

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (0.01)% for the month of December compared to a (1.47)% return for the Russell 1000 Growth Index and a (1.58)% return for the S&P 500 including dividends. At the end of December, the Fund was invested primarily in the technology, health care and consumer discretionary sectors, with smaller weights in the financials, industrials and consumer staples sectors.

For the month, the Fund exceeded the benchmark by approximately 140 bps. This was primarily the result of the Manager's selections in the consumer discretionary sector, as well as the Fund's overweight in health care versus the benchmark. In December, the best performing positions in the portfolio were Celgene, Alexion Pharmaceuticals, Dollar General, Royal Caribbean Cruises and Intuitive Surgical. The worst performers for the month were Cognizant Technology Solutions, Affiliated Managers Group, NXP Semiconductors, FleetCor Technologies and Alibaba Group.

Manager's Commentary

DSM's long-standing multi-year global economic outlook of stable 3% type growth remains unchanged, with slow global growth, low inflation and low interest rates quite probable. For 2016, we believe the United States will grow about 2%; China will grow faster; and Europe and Japan will grow just 1% or so. We expect that growth will be uneven and recovery from the global financial crisis of 2008 and 2009 will continue to limit GDP expansion, but with western world economies generally showing modest strength and stability, we do not see a global or western world recession as likely. The 70% decline in the price of oil over the past two years remains a benefit to economic activity. The combination of massive central bank easing over the last few years, combined with the "cash bonus" provided by declining oil prices are real and substantial positives.

We believe that 2015's solid performance was driven by the portfolio's revenue and earnings growth during the year. Although fourth quarter earnings have not yet been reported, we believe our expectations of low double-digit revenue growth and high-teens earnings growth, excluding the impact of the dollar's appreciation, have been met. Our focus remains on unique businesses with modest economic sensitivity, strong secular growth characteristics and outstanding financial characteristics. Core to our investment process has always been the belief that if the portfolio generates earnings growth largely as expected, then the value of the businesses in the portfolio, as represented by their stock prices, will be driven upward. We are looking forward to fourth quarter earnings reports, which begin in a few weeks and often include management commentary on expectations for the upcoming year.

Given the current global economy, we believe our portfolio of quality growth companies, nearly one-third of which have contractual relationships with their customers, will be very well positioned. As we have described previously, the Fund's portfolio has been constructed based on our view of slow growth in the US, faster growth in the emerging markets and fractional growth in Europe and Japan. Additionally, the portfolio holdings remain characterized by strong balance sheets and significant free cash flow.

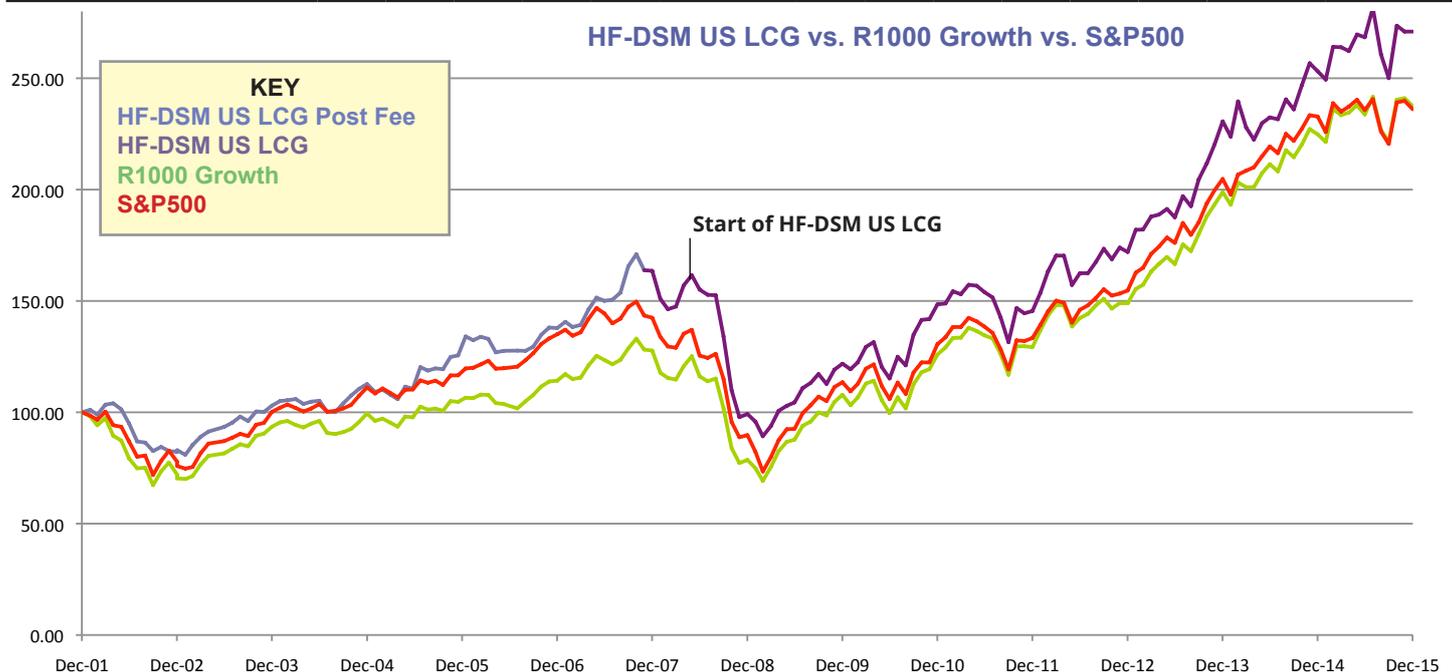
Key Information

NAV A Shares (31/12/15) US\$ 165.37
Total Fund Size (all share classes) US\$ 121.3m

Strategy Assets US\$ 5,058.6m^(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	-1.5	5.9	-0.1	-0.7	2.8	-0.5	4.9	-7.4	-4.1	9.4	-1.0	0.0	7.0
Russell 1000 Growth ^(c)	-1.5	6.7	-1.1	0.5	1.4	-1.8	3.4	-6.1	-2.5	8.6	0.3	-1.5	5.7
S&P 500 ^(c)	-3.0	5.7	-1.6	1.0	1.3	-1.9	2.1	-6.0	-2.5	8.4	0.3	-1.6	1.4

Period Performance (%)	YTD	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	149.4	7.38%
Russell 1000 Growth ^(c)	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	121.4	6.37%
S&P 500 ^(c)	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	125.8	6.33%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Celgene
Alexion Pharmaceuticals	Cognizant Technology Solutions
Alibaba Group Holding	Dollar General
Allergan	Facebook
Alphabet (Cl. A & C)	Priceline Group

Sectoral Breakdown	% of Assets
Information Technology	39.0%
Health Care	30.3%
Consumer Discretionary	16.8%
Financials	5.9%
Industrials	4.8%
Consumer Staples	2.9%

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	14.8	15.0
Sharpe Ratio	n/a	0.4	0.3
Information Ratio	n/a	0.2	0.1
Tracking Error	n/a	6.6	
Beta	n/a	0.9	
Alpha	n/a	1.6	

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

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

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.

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