

## Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 9.43% for the month of October compared to a 8.61% return for the Russell 1000 Growth Index and a 8.44% return for the S&P 500 including dividends. At the end of October, 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 80 bps. This was primarily the result of the Manager's selections in the health care and technology sectors, as well as the Fund's overweight in technology versus the benchmark. In October, the best performing positions in the portfolio were Alibaba Group, Priceline Group, Alphabet (formerly Google), Facebook and Allergan. The worst performers for the month were Stericycle, NXP Semiconductors, Dollar General, IMS Health Holdings and Dollar Tree.

## Manager's Commentary

We believe this rebound in performance is due to strong underlying earnings fundamentals. Third quarter earnings in the portfolio appear thus far to be solid, as our holdings are in 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 portfolio should increase as well.

In recent years, the portfolio's holdings have grown earnings in excess of 20% annually. Going forward, we expect earnings growth at a high-teens rate, which compares to the S&P 500 earnings growth of approximately 6%. Despite earnings growth which is three times the S&P's, the portfolio's calendar year 2016 price earnings ratio is just 21x, compared to the S&P 500 at 16x earnings. Importantly, we believe the earnings of the companies in the portfolio are more predictable and less cyclical than the market as a whole, as the portfolio includes several "business-to-business" global service companies. These holdings, which include Adobe Systems, Cerner, Cognizant Technology Solutions, MasterCard, Nielsen and Visa among others, all share "contractual" relationships with their customers, which feature consistently high annual customer renewal rates between 65% and 90%.

It is our view that the current economic cycle may last longer than expected, albeit at a lower rate of growth than in the past. Therefore we believe that nothing has transpired in the world that reverses or significantly alters our expectations of five to nine percent annual stock market total returns over the next several years. To reiterate our long standing theme: the world economy continues to grow slowly, inflation remains low, interest rates remain very low, central banks remain easy and oil is a big tax cut to the global economy. Our strategy continues to focus on investments in businesses that generate the majority of their revenue in North America and primarily Asian emerging market economies. We believe that the valuation of the portfolio continues to be attractive in the current slow growth economic environment and relative to the market. We also continue to project low double-digit revenue growth this year, excluding the impact of the dollar's appreciation which at this point is moderating. Additionally, the portfolio remains characterized by strong balance sheets and significant free cash flow.

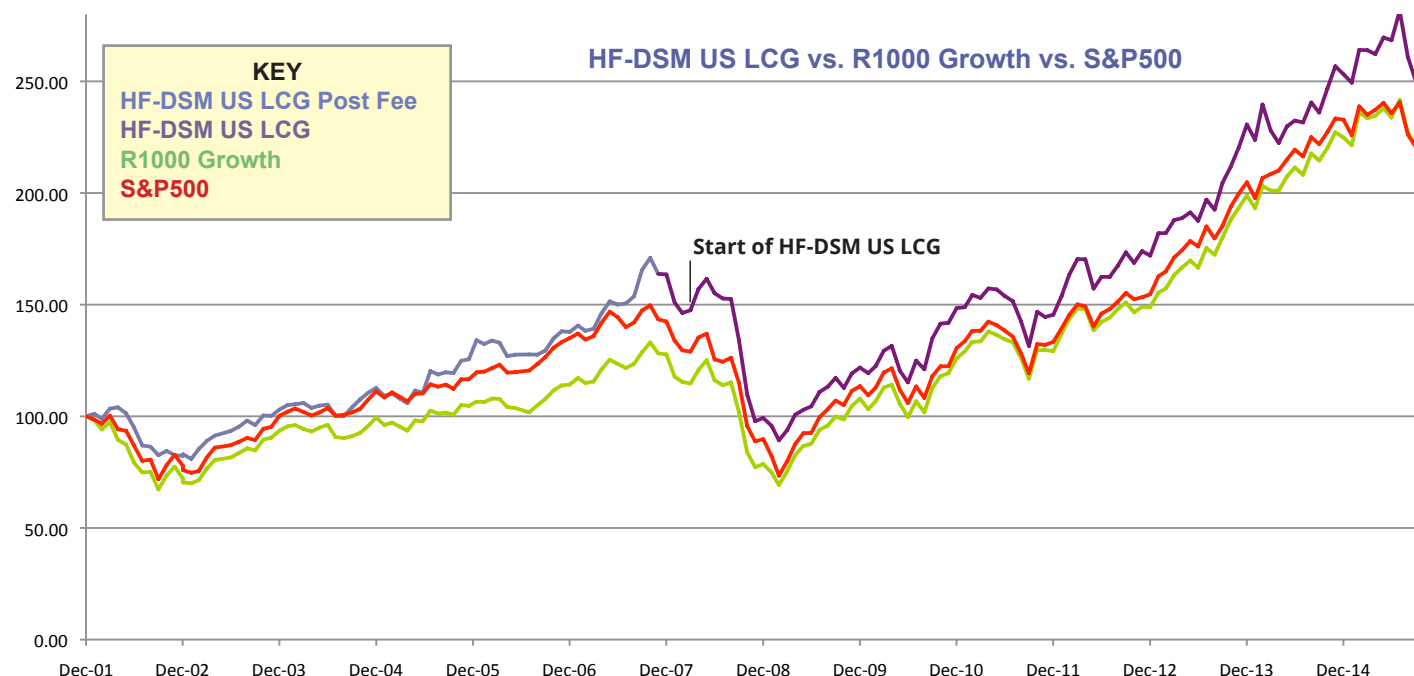
## Key Information

NAV A Shares (31/10/15) US\$ 167.00  
Total Fund Size (all share classes) US\$ 118.6m

Strategy Assets US\$ 5,104.6m<sup>(a)</sup>  
Fund Launch Date 29-Nov-07

Monthly Performance (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>HF-DSM US LCG</b>	-1.5	5.9	-0.1	-0.7	2.8	-0.5	4.9	-7.4	-4.1	9.4			8.1
<b>Russell 1000 Growth<sup>(c)</sup></b>	-1.5	6.7	-1.1	0.5	1.4	-1.8	3.4	-6.1	-2.5	8.6			2.7
<b>S&amp;P 500<sup>(c)</sup></b>	-3.0	5.7	-1.6	1.0	1.3	-1.9	2.1	-6.0	-2.5	8.4			6.9

Period Performance (%)	YTD	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Cumulative	Annualised
<b>HF-DSM US LCG Returns<sup>(b)</sup></b>	8.1	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	7.55%
<b>Russell 1000 Growth<sup>(c)</sup></b>	2.7	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	6.55%
<b>S&amp;P 500<sup>(c)</sup></b>	6.9	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	6.51%



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

Sectoral Breakdown	% of Assets
Information Technology	39.1%
Health Care	32.1%
Consumer Discretionary	15.8%
Financials	5.5%
Industrials	4.4%
Consumer Staples	2.5%

## 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	15.1
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.1	0.1
Sedol	B28TLX2	Tracking Error	n/a	6.6	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	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 <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

## 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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