

## DSM US Large Cap Growth Sub-Fund Class A - June 2021

### Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 5.1% for the month of June compared to a 6.27% return for the Russell 1000 Growth Index and a 2.33% return for the S&P 500 both including dividends. At the end of June, the Sub-Fund was primarily invested in the technology, communication services and consumer discretionary sectors, with smaller weights in the health care, industrials, consumer staples and financials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 117bps. This was primarily the result of the Manager's selections in the communication services sector, as well as the portfolio's overweight of the sector versus the benchmark. The Manager's selections in health care also detracted from performance. In June, the positions that contributed the most to the portfolio's return were Microsoft, Adobe, NVIDIA, PayPal Holdings and Intuit. The positions that contributed the least in the month were Tencent Holdings, Aon, United Parcel Service, Global Payments and UnitedHealth Group.

### Manager's Commentary

The six-month rebound in Value stocks that began in September of last year appears to have at least paused, and possibly ended, in March of this year. From March 8, 2021 through June 30, 2021, the Russell 1000 Growth Index has outperformed the Russell 1000 Value Index by more than 1100 bps. The Value rebound was not surprising considering its severe underperformance earlier in 2020, and many previous years of lagging the growth indices. COVID-19 had a particularly negative effect on the earnings of many "Value" companies, thus it was to be expected that as the impact of the virus receded, "Value" companies would return to their pre-covid levels. While it is certainly possible that Value can begin to outperform Growth at any point in time, perhaps at this stage the market is neutral in its preference between the two.

The Manager believes that after the potential of an economic recovery is largely factored into the intermediate and long-term earnings and prices of "Value" companies, the outlook for these businesses will remain subdued. This is a direct result of the digital/internet/microprocessor world we live in today. Technology creates productivity, which in turn generates constant pricing pressure across all industries, resulting in low inflation. During the decade or more leading up to the COVID-19 pandemic, the global economy was characterized by slow growth, low inflation and low interest rates, which was an inhospitable environment for Value stocks. As the world normalizes post-pandemic, the Manager expects a similar economic environment to gradually re-occur.

The global economy has experienced a significant rebound over the past nine months, albeit unevenly, driven by the rollout of the COVID-19 vaccines. However, in many countries coronavirus trends remain problematic, particularly in emerging markets. The accelerating transmission of the Delta variant is worrisome and is leading to additional lockdowns throughout the world, potentially placing the global economic recovery in jeopardy. This variant is also calling into doubt the effectiveness of the vaccines, creating significant concerns. At this time, the Manager expects the world economy to continue to improve, but the Delta variant does create an additional hurdle to overcome.

