

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.1% for the month of February compared to a 3.58% return for the Russell 1000 Growth Index and a 3.21% return for the S&P 500 both including dividends. At the end of February, the Sub-Fund was invested in the technology, health care, communication services and consumer discretionary sectors, with smaller weights in the financials, consumer staples and industrials sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 55bps. This was primarily the result of the Manager's selections in the technology sector. The Manager's selections in health care also benefitted performance. In February, the positions that contributed the most to the portfolio's return were Alibaba Group, Microsoft, Intuit, Monster Beverage and PayPal Holdings. The positions that contributed the least in the month were Tencent Holdings, Facebook, Booking Holdings, Amazon.com and Neurocrine Biosciences.

Manager's Commentary

Thus far in 2019 the Sub-Fund portfolio has rebounded strongly from 2018's underperformance. Through the first two months of 2019 the portfolio is well ahead of the relevant indices, driven by the compressed valuations at the end of 2018, as well as by continued earnings growth this year. In the Manager's view, portfolio valuations remain depressed while earnings remain strong making this an opportune moment to add to this portfolio of premier quality growth businesses.

The portfolio is outperforming in 2019 as last year's worries of a US-China trade war, slowing global economic growth and rising interest rates have dissipated. In addition, the issues surrounding long-standing DSM holdings Facebook, Tencent and Alibaba, which affected performance last year, appear to be dissipating as well. As such, the Manager expects performance to continue to rebound driven by solid earnings growth and a less turbulent macroeconomic outlook going forward.

Given ongoing growth in the United States, China and Europe, DSM believes global economic growth will approximate or perhaps exceed 3% in both 2018 and 2019. With steady economic growth, low inflation (which allows interest rates to remain moderate), reasonable valuations (which are typical in a low inflation world) and longer term global corporate earnings growth in the 4% to 7% range, the Manager projects that global equity markets will continue to generate an annual total return over the coming years in the 5% to 9% range.

The global economy and global markets have climbed a "wall of worry" over the past ten years. The Manager views the markets' bumps and grinds as a normal process of investors reacting to, and then slowly digesting, both current events and policy change, particularly concerning trade. Investors don't like change. It is unsettling and often results in irrational trading, especially after several years of substantial appreciation. However, over time investors adjust and the market, driven by solid fundamentals, moves higher. Critically, in DSM's view, 2018's earnings growth combined with last year's market decline have created market valuations that are very attractive given a slow growth/low inflation global economy. Furthermore, the Manager is optimistic that the portfolio's performance will continue to rebound because DSM's investment approach is built on the simple concept that "Earnings Win". Over time, businesses appreciate in value as their earnings grow. DSM's portfolio earnings have grown largely as expected over these past years, however, clients have not been compensated in stock appreciation for the economic value that has been created by this earnings growth. The Manager believes that portfolio returns should reflect this robust growth in earnings.

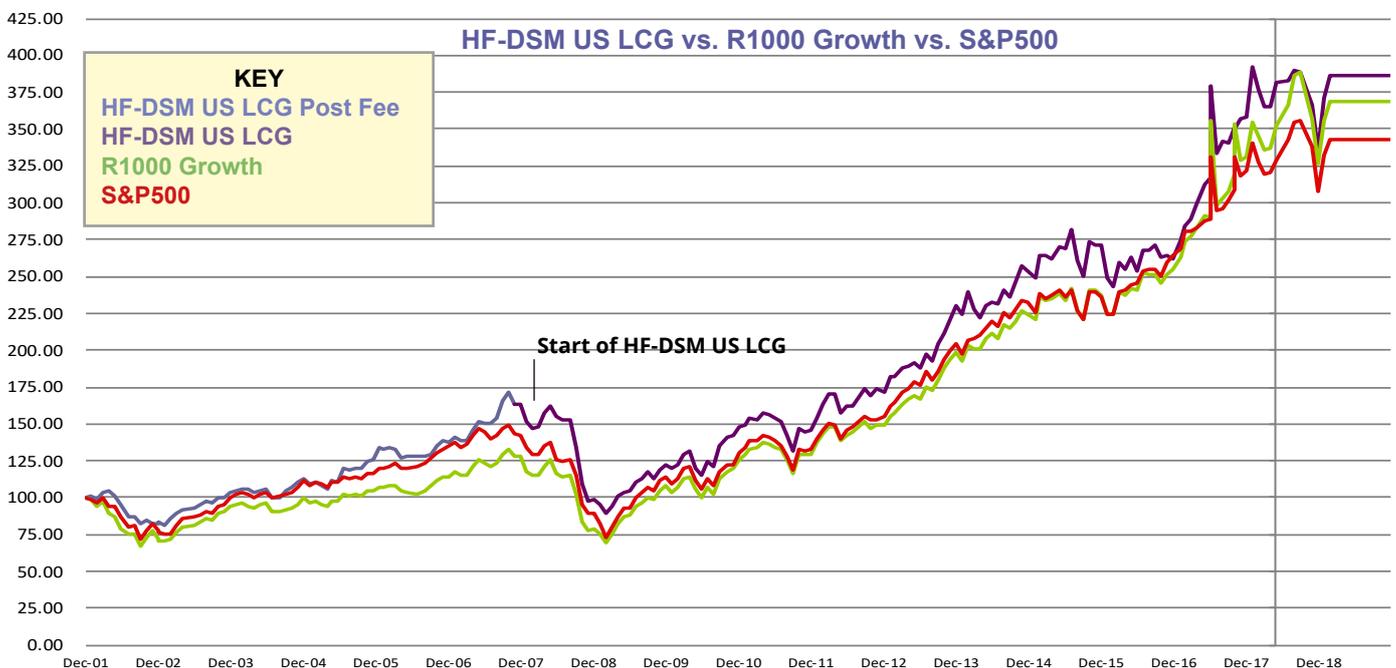
Key Information

NAV A Shares (28/2/19) US\$ 236.05
Total Fund Size (all share classes) US\$ 79.0m

Strategy Assets US\$ 5,364.4m^(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	10.5	4.1											15.0
Russell 1000 Growth ^(c)	9.0	3.6											12.9
S&P 500 ^(c)	8.0	3.2											11.5

Period Performance (%)	2018	2017	2016	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	-6.2	36.8	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	286.7	7.80%
Russell 1000 Growth ^(c)	-1.5	30.2	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	243.3	7.52%
S&P 500 ^(c)	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	268.6	7.09%



HF Hereford Funds

Top Ten Holdings	
Adobe	Monster Beverage
Alibaba Group	MSCI Inc.
Alphabet (Cl. A)	PayPal Holdings
Facebook	Tencent Holdings
Microsoft	Visa

Sectoral Breakdown	% of Assets
Information Technology	33.0%
Health Care	20.6%
Communication Services	18.2%
Consumer Discretionary	16.9%
Financials	5.2%
Consumer Staples	4.7%
Industrials	1.1%

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	14.6
Sharpe Ratio	n/a		0.5	0.5
Information Ratio	n/a		0.1	
Tracking Error	n/a		6.5	
Beta	n/a		0.9	
Alpha	n/a		1.0	

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

Order Transmission Information

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Via Fax +352 46 71 71 7667
or SWIFT PICTLULXTAS

- 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.

Annual Management Charge	
Share Class A & U ^(e)	1.25%
Share Class D ^(f)	1.75%

France - Centralizing Correspondent as defined by French Regulation:
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Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
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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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