

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (0.47)% for the month of June compared to a (1.76)% return for the Russell 1000 Growth Index and a (1.94)% return for the S&P 500 including dividends. At the end of June, the Fund was invested primarily in the technology, health care and consumer discretionary sectors, with smaller weights in the financials, industrials, consumer staples and materials sectors.

For the month, the Fund exceeded the benchmark by approximately 120 bps. This was primarily the result of the Manager's selections in consumer discretionary, as well as the Fund's selections and overweight in health care versus the benchmark. In June, the best performing positions in the portfolio were Alexion Pharmaceuticals, Dollar General, Dollar Tree, Facebook and Monster Beverage. The worst performers for the month were NXP Semiconductors, Monsanto, Alibaba Group, Cognizant Tech Solutions and Invesco.

Manager's Commentary

DSM's long-standing multi-year global economic outlook of stable 3% type growth remains unchanged. Although several geopolitical factors provide reason for worry, we believe these dynamics are well known to investors. Accordingly, we continue to feel comfortable with our global slow-growth forecast. The troubled state of the Greek economy is unlikely to cause even small economic problems anywhere in the world except Greece. Whether in or out of the EU, the Greek economy will continue to be quite weak. Europe's financial leaders have creatively declared that when Greece misses its bond payments the nation will be "in arrears", not in default. Complicating matters for the west, Prime Minister Tsipras has visited Russia looking for financial assistance. If Europe cuts Greece off financially and Russia offers to provide aid, Russia could begin to develop a new ally who might be useful in its efforts to sidestep Western sanctions over Ukraine. Another sensitive geopolitical issue concerns the ongoing negotiations with Iran. Talks have now extended beyond the June 30th deadline due to continued disagreements regarding both when sanctions will be lifted, and the access international inspectors will have to Iran's nuclear facilities

The PBOC reduction of the one-year benchmark lending rate, as well as the one-year deposit rate, seems to reflect a cautious economic outlook for China. While economic growth may be an on-going concern, the triggering event was likely the significant decline in China's equity markets. Certainly the use of quantitative easing (QE) remains a hotly debated topic in the United States. The critics would argue that QE drives asset values upward creating unnecessary risks in the economy, while the proponents would argue that this action was necessary to avoid recession or worse. Thus, China's use of "easy" monetary policy is hardly surprising, especially since Europe has utilized this approach as well. That said, the US and Europe both faced much more difficult economic circumstances when quantitative easing was implemented, as compared to China's current situation. Finally, the long awaited Federal Reserve rate hike in the US appears increasingly likely to occur in September, given steady economic growth and the falling unemployment rate. The unemployment rate, as well as wage inflation will, in our view, be the catalyst for the Fed to raise interest rates.

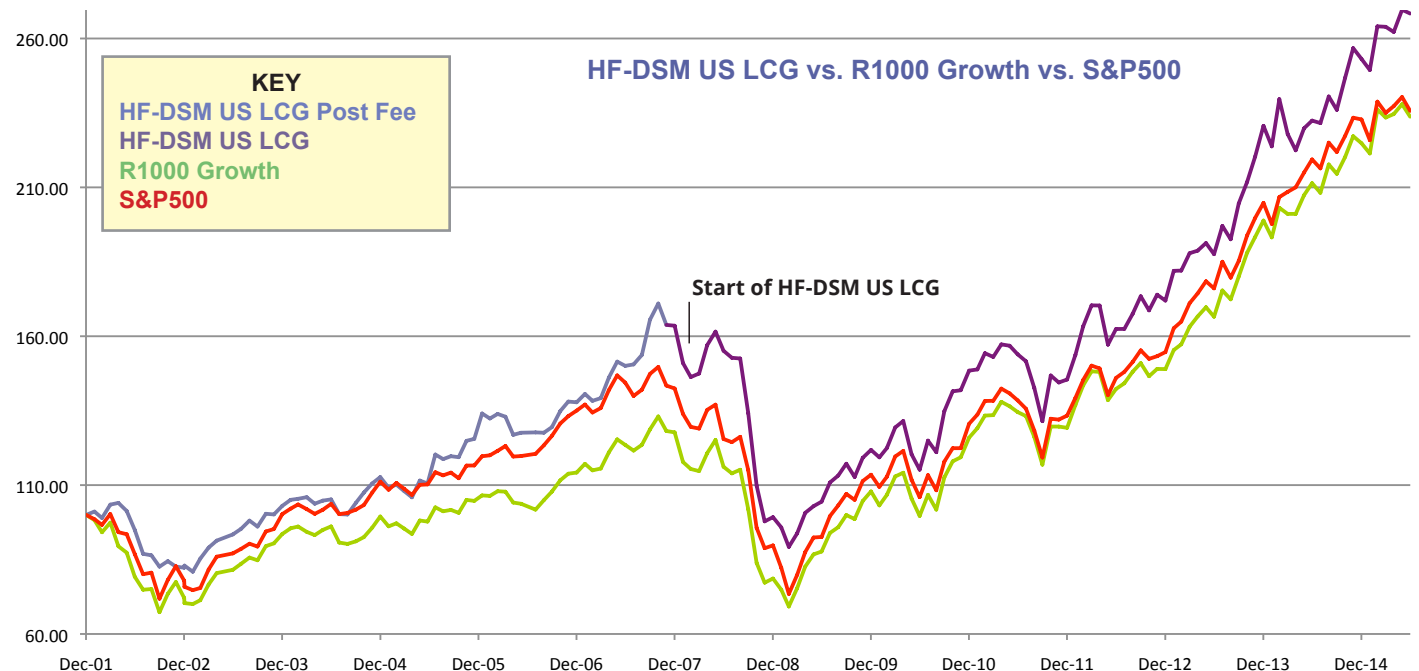
The portfolio continues to be focused on unique global businesses that have been identified, and are continuously subject to analysis, by our ten-member investment team. We believe that the valuation of the portfolio, at 20.8x next-four-quarter earnings through June of 2016, and 18.9x 2016 earnings, 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 (30/01/15)	US\$ 163.82	Strategy Assets	US\$ 4,720.8m ^(a)
Total Fund Size (all share classes)	US\$ 134.2m	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	-0.1	-0.7	2.8	(0.5%)							6.0
Russell 1000 Growth^(c)	-1.5	6.7	-1.1	0.5	1.4	(1.8%)							4.0
S&P 500^(c)	-3.0	5.7	-1.6	1.0	1.3	(1.9%)							1.2

Period Performance (%)	YTD	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	2003	Cumulative	Annualised
HF-DSM US LCG Returns^(b)	6.0	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	7.7%
Russell 1000 Growth^(c)	4.0	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	6.7%
S&P 500^(c)	1.2	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	6.8%



HF Hereford Funds

Top Ten Holdings

Alexion Pharmaceuticals	Facebook
Allergan	Google (Cl. A & C)
Biogen	Priceline Group
Celgene	Starbucks
Cognizant Technology Solutions	Visa

Sectoral Breakdown	% of Assets
Information Technology	32.0%
Health Care	30.5%
Consumer Discretionary	21.6%
Financials	6.5%
Industrials	3.6%
Consumer Staples	2.7%
Materials	2.5%

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	15.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.4
Reuters	LP65102015	Information Ratio	n/a	0.1	0.1
Sedol	B28TLX2	Tracking Error	n/a	6.7	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	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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