

## Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 3.18% for the month of May compared to a 1.94% return for the Russell 1000 Growth Index and a 1.80% return for the S&P 500 including dividends. At the end of May, 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 124 bps. This was primarily the result of the Manager's selections in the health care sector. The Manager's selections and underweight in consumer staples also benefitted performance. In May, the best performing positions in the portfolio were Allergan, Tencent Holdings, Dollar General, Alphabet and NXP Semiconductors. The worst performers for the month were Priceline Group, FleetCor Technologies, Starbucks, MasterCard and Bristol-Myers Squibb.

## Manager's Commentary

DSM's multi-year global economic outlook of stable 3% growth remains unchanged, although we continue to suspect that 2016 growth might fall a bit short of that target. In the United States, slowly rising wages, growing employment and stable consumer spending may enable 2016 GDP growth to exceed 2%. We remain "cautiously optimistic" that economic growth in China, also driven by spending by the consumer, will continue in the 6% range. The US and China remain the primary engines of global growth, while Europe will likely approximate 1% growth and Japan's economic outlook continues to indicate fractional growth at best, with near zero inflation an ongoing challenge. While the United Kingdom was a bright spot with growth possibly nearing that of the US, the upcoming Brexit vote may cause the UK economy to pause. The upcoming election in the United States has also become controversial, creating political risk here as well. With global GDP growth slow and inflation non-existent, we expect a measured pace of rate increases from the Federal Reserve, while most central banks around the world remain very accommodative. Given these circumstances, we expect a long, slow global growth cycle to persist.

We have constructed the portfolio based on this view of slow growth in the US, faster growth in the emerging markets, primarily China, 1% growth in Europe and fractional growth in Japan. Our strategy continues to focus on investments in businesses that we believe generate the majority of their revenue in North America and Asian emerging market economies. At this time, emerging markets account for approximately 20% of weighted portfolio revenue, with North America at approximately 53%. We estimate that other developed markets account for 6% of revenue, and therefore the portfolio's revenue exposure to Europe approximates 21%.

We believe that while many well-publicized geopolitical risks remain of concern to investors, the positive scenario of an improving and increasingly stable global financial system, low inflation, steady/slow global economic growth, low interest rates and growing corporate earnings (excluding commodity-related companies) continues to form the foundation of an upwardly driven equity market. In our view, with the exception of energy, banking and commodity-related businesses, corporate profits remain reasonably solid. Therefore, we believe the recent market downturn was more the result of a fear of recession, rather than actual reductions in earnings. Although the appreciating dollar has caused some shortfalls in reported earnings, underlying business trends are generally steady.

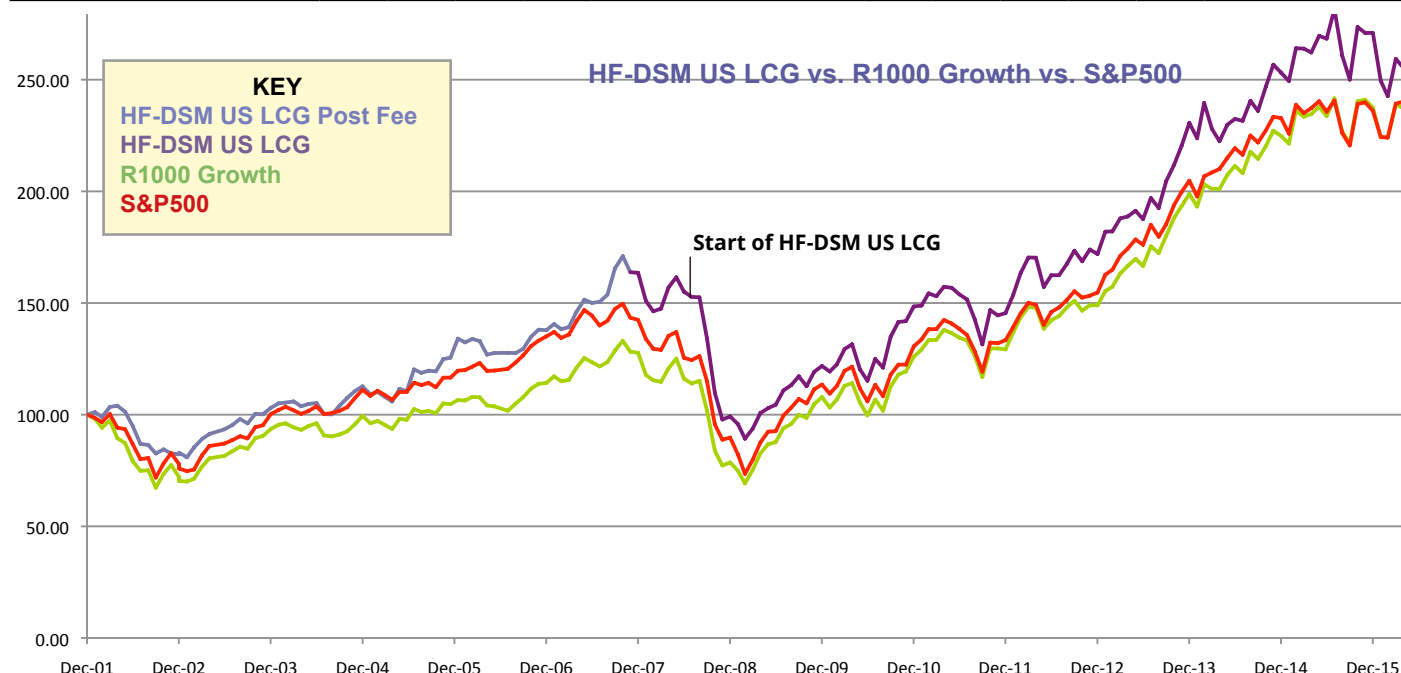
## Key Information

NAV A Shares (31/03/16) US\$ 160.8  
Total Fund Size (all share classes) US\$ 103.6m

Strategy Assets US\$ 4,862.1m<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	(7.9)	(2.8)	6.9	(1.5)	3.2								(2.8)
Russell 1000 Growth <sup>(c)</sup>	(5.6)	0.0	6.7	(0.9)	1.9								1.8
S&P 500 <sup>(c)</sup>	(5.0)	(0.1)	6.8	0.4	1.8								3.6

Period Performance (%)	YTD	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	(2.8)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	155.3	6.95%
Russell 1000 Growth <sup>(c)</sup>	1.8	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	137.1	6.31%
S&P 500 <sup>(c)</sup>	3.6	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	140.2	6.40%



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

Sectoral Breakdown	% of Assets
Information Technology	43.9%
Health Care	24.0%
Consumer Discretionary	19.3%
Financials	5.6%
Consumer Staples	3.5%
Industrials	3.1%

## 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 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	DSMUSLA LX	Volatility	n/a	14.9	15.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.6	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.2	

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](http://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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Annual Management Charge	
Share Class A & U <sup>(e)</sup>	1.25%
Share Class D <sup>(f)</sup>	1.75%

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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