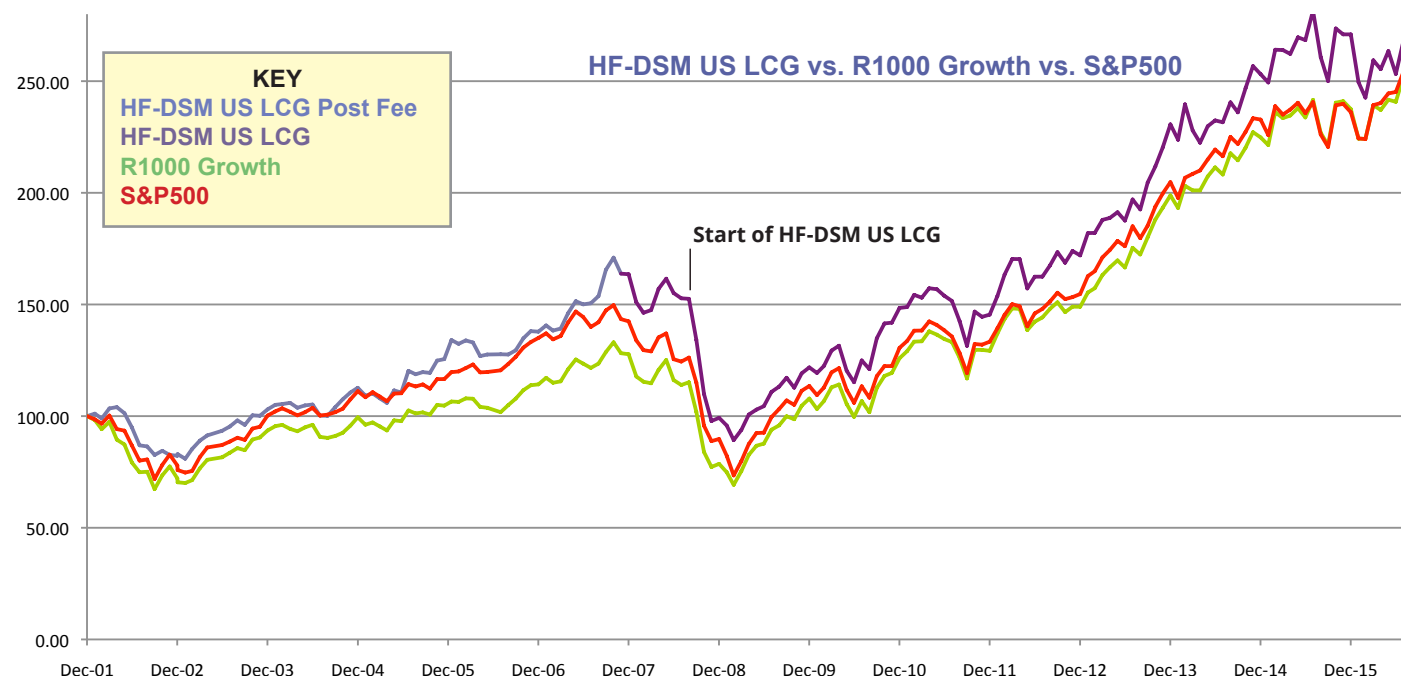
Key Information

NAV A Shares (31/07/16) US\$ 163.21
Total Fund Size (all share classes) US\$ 99.0m

Strategy Assets US\$ 4,767.3m^(a)
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	(7.9)	(2.8)	6.9	(1.5)	3.2	(3.9)	5.88	(0.29)					(1.3)
Russell 1000 Growth^(c)	(5.6)	0.0	6.7	(0.9)	1.9	(0.4)	4.72	(0.5)					7.8
S&P 500^(c)	(5.0)	(0.1)	6.8	0.4	1.8	0.3	3.69	0.14					5.6

Period Performance (%)	YTD	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	Cumulative	Annualised
HF-DSM US LCG Returns^(b)	(1.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	167.3	6.93%
Russell 1000 Growth^(c)	7.8	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	150.9	6.47%
S&P 500^(c)	5.6	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	154.6	6.58%



Top Ten Holdings

Adobe Systems	Electronic Arts
Alibaba Group	Facebook
Allergan	Priceline Group
Alphabet (Cl. A & C)	Visa
Celgene	Zoetis

Sectoral Breakdown	% of Assets
Information Technology	45.2%
Health Care	20.8%
Consumer Discretionary	19.9%
Financials	7.3%
Consumer Staples	3.7%
Industrials	2.0%

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 Depositary Receipts and American Depositary Shares. The reference benchmark for this strategy is the Russell 1000 Growth Index.

Fund Codes	Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	Volatility	n/a	14.9	14.9
ISIN	Sharpe Ratio	n/a	0.4	0.4
Reuters	Information Ratio	n/a	0.1	
Sedol	Tracking Error	n/a	6.6	
	Beta	n/a	0.9	
WKN	Alpha	n/a	1.1	

Fund Details

Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC 116 Radio Circle Drive, Suite 200, Mount Kisco, NY 10549, USA
Management Company	BSI Fund Management S.A. 44F, rue de la Vallée, L-2661 Luxembourg
Custodian	BSI Europe S.A. 122, Rue Adolphe Fischer L-1521 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

Order Transmission Information

Original Applications To:

UBS Fund Services
Attn.: Transfer Agent
33a avenue J.F. Kennedy
L-1855 Luxembourg

Subsequent Applications Only Via Facsimile:

UBS Fund Services
Attn.: Transfer Agent
Fax : (+352) 4410106417
Tel: (+352) 4410106404
Email: sh-ubsfsl-transferagent@ubs.com

- This refers to the total assets invested in the reference strategy managed by the Investment Manager.
- 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.
- Total return including dividends.
- 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.
- Share Class U has been granted Reporting Status by HMRC as of October 1, 2010.
- Share Class D is German tax registered from October 1, 2010.

France - Centralizing Correspondent as defined by French Regulation:
Société Générale - Order Desk, 32, avenue du Champ de Tir, BP 81236, F-44312 Nantes Cedex 3
Phone: +33/2.51.85.66.40, Fax: +33/2.51.85.58.71

Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
Société Générale, Zurich Branch, Talacker, 50, P.O. Box 1928, CH-8021 Zurich
Phone: +41/58.272.34.18 Fax: +41/58.272.35.49

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

This document is for information purposes only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined for each investor, and this fund may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Investors should consult professional advisers to evaluate this information. An investment should be made only on the basis of the Prospectus, the annual and any subsequent semi-annual reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained from the Fund, from BSI Fund Management S.A., 44F, rue de la Vallée, L-2661 Luxembourg, and any distributor or intermediary appointed by the Fund. No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Earnings projections are not guarantees of future results and there is no representation that the securities discussed were or will be profitable. Investors should be aware that the value of investments can fall as well as rise and that they may not recover the full amount invested. Past performance is no guide to future performance. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the Prospectus of the Fund. While great care is taken to ensure that this information is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document. Full details of the investment policy and objectives are stated in the Prospectus.