

### Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 7.7% for the month of April compared to a 6.80% return for the Russell 1000 Growth Index and a 5.34% return for the S&P 500 both including dividends. At the end of April, the Sub-Fund was primarily invested in the technology, communication services and consumer discretionary sectors, with smaller weights in the health care, industrials, financials and consumer staples sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 87bps. This was primarily the result of the Manager's selections in the information technology sector. The Manager's selections in consumer discretionary detracted slightly from performance. In April, the positions that contributed the most to the portfolio's return were Alphabet - Cl. A, Amazon.com, Microsoft, Facebook and EPAM Systems. The positions that contributed the least in the month were JD.com, Neurocrine Biosciences, Automatic Data Processing, Tencent Holdings and Sirius XM Holdings.

### Manager's Commentary

The Manager believes the anticipated economic recovery has arrived with the possibility of 10% economic growth in the US over the first half of 2021, and perhaps in excess of 6% for the full year. With inflation in excess of 2%, real rates are negative on ten-year US treasuries, a situation that cannot endure indefinitely. While rates could go up meaningfully from here, as of now wage inflation is stable with 6% unemployment. The US housing market is strong with a shortage of homes pushing prices higher, while manufacturing and capital spending have rebounded. In addition, over 40% of the US population has received their first dose of the COVID-19 vaccine, which bodes well for economic growth in the back half of the year. Although a temporary inflation spike may occur as supply chains are restocked, DSM believes inflation will likely remain moderate as they do not see a significant and continuous rise in wages. On the other hand, digital technology offsets wage increases with better productivity. In the Manager's view, if inflation appeared to be increasing to above 3%, the Federal Reserve would eventually raise rates given their stated target of 2%. Importantly, driven by the improving economy, S&P 500 earnings estimates continue to increase, with S&P 500 earnings for calendar year 2022 possibly exceeding \$200.

The Manager's portfolio construction has always been focused on stock selections that are recession-resistant and rationally valued. DSM believes that strong revenue growth and predictable costs serve as the foundation of the robust earnings results of the companies in the portfolio, both now and going forward. As quality growth stock investors with a rigorous valuation discipline, the Manager will continue to avoid investments in companies they feel are overvalued, as they seek to manage portfolio risk while continuing to generate an attractive rate of return for their clients. DSM believes the portfolio has significant appreciation potential given its reasonable valuation, substantial revenue and earnings growth, low interest rates, and the likely improvement in the global economy. Over time, businesses appreciate in value as their earnings grow. DSM's portfolio earnings have grown largely as expected before the pandemic, remained solid (albeit a bit less than expected) during the pandemic and should resume growth in the mid-to-high teens in 2021.

### Key Information

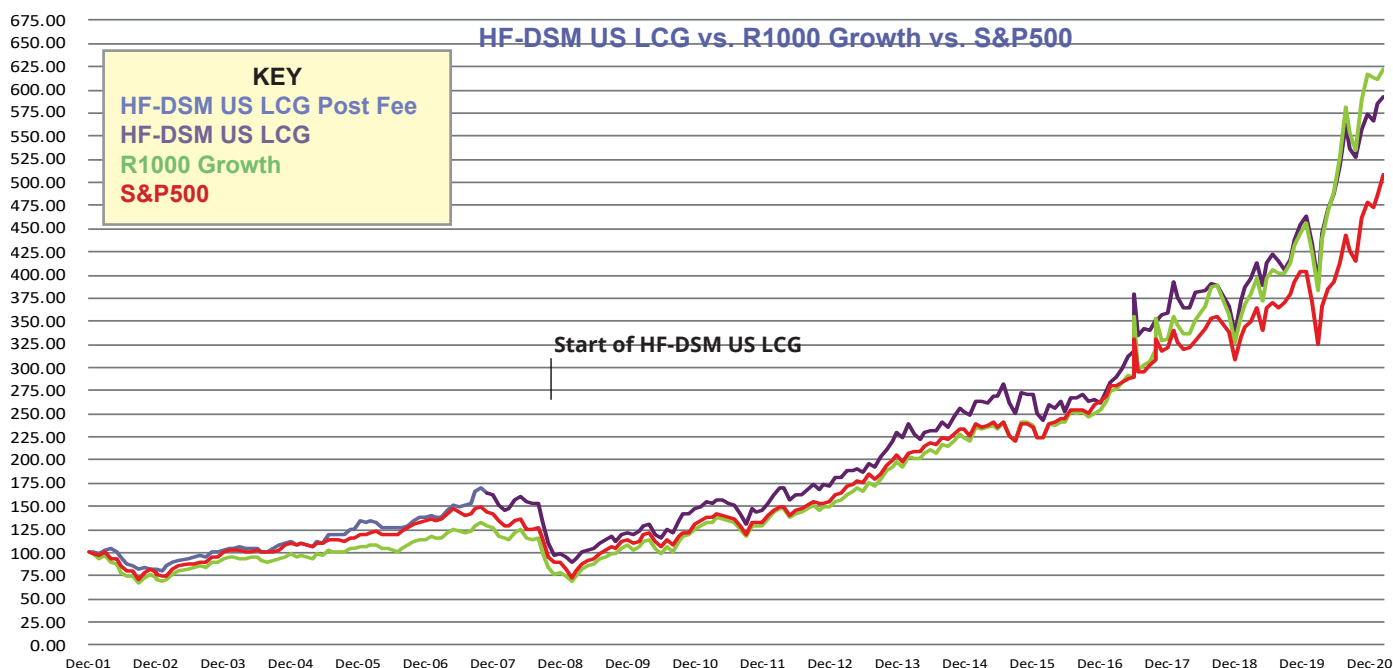
NAV A Shares (30/4/21) US\$ 389.2  
 Total Fund Size (all share classes) US\$ 97.8m

Strategy Assets  
 Fund Launch Date

US\$ 8,157.7m<sup>(a)</sup>  
 29-Nov-07

Monthly Performance (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
HF-DSM US LCG	(1.3)	3.3	1.3	7.7									11.2
Russell 1000 Growth <sup>(c)</sup>	(0.7)	(0.02)	1.7	6.8									7.8
S&P 500 <sup>(c)</sup>	(1.0)	2.8	4.4	5.3									11.8

Period Performance (%)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	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	537.5	9.70%
Russell 1000 Growth <sup>(c)</sup>	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	435.4	9.94%
S&P 500 <sup>(c)</sup>	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	565.0	8.75%



# HF Hereford Funds

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

Sectoral Breakdown	% of Assets
Information Technology	43.6%
Communication Services	22.6%
Consumer Discretionary	16.5%
Health Care	8.5%
Industrials	3.1%
Financials	2.5%
Consumer Staples	2.2%

## 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.

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.2	15.3
ISIN	LU0327604228	Sharpe Ratio	n/a	0.6	0.6
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	0.7	

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%

Minimum Investment	
Share Class A & U <sup>(e)</sup>	\$100,000 initial / \$10,000 subsequent
Share Class D	\$10,000 initial / \$1,000 subsequent

France - Centralizing Correspondent as defined by French Regulation:

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Germany - Paying Agent as defined by German Regulation:

Marcad, Stein & Co - Ballindamm 36, 20095 Hamburg  
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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.

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