

Investment Review

The Hereford DSM US Large Cap Growth Sub-Fund appreciated 5.9% for the month of February compared to a 6.7% appreciation for the Russell 1000 Growth Index and a 5.7% appreciation for the S&P 500 including dividends. At the end of February, the Fund was invested primarily in the health care, technology and consumer discretionary sectors, with smaller weights in the financials, materials and consumer staples sectors.

For the month, the Fund trailed the benchmark by approximately 0.8%. This was primarily the result of the Manager's selections in technology and health care, as well as the Fund's overweight in health care versus the benchmark. The Manager's selections and overweight in consumer discretionary benefitted performance. In February, the best performing positions in the portfolio were Priceline Group, Cognizant Tech Solutions, Dollar Tree, Comcast and Starbucks. The worst performers for the month were Baidu, Alibaba Group, Alexion Pharmaceuticals, Wynn Resorts and Regeneron Pharmaceuticals.

Manager's Commentary

DSM's long-standing global economic outlook of steady 3% type growth remains unchanged. We continue to worry that various geopolitical factors, particularly in the Ukraine and the Middle East, as well as slow growth in Europe and potential issues relating to the situation in Greece, might well cause serious problems. However these risk factors are well known to investors.

The US economy continues on a steady growth pace thus far in 2015, but the extreme cold weather and heavy snowfall will likely put a crimp in economic growth in the first quarter. Certain economic reports, including retail sales and industrial production, have come in weaker than expected, though employment data has been consistently solid. As a result of ongoing economic growth, many observers believe that the Federal Reserve will increase rates mid-year 2015. That said, restrained wage growth, low inflation (with lower oil prices and a stronger dollar) and the risk that economic growth will suffer if rates are raised too soon, may keep the Federal Reserve more "patient". Slow growth, unemployment and deflation persist as topics of discussion in Europe. The ECB has begun to implement its quantitative easing policies. The ultimate size of the program is uncertain given the difficulties in finding sufficient securities to purchase. In the meantime European equity markets are strong and new equity issuance is at near-record levels. Unfortunately, with growth virtually nonexistent and significant fiscal policy changes very difficult to achieve, monetary policy is the ECB's only option to maintain modest growth and prevent deflation. Our outlook for Japan is for slow growth of approximately 1%, aided by the weak yen. The fight against deflation remains top-of-mind at the Bank of Japan, especially given declining energy costs and soft retail sales. The Bank's goal of 2% inflation will be very difficult to achieve over the near-term. With growth slowing in China to the 6% to 7% level, some analysts are calling for Beijing to enter the competitive devaluation game by forcing the yuan lower versus the US dollar and euro. However, the Peoples Bank of China is focused on easy monetary policy and investment in the private sector, not just infrastructure projects or housing, to grow the economy. Recently, the stock market has been soaking up Chinese investment capital. While this is an improvement over real estate speculation, it has created softer demand for housing as evidenced by modestly lower home prices.

