

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (2.78)% for the month of February compared to a (0.04)% return for the Russell 1000 Growth Index and a (0.13)% return for the S&P 500 including dividends. At the end of February, the Fund was invested primarily in the technology, health care and consumer discretionary sectors, with smaller weights in the industrials, financials and consumer staples sectors.

For the month, the Fund trailed the benchmark by approximately 270 bps. This was primarily the result of the Manager's selections in the technology and health care sectors, as well as the Fund's overweight in technology versus the benchmark. The Manager's selections in consumer discretionary benefited performance. In February, the best performing positions in the portfolio were Priceline Group, Nielsen Holdings, Allergan, Intuitive Surgical and Alibaba Group. The worst performers for the month were Cognizant Technology Solutions, Perrigo, Alphabet, Facebook and Royal Caribbean Cruises.

Manager's Commentary

DSM's multi-year global economic outlook of stable 3% growth remains unchanged, although we would admit that global growth in 2016 might be a bit lower. At the present time, slowly rising wages, growing employment and solid consumer spending, combined with the bonus of falling energy prices and a recent uptick in durable goods spending, may enable first quarter GDP growth in the US to comfortably exceed 2%. We are "cautiously optimistic" that economic growth in China, also driven by spending by the consumer, will continue in the 6% range. Without question, the US and China remain the primary engines of global growth. In Europe, growth of approximately 1% going forward would be a solid outcome, while the United Kingdom remains an economic bright spot with growth possibly nearing that of the US. Japan's economic outlook continues to indicate fractional growth at best, with near zero inflation an ongoing challenge. With global GDP growth slow and inflation non-existent, we expect most central banks around the world will remain very accommodative.

The businesses that underlie the stocks in the portfolio have continued to grow very well, in contrast to the recent decline in stock prices. Of the twenty-nine companies in the portfolio as of December 31, 2015, twenty-seven have reported fourth quarter results. Of those, twenty reported better than expected results; three reported in-line results; and four reported below expectations. We estimate that for the portfolio as a whole, weighted average revenue and earnings growth was 19% and 21% respectively. The fourth quarter rate of growth is consistent with the revenue and earnings growth experienced during the first three quarters of 2015. We expect similar revenue and earnings growth in 2016.

The portfolio is currently valued, by our estimates, at 17.9x earnings for the four quarter period through March of 2017 and 15.8x 2017 earnings. The portfolio's valuation based on 2017 earnings is roughly equivalent to the long term average P/E of the S&P 500. It is our strong belief that the portfolio is significantly undervalued. Historically, following a period of underperformance, DSM's portfolios have rebounded as a result of their solid earnings growth. We believe that will be the case at this time as well.

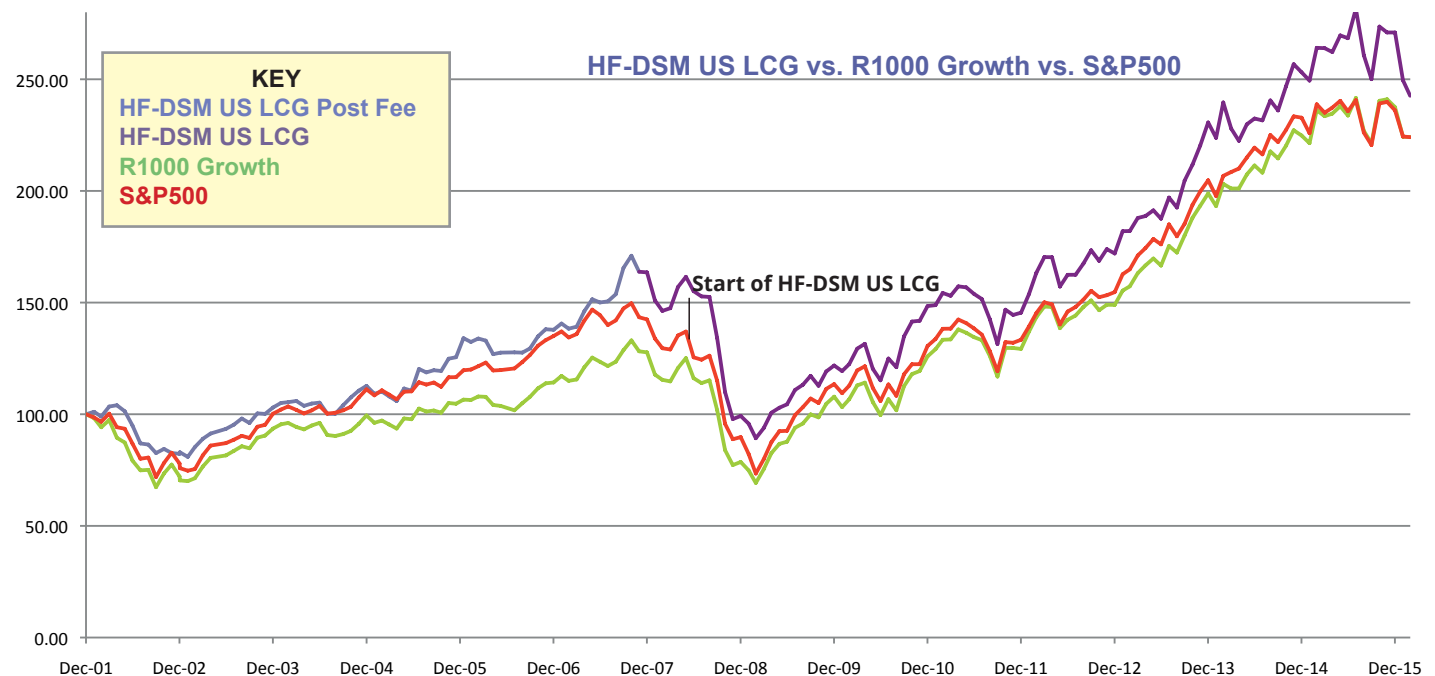
Key Information

NAV A Shares (29/02/16) US\$ 148.07
Total Fund Size (all share classes) US\$ 99.4m

Strategy Assets US\$ 4,606.8m^(a)
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	(7.9)	(2.8)											(10.5)
Russell 1000 Growth ^(c)	(5.6)	0.0											(5.6)
S&P 500 ^(c)	(5.0)	(0.1)											(5.1)

Period Performance (%)	YTD	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	(10.5)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	142.6	6.86%
Russell 1000 Growth ^(c)	(5.6)	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	124.2	5.86%
S&P 500 ^(c)	(5.1)	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	124.1	5.86%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Celgene
Alexion Pharmaceuticals	Cognizant Technology Solutions
Alibaba Group	Dollar General
Allergan	Facebook
Alphabet (Cl. A & C)	Priceline Group

Sectoral Breakdown	% of Assets
Information Technology	40.6%
Health Care	28.9%
Consumer Discretionary	17.0%
Industrials	5.4%
Financials	5.0%
Consumer Staples	2.8%

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	14.9	15.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.3	0.3
Reuters	LP65102015	Information Ratio	n/a	0.2	0.1
Sedol	B28TLX2	Tracking Error	n/a	6.7	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.1	

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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