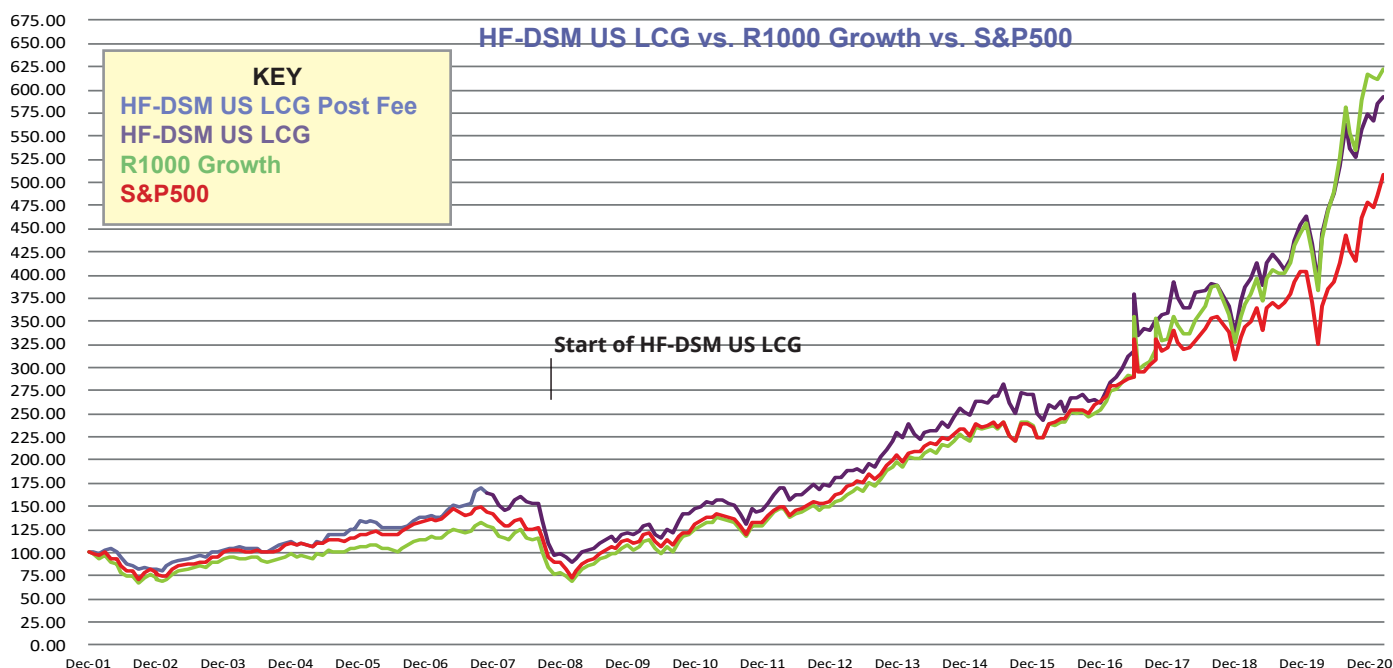
### Key Information

NAV A Shares (30/6/21) US\$ 405.81  
Total Fund Size (all share classes) US\$ 100.6m

Strategy Assets US\$ 8,470.1m<sup>(a)</sup>  
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	(1.3)	3.3	1.3	7.7	(0.8)	5.1							15.9
Russell 1000 Growth <sup>(c)</sup>	(0.7)	(0.02)	1.7	6.8	(1.4)	6.3							13.0
S&P 500 <sup>(c)</sup>	(1.0)	2.8	4.4	5.3	0.7	2.3							15.3

Period Performance (%)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	26.4	35.0	(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	564.7	9.93%
Russell 1000 Growth <sup>(c)</sup>	38.5	36.4	(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	451.5	10.19%
S&P 500 <sup>(c)</sup>	18.4	31.3	(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	597.0	8.91%



## Top Ten Holdings

Adobe	Intuit
Alibaba Group	Microsoft
Alphabet (Cl. A)	PayPal Holdings
Amazon.com	Tencent Holdings
Facebook	Visa

## 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	
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	15.2	15.3
Sharpe Ratio	n/a	0.6	0.6
Information Ratio	n/a	-0.0	
Tracking Error	n/a	6.3	
Beta	n/a	0.9	
Alpha	n/a	0.7	

Sectoral Breakdown	% of Assets
Information Technology	45.2%
Communication Services	22.7%
Consumer Discretionary	14.8%
Health Care	8.6%
Industrials	3.8%
Consumer Staples	2.0%
Financials	2.0%

## 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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L-1855 Luxembourg

Via Fax +352 46 71 71 7667  
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](http://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 <sup>(e)</sup>	1.25%
Share Class D <sup>(f)</sup>	1.75%

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:  
FundPartner Solutions (Suisse) SA (route des Acacias 60, 1211 Geneva 73, Switzerland) as Swiss representative and Banque Pictet & Cie SA (route des Acacias 60, 1211 Geneva 73, Switzerland) as Swiss paying agent.

## Minimum Investment

Share Class A & U <sup>(e)</sup>	\$100,000 initial / \$10,000 subsequent
Share Class D	\$10,000 initial / \$1,000 subsequent

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