

**Investment Review**

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated 1.08% for the month of December compared to a 0.88% return for the Russell 1000 Growth Index and a -2.38% return for the S&P 500 both including dividends. At the end of December, the Sub-Fund was invested in the technology, communication services, financials, consumer discretionary, industrials and health care sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 196bps. This was primarily the result of the Manager’s selections in the technology sector. The Manager’s selections in health care benefitted performance in the period. In December, the positions that contributed the most to the portfolio’s return were Alphabet, Arista Networks, Amazon.com, Apple and Neurocrine Biosciences. The positions that detracted the most in the month were Uber Technologies, Advanced Micro Devices, Oracle, Fiserv and Adobe.

**Manager’s Commentary**

Calendar year 2024 was a tale of two halves. During the first half of 2024, the Sub-Fund outperformed both the Russell 1000 Growth Index and the S&P 500. However, over the latter half of 2024 including in December, investors adopted a more aggressive stance in their decision-making and the Sub-Fund underperformed. Given DSM’s more conservative approach to investing this is unsurprising, as the Manager will typically underperform in a more speculative market. Although several technology-related portfolio positions, which had driven the Sub-Fund’s outperformance earlier in the year, were weaker in the second half due to this momentum-driven investing, the Manager remains optimistic that the outlook is very bright for the leading global technology businesses in the portfolio, driven by continued growth in cloud, internet, software, semiconductor and security demand in addition to very well-known AI trends.

During 2024, US equities continued to outperform non-US equities. While many commentators have maintained their long-standing belief that European and Emerging Markets equities would in time outperform US equities as regional market returns revert to historic averages, DSM disagrees. In their view, given the size and ongoing growth of American technology stocks, a “reversion to the mean” is not possible because the companies that comprise the averages have changed dramatically. Although the Manager believes the reality of American technological dominance is finally shifting the mindset of global investors to some extent, many of these investors remain underweight US equities, especially in technology. Furthermore, based on the Manager’s year-end S&P 500 bottoms up growth and valuation analysis, they believe there is greater and more sustainable upside to the US equity market than they had previously thought. In the Manager’s view, US Value, European and Emerging Markets (EM) equities will likely show positive returns in 2025, however with much less earnings growth they will likely struggle to generate comparable equity performance to US Growth.

While Donald Trump’s second-term policies may create some uneasiness amongst investors, as might political uncertainty in France and Germany, the Manager believes, other than slowing global economic growth, few significant economic risks remain thereby creating a relatively clear path to equity market appreciation. That said, they believe that geopolitical risks emanating primarily from Russia, Iran and China remain elevated and should not be ignored, while ever-rising US government debt may one day create a potentially substantial economic dislocation as well.

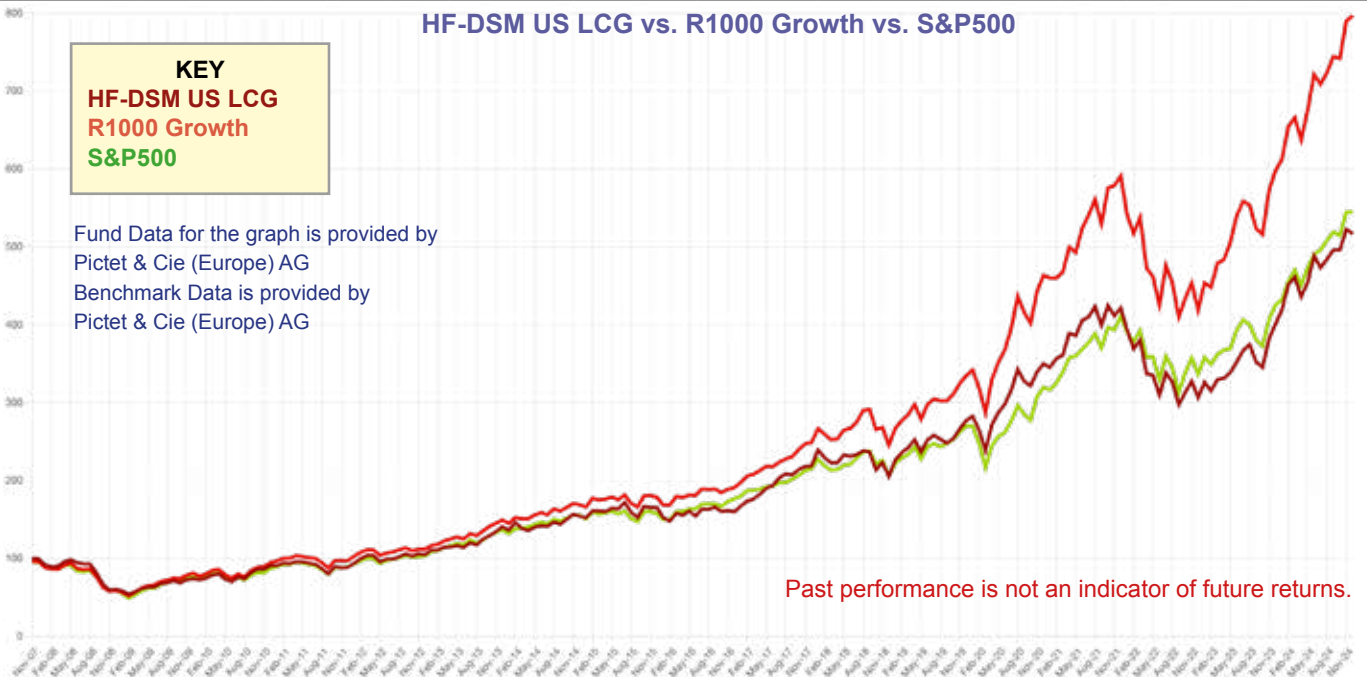
Over the past 96 years, the market, as measured by the S&P 500, has appreciated more than 10% fifty-six times and declined more than 10% just fourteen times. Yet investors spend much of their time trying to minimize the “risk” of this relatively rare occurrence. To the Manager it is obvious that investors should focus on capturing the upside. “Bull markets climb a wall of worry” and in their view the market’s direction remains upward.

