

**Investment Review**

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 0.04% for the month of October compared to a (0.33)% return for the Russell 1000 Growth Index and a (0.91)% return for the S&P 500 both including dividends. At the end of October, the Sub-Fund was invested in the technology, communication services, financials, consumer discretionary, industrials and health care sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 37bps. This was primarily the result of the Manager’s selections and overweight versus the benchmark of the financials sector. The Manager’s selections in health care also benefitted performance in the period. In October, the positions that contributed the most to the portfolio’s return were NVIDIA, Fiserv, Alphabet, GE Vernova and Visa. The positions that detracted the most in the month were Microsoft, Advanced Micro Devices, Eli Lilly, Adobe and Apple.

**Manager’s Commentary**

The geopolitical landscape, including the ongoing war in Ukraine and tensions in the Middle East, as well as the uncertainty surrounding the US elections resulted in a volatile month for markets. However, the global economy continues to evolve, despite facing a complex interplay of factors that should influence the forward growth path. While there are reasons for optimism, particularly in the US, challenges persist in Europe and China. The Manager continues to have the view that the global economy will experience a soft landing this year, with US economic growth pacing around 2.5%, bolstered by approximately 3% growth in the second half. Global growth should again be above 2% in 2025, with the US slowing from its torrid second half 2024 pace and growing closer to 2% next year.

The US economy continues to demonstrate remarkable resilience. Despite inflationary pressures, the labor market has remained robust, with a continued historically low unemployment rate and steady wage growth. In addition, consumer spending has been supported by rising net worth and a gradual decline in inflation, though there is still some pressure on the low to middle income cohort. With inflation approaching the US Federal Reserve’s 2% target, the Fed has embarked on a rate cutting cycle, aggressively reducing the federal funds rate by a half a percent in the 3Q with expectations for further cuts into 2025. The market is pricing the fed funds rate to close 2025 around 3.5%, and DSM believes further reductions should continue to bolster economic confidence.

Europe’s economic outlook is less optimistic. Slow growth, coupled with concerns about negative growth in Germany, highlights the region’s challenges, although the UK has shown positive signals more recently. While inflation has moderated, consumer confidence remains weak, hindering spending. With inflation declining to approximately 2.2%, and closing in on the European Central Bank’s 2% target rate, the ECB has cut rates three times this year, which should provide some support to consumer spending. The Manager would highlight that higher income tax rates are being discussed across Europe, which in their view would only prove to be a further headwind to economic growth. As such, unfavorable economic policies and geopolitical tensions further complicate Europe’s path to recovery.

Overall, the global economy is expected to experience a soft landing in 2024, primarily driven by the US economy’s continued growth. DSM expects central banks around the world to maintain a focus on inflation, gradually reducing interest rates as inflationary pressures further subside. However, the challenges facing Europe and China do represent uncertainties. Lower inflation is also supportive of steady economic growth. The Manager’s “soft landing-muddle through” economic outlook, combined with AI-driven productivity, provides a solid underpinning on which the market may over time move steadily higher.