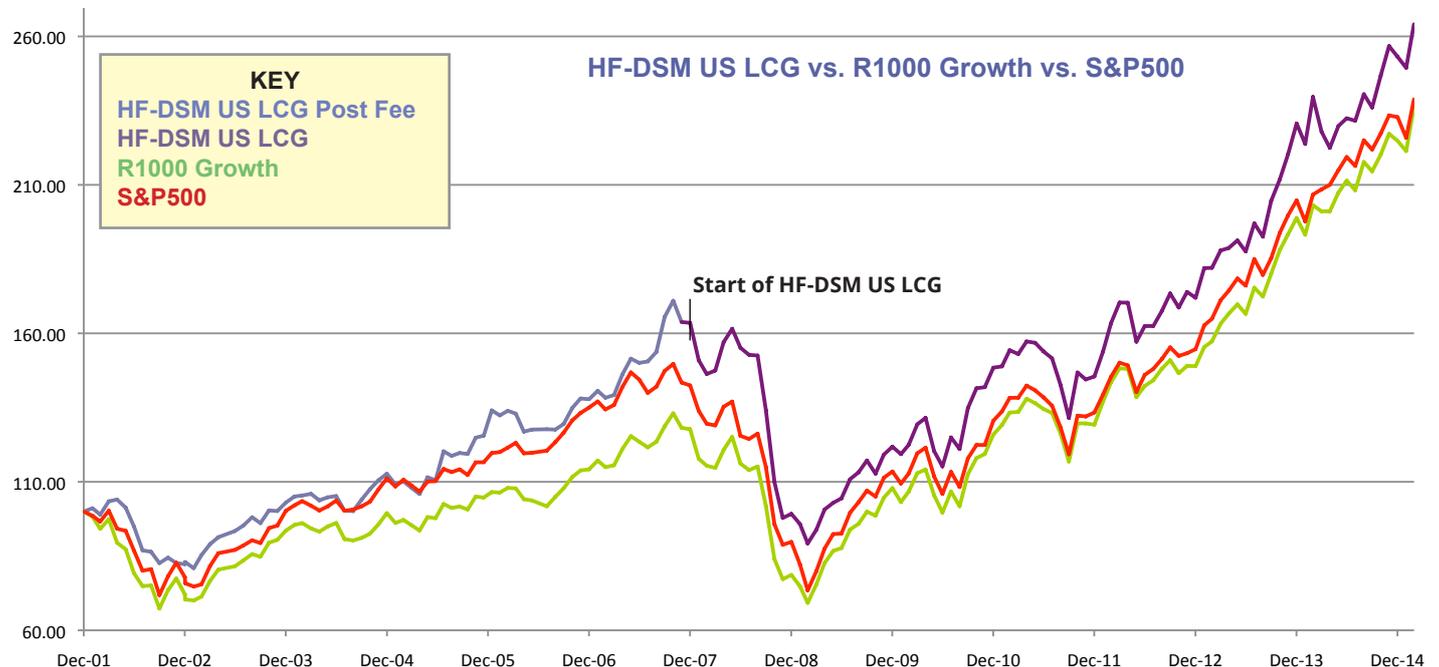
The portfolio continues to be focused on unique global businesses that have been identified, and are continuously subject to analysis, by our ten-member investment team. We believe that the valuation of the portfolio, at 20.7x next-four-quarter earnings through March of 2016 based on our calculations, continues to be attractive in the current slow growth economic environment and relative to the market. We also continue to project a mid-to-high "teens" earnings growth rate through 2018. Additionally, the portfolio holdings remain characterized by strong balance sheets and significant free cash flow.

Key Information

NAV A Shares (27/02/15)	US\$ 161.19	Strategy Assets	US\$ 4,771.8m ^(a)
Total Fund Size (all share classes)	US\$ 139.3m	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	(1.5)	5.9											4.3
Russell 1000 Growth ^(c)	(1.5)	6.7											5.0
S&P 500 ^(c)	(3.0)	5.7											2.6

Period Performance (%)	YTD	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	2003	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	4.3	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	7.2%
Russell 1000 Growth ^(c)	5.03	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	6.3%
S&P 500 ^(c)	2.57	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	6.4%



HF Hereford Funds

Top Ten Holdings	
Actavis	Priceline Group
Biogen Idec	Regeneron Pharmaceuticals
Celgene	Starbucks
Cognizant Technology Solutions	Time Warner
Google (Cl. A & C)	Visa

Sectoral Breakdown	% of Assets
Health Care	34.1%
Information Technology	28.6%
Consumer Discretionary	25.4%
Financials	7.1%
Materials	3.1%
Consumer Staples	1.8%

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	
Bloomberg	DSMUSLA LX
ISIN	LU0327604228
Reuters	LP65102015
Sedol	B28TLX2
	3504726
WKN	A0M58T

Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Volatility	n/a	14.8	15.1
Sharpe Ratio	n/a	0.4	0.4
Information Ratio	n/a	0.1	
Tracking Error	n/a	6.7	
Beta	n/a	0.9	
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 ^(e)	1.25%
Share Class D ^(f)	1.75%

Minimum Investment	
Share Class A & U ^(e)	\$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.
- 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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