

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund Share Class A depreciated 3.97% for the month of February compared to a (2.62)% return for the Russell 1000 Growth Index and a (3.69)% return for the S&P 500 both including dividends. At the end of February, the Sub-Fund was invested primarily in the technology, consumer discretionary and health care sectors, with smaller weights in the financials, consumer staples and industrials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 135 bps. This was primarily the result of the Manager's selections in the technology sector. The Manager's selections in the consumer discretionary sector benefitted performance. In February, the positions that contributed the most to the portfolio's return were Booking Holdings (formerly known as Priceline Group), Zoetis, Adobe Systems, Sirius XM Holdings and Wynn Resorts. The positions that contributed the least in the month were Alibaba Group, Tencent Holdings, Alphabet, Dollar Tree and Regeneron Pharmaceuticals.

Manager's Commentary

The Manager believes that DSM's outperformance over longer periods of time and continuing into 2018, is due to a simple fact: "Earnings Win". Fourth calendar quarter 2017 earnings results completed a two year stretch of very strong earnings. Based on the Manager's calculations, 2016 revenue and earnings grew in excess of 20%. In 2017, revenue growth reached nearly 25% and earnings growth exceeded 30%. Today the portfolio is valued at 21.7x forward four quarters of earnings through March of 2019, which compares to the past four quarters of earnings growth of 32%. Based on expectations of continued strong earnings growth, DSM believes that the portfolio remains meaningfully undervalued.

Just a few years ago the ECB and the Bank of Japan were worried about deflation, and interest rates were manipulated into negative territory, which was an historic economic event. Today deflation fears have largely receded, interest rates are rising and global measures of inflation are moving upward. The world's three largest economies, the US, China and Europe, as well as Japan, are all experiencing stable or improving rates of economic growth. While DSM has projected for many years that the current global economic cycle would prove to be a longer growth cycle than the majority of previous growth cycles, the improving economic outlook in Europe and Japan, and ongoing solid growth in China, lead the Manager to believe that global growth may well exceed 3%, rather than its prior view of approximating 3%.

The Trump Administration continues to make headlines with accusations of "non-market behavior" by trade partners. Renegotiating long-standing trade accords in order to achieve "Fair Trade" is the administration's goal, as it believes that the United States has devolved into an unfair trade position over the years. As a result, President Trump is threatening to establish retaliatory quotas and/or tariffs if the treaties are not rebalanced fairly. It is likely the EU and China would retaliate against American actions in this regard. It is important to note that trade disputes have occurred many times over past decades, and will happen again in the future. Accordingly, the Manager does not consider these potential changes in the "terms of trade" to be a significant risk to investors.

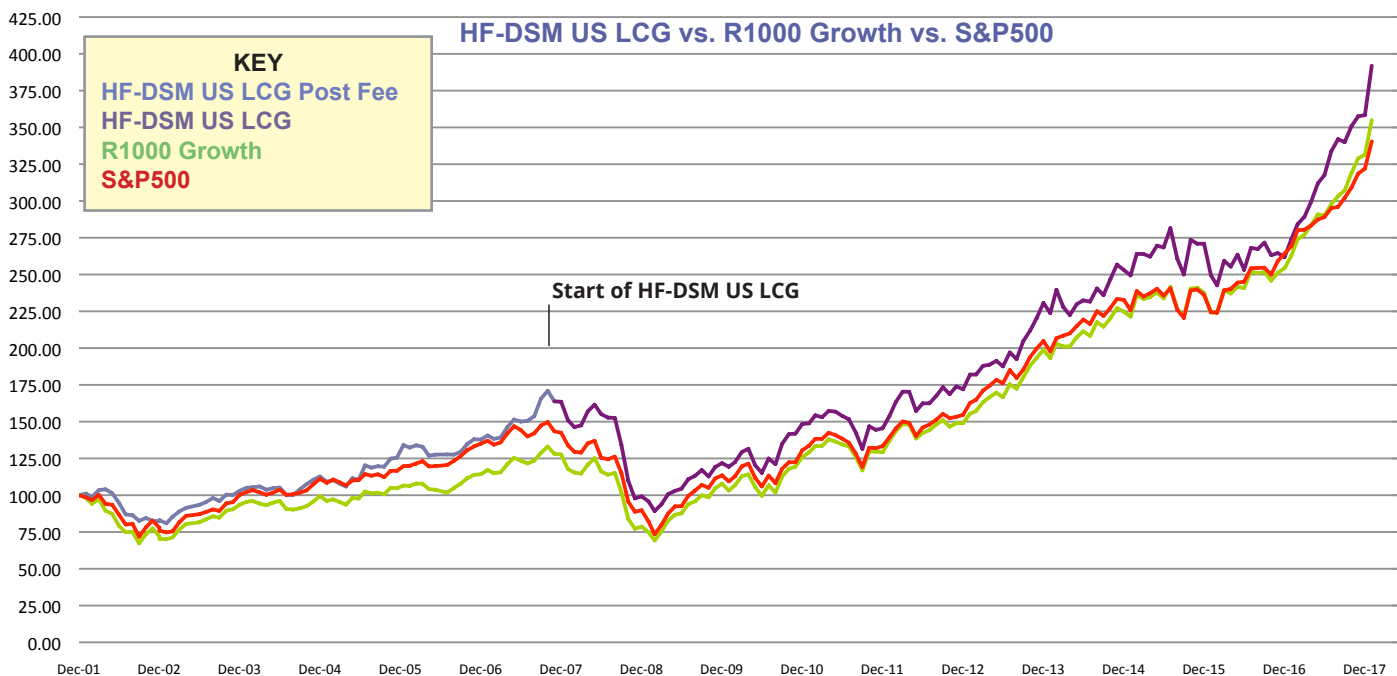
Key Information

NAV A Shares (28/02/18) US\$ 229.77
Total Fund Size (all share classes) US\$ 97.1m

Strategy Assets US\$ 5,768.9m^(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	9.4	-3.97											5.0
Russell 1000 Growth^(c)	7.1	-2.62											4.3
S&P 500^(c)	5.7	-3.69											1.8

Period Performance (%)	2018	2017	2016	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns^(b)	5.0	36.8	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	276.4	8.11%
Russell 1000 Growth^(c)	4.3	30.2	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	227.9	7.24%
S&P 500^(c)	1.8	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	245.7	7.57%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Facebook
Alibaba Group	Microsoft
Alphabet (Cl. A)	Tencent Holdings
Booking Holdings (fka Priceline Group)	Visa
Charles Schwab	Zoetis

Sectoral Breakdown	% of Assets
Information Technology	47.8%
Consumer Discretionary	19.1%
Health Care	15.7%
Financials	8.7%
Consumer Staples	4.3%
Industrials	2.6%

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	14.6	14.4
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.5	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.2	

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	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

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:

FundPartner Solutions (Europe) S.A.
15, avenue J. F. Kennedy
L-1855 Luxembourg

Subsequent Applications Only

Via Facsimile:

European Fund Administration
Attn.: FundPartner Solutions (Europe) S.A.
Fax +352 46 71 71 7667
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.
- 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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