**Key Information**

NAV A Shares (31/12/24)	US\$ 517.0	Strategy Assets	US\$ 5,920.3 <sup>(a)</sup>
Total Fund Size (all share classes)	US\$ 85.7 m	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>	4.6	7.8	2.0	(5.9)	4.2	7.5	(3.1)	2.2	2.5	(0.1)	5.3	(1.1)	29.0
<b>Russell 1000 Growth<sup>(c)</sup></b>	2.5	6.8	1.7	(4.3)	6.0	6.7	(1.7)	2.1	2.8	(0.3)	6.5	0.9	33.4
<b>S&amp;P 500<sup>(c)</sup></b>	1.7	5.3	3.2	(4.1)	5.0	3.6	1.2	2.4	2.1	(0.9)	5.9	(2.4)	28.1

Period Perf (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
DSM US LCG Returns <sup>(b)</sup>	30.7	(27.8)	20.5	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	417.4	10.0%
Russell 1000 Growth <sup>(c)</sup>	42.7	(29.5)	27.5	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	697.1	12.9%
S&P 500 <sup>(c)</sup>	26.2	(18.1)	28.6	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	444.7	10.4%



Top Ten Holdings	
Alphabet (Cl. A)	Fortinet
Amazon.com	Intuit
Apple	Meta Platforms
Arista Networks	Microsoft
Fiserv	NVIDIA

Sectoral Breakdown	% of Assets
Information Technology	52.4%
Communication Services	11.8%
Financials	10.3%
Consumer Discretionary	9.4%
Industrials	7.7%
Health Care	7.4%

## 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

The Sub-Fund is actively managed. The benchmark indices of the Sub-Fund are the S&P 500 and the Russell 1000 Growth. They are used for performance comparison purposes. The Investment Manager is not in any way constrained by the benchmark indices in its portfolio positioning. This means the Investment Manager is taking investment decisions without reference to a benchmark index. The Sub-Fund can deviate significantly from the benchmark indices

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.7	16.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.6
Reuters	LP65102015	Information Ratio	n/a	-0.2	
Sedol	B28TLX2	Tracking Error	n/a	6.2	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	-0.0	

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) AG, Succursale de Luxembourg. 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

All Data in this factsheet is provided by Pictet & Cie (Europe) AG, FundPartner Solutions (Europe) S.A. and DSM Capital Partners LLC

Minimum Investment	
Share Class A	\$100,000 initial subscription

Share Class	Mgmt Fees	ISIN	TER	Entry Fee	Exit Fee
A	1.25%	LU0327604228	1.35%*	0%	0%

## This document should be read as a marketing communication.

Risk Disclaimer - This current risk profile is based on historical data and may not be a reliable indication of the future risk profile of the Sub-Fund. - The risk category shown is not guaranteed and may shift over time. - The lowest category, which corresponds to Number 1, cannot be regarded as being risk-free. - The Sub-Fund does not provide any capital guarantee or asset protection measures. Why is this Sub-Fund in this category? The investment objective of the Sub-Fund is to generate long-term capital growth and income by investing in equities and equity-linked securities of US Companies. Hence, the risk/reward profile of the SubFund should correspond to a high risk category on the risk/reward scale. The contents of this document are communicated by, and the property of, Hereford Funds. This document is for information purposes and internal use only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined individually for each investor, and the financial instruments described above may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Please consult your own professional advisers in order to evaluate and judge the matters referred to herein. An investment should be made only on the basis of the prospectus, the Key Information Document (KID) the annual and any subsequent semi-annual-reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained in English from the Fund, from FundPartner Solutions (Europe) SA, 15 avenue J. F. Kennedy, L-1855 Luxembourg, and any distributor or intermediary appointed by the Fund. **You can obtain a summary of investors rights to the following link:**  
<https://www.pictet.com/content/dam/www/documents/legal-and-notes/fundpartner-solutions/fps-summary-of-investors-rights.pdf.coredownload.pdf>

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## 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](http://www.dsmcapital.com).
- Total return including dividends.

## Registration

For our latest registration information, please see  
<https://herefordfunds.com/library/country-registrations>

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.

The figures shown do not include all the costs of the product itself. For further information on the costs, please refer to the prospectus and other fund documents.  
\* Financial Year ending September 2023