

## Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 13.8% for the month of April compared to a 14.80% return for the Russell 1000 Growth Index and a 12.82% return for the S&P 500 both including dividends. At the end of April, the Sub-Fund was primarily invested in the technology, health care, communication services and consumer discretionary sectors, with smaller weights in the financials and consumer staples sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 100bps. This was primarily the result of the Manager's selections in the consumer discretionary sector. The Manager's underweight of the industrials sector versus the benchmark benefitted performance. In April, the positions that contributed the most to the portfolio's return were Microsoft, PayPal Holdings, Amazon.com, Alphabet and Facebook. The positions that contributed the least in the month were Aon PLC, Monster Beverage, Varian Medical Systems, Neurocrine Biosciences and Elanco Animal Health.

## Manager's Commentary

The Manager continues to believe that equity markets look forward, not backward, and therefore global equity markets will recover before economic activity recovers. Equity markets discount future earnings and cash flows over the next decade or more. DSM believes that investors understand that, in-time, COVID-19 will come under control as a function of social separation, new treatments, and vaccines. Following the market's sharp rebound in April, that certainly appears to be the case. News of a flattening pandemic curve in many countries and positive results from a clinical trial investigating a treatment for the virus led stocks higher. Though jobless claims continued to climb, it was not unexpected, allowing investors to focus on these positive developments.

As a result of the many trillions of dollars of economic support packages passed by Congress and signed by President Trump, as well as the significant quantitative easing by the Federal Reserve, the Manager expects a "U" shaped recovery to begin in the US in the fourth quarter of this year. Assuming the rest of the world is also able to move forward, DSM believes that the "U" shaped recovery can become a "V" shaped global recovery within a few quarters. However, given the unfortunate bankruptcies of many small and medium-sized businesses in the US and around the world, unemployment will be high and take time to recover. Accordingly, as experienced prior to the COVID-19 pandemic, the Manager expects the future economic environment to be characterized by low inflation and low interest rates, and potentially a long, slow growth global economic cycle.

Over the first three-quarters of this year, DSM expects that the coronavirus will have a meaningfully negative impact on earnings. However, over time the Manager believes that the mandated quarantines and lockdowns, development of effective drugs and eventually, vaccines, will lead to a normalization of economic activity leading to the possibility of a re-acceleration of earnings growth in 2021. Despite the human tragedy of the virus, given low inflation, historically low interest rates, reasonable valuations and the durable earnings power of the premier quality growth companies in the portfolio, the Manager believes there remains significant appreciation potential.

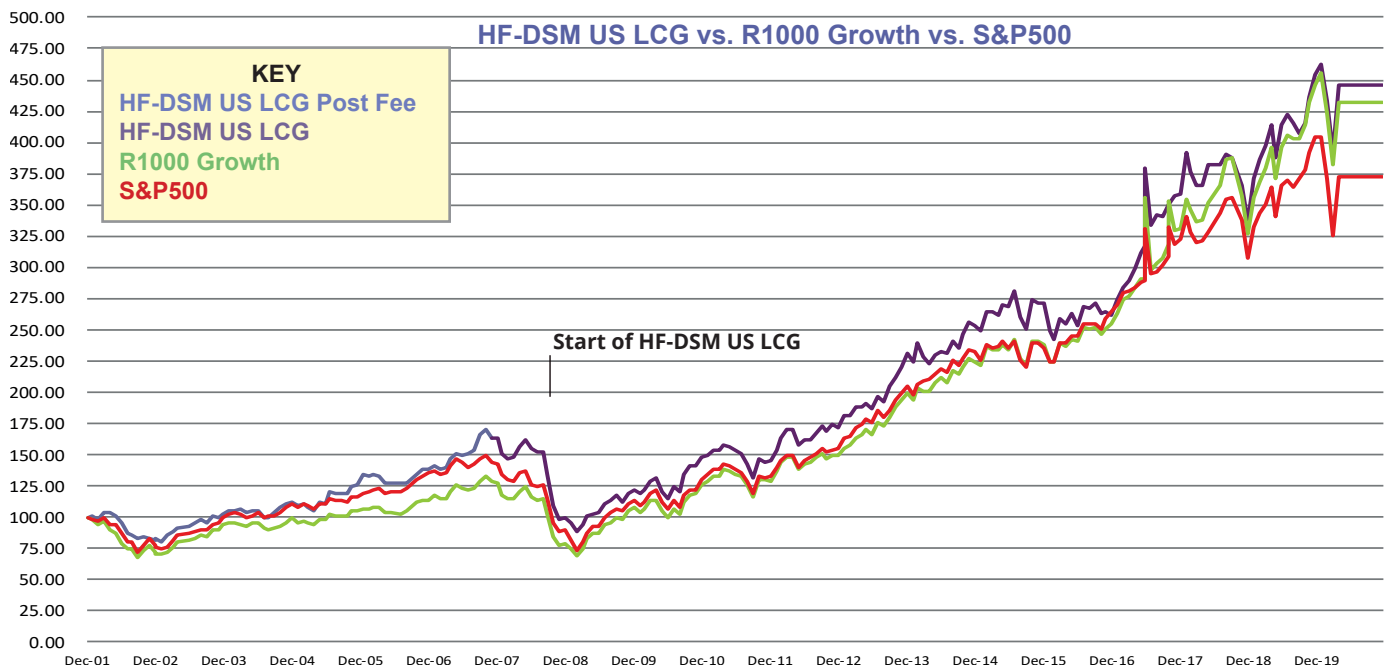
## Key Information

NAV A Shares (30/04/20) US\$ 272.0  
Total Fund Size (all share classes) US\$ 71.4m

Strategy Assets US\$ 6,188.4m<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	2.1	(6.3)	(9.8)	13.8									(1.8)
Russell 1000 Growth <sup>(c)</sup>	2.2	(6.8)	(9.8)	12.8									(3.1)
S&P 500 <sup>(c)</sup>	(0.0)	(8.2)	(12.4)	14.8									(7.7)

Period Performance (%)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	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	345.5	8.18%
Russell 1000 Growth <sup>(c)</sup>	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	273.2	8.00%
S&P 500 <sup>(c)</sup>	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	331.7	7.18%



Top Ten Holdings	
Adobe	Facebook
Alibaba Group	Microsoft
Alphabet (Cl. A)	PayPal Holdings
Amazon.com	Tencent Holdings
EPAM Systems	Visa

Sectoral Breakdown	% of Assets
Information Technology	43.1%
Health Care	20.1%
Communication Services	20.0%
Consumer Discretionary	14.2%
Financials	1.7%
Consumer Staples	0.8%

## 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.

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.2	15.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	0.0	
Sedol	B28TLX2	Tracking Error	n/a	6.3	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	0.8	

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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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.
- 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.

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:  
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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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