**Key Information**

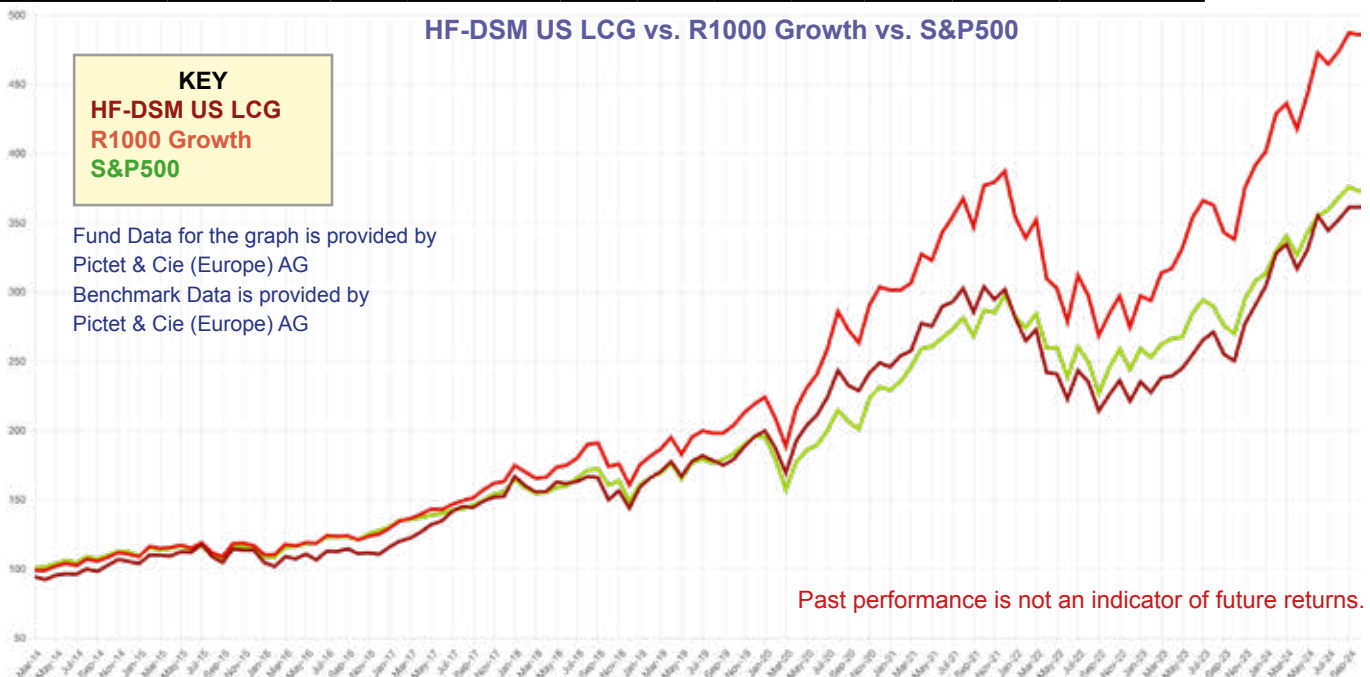
NAV B Shares (31/08/24)	US\$ 361.4	Strategy Assets	US\$ 5,759.1 <sup>(a)</sup>
Total Fund Size (all share classes)	US\$ 83.7m	Fund Launch Date	26/01/2015

**Monthly Performance (%)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>HF-DSM US LCG</b>	4.7	7.8	2.1	(5.3)	4.3	7.6	(3.1)	2.3	2.5	0.04			24.4
<b>Russell 1000 Growth<sup>(c)</sup></b>	2.5	6.8	1.7	(4.2)	6.0	6.7	(1.7)	2.1	2.8	(0.3)			24.4
<b>S&amp;P 500<sup>(c)</sup></b>	1.7	5.3	3.2	(4.1)	5.0	3.6	1.22	2.4	2.1	(0.9)			22.1

Period Perf (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	31.4	(26.8)	21.3	27.2	35.9	(5.6)	37.8	(2.6)	7.8	11.5	261.4	12.8%
Russell 1000 Growth <sup>(c)</sup>	42.7	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	385.7	16.0%
S&P 500 <sup>(c)</sup>	26.2	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	272.5	13.1%

**HF-DSM US LCG vs. R1000 Growth vs. S&P500**



Top Ten Holdings	
Advanced Micro Devices	Eli Lilly
Alphabet (Cl. A)	Fiserv
Amazon.com	Meta Platforms
Apple	Microsoft
Arista Networks	NVIDIA

Sectoral Breakdown	% of Assets
Information Technology	52.6%
Communication Services	11.8%
Financials	11.3%
Consumer Discretionary	8.3%
Industrials	7.8%
Health Care	7.2%

## 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	
Bloomberg	DSMUSLB LX
ISIN	LU0327604574
Telekurs	003504729
Sedol	B28TLY3

Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Volatility	n/a	15.7	16.1
Sharpe Ratio	n/a	0.5	0.6
Information Ratio	n/a	-0.1	
Tracking Error	n/a	6.2	
Beta	n/a	0.9	
Alpha	n/a	0.1	

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 B	\$10m initial subscription

Share Class	Mgmt Fees	ISIN	TER	Entry Fee	Exit Fee
B	0.7%	LU0327604574	0.97%*	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>

No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Potential investors shall be aware that the value of investments can fall as well as rise and that they may not get back the full amount invested. Past performance is no guide to future performance. Future Performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. Returns may increase or decrease as a result of currency fluctuations. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the prospectus of the Fund. Whilst great care is taken to ensure that information contained herein is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee or recipient only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document. According to the SFC climate-related disclosure requirement, please find our disclosure of Management and Disclosure of Climate-related Risks by Fund Managers. The decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus. Marketing communications should indicate that the decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

## Order Transmission Information

FundPartner Solutions (Europe) S.A. Via Fax +352 46 71 71 7667  
15, avenue J. F. Kennedy or SWIFT PICTLULXTAS  
L-1855 Luxembourg

- 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