

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (3.86)% for the month of June compared to a (0.39)% return for the Russell 1000 Growth Index and a 0.26% 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, consumer staples and industrials sectors.

For the month, the Fund trailed the benchmark by approximately 347 bps. This was primarily the result of the Manager's selections in the health care and financials sectors. The Manager's underweight in materials benefitted performance. In June, the best performing positions in the portfolio were LinkedIn, Monster Beverage, Automatic Data Processing, Starbucks and Dollar General. The worst performers for the month were Alexion Pharmaceuticals, Affiliated Managers Group, NXP Semiconductors, Royal Caribbean Cruises and Invesco.

Manager's Commentary

In our opinion, DSM has underperformed the indices due to several factors this year. First, investors are utilizing equities with yield as substitutes for government bonds whose yields are nearly non-existent or negative. Though dividend-yielding companies can be found in all sectors, most of these are in the Telecom, Utilities, Consumer Staples and Financials sectors, which have generally performed best over the first half of 2016. In contrast, approximately 77% of the DSM portfolio is currently invested in the bottom three performing sectors, Consumer Discretionary, Technology and Health Care. Furthermore, with the prices of oil and other commodities appreciating significantly this year, performance of the Energy, Materials and Industrials sectors have rebounded. These too are not sectors in which DSM would normally maintain a meaningful position. In addition, Alexion, Allergan and Shire have each been involved with controversial M&A situations that have caused the stocks to underperform. In our view, the earnings fundamentals of their businesses remain intact, and thus we have continued to hold the positions.

The DSM portfolio has been fashioned on a bottom-up basis and we believe that the companies in the portfolio are well-positioned to prosper in a slightly slower growth post-Brexit world. During calendar 2015, the portfolio generated low double-digit revenue growth and high-teens earnings growth. In fact, fourth quarter 2015 earnings results were as strong as the prior three quarters of the year, and first quarter 2016 earnings continued to grow at a high-teens rate driven by revenue growth well in excess of 10%. We fully expect calendar year 2016 earnings results to be in that range as well. We believe that the combination of a stable global economic outlook and fundamentally solid earnings will cause the portfolio to stabilize and gradually recover.

The portfolio remains focused on unique global businesses that have been identified and continuously subjected to analysis by our investment team. We believe that the valuation of the portfolio based on our calculations, at 19.3x next-four-quarter earnings through June of 2017, and 17.6x 2017 earnings, continues to be attractive in the current slow growth economic environment and relative to the market. We also continue to project a low double-digit revenue growth and high-teens earnings growth rate through 2019. Additionally, the portfolio holdings remain characterized by strong balance sheets and significant free cash flow.

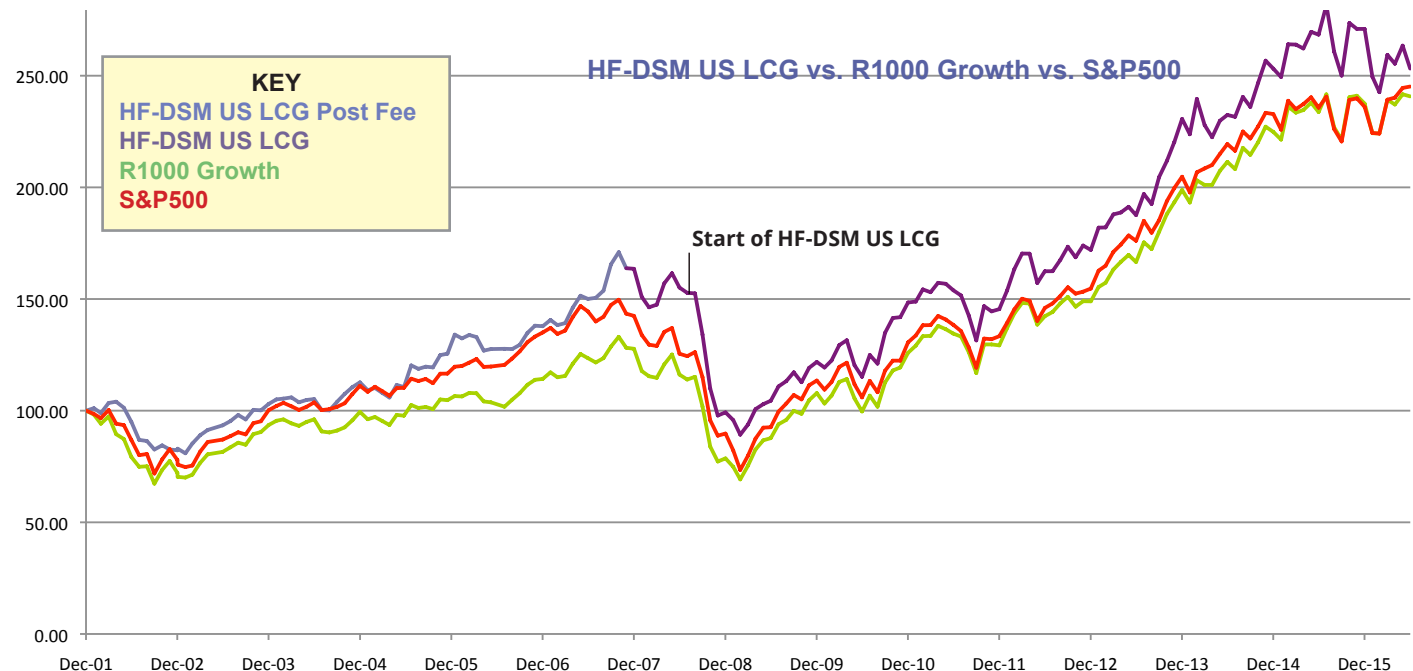
Key Information

NAV A Shares (30/06/16) US\$ 154.6
Total Fund Size (all share classes) US\$ 98.7m

Strategy Assets US\$ 4,594.3m^(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)	6.9	(1.5)	3.2	(3.9)							(6.5)
Russell 1000 Growth ^(c)	(5.6)	0.0	6.7	(0.9)	1.9	(0.4)							1.4
S&P 500 ^(c)	(5.0)	(0.1)	6.8	0.4	1.8	0.3							3.8

Period Performance (%)	YTD	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	2004	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	(6.5)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	151.8	6.62%
Russell 1000 Growth ^(c)	1.4	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	145.2	6.38%
S&P 500 ^(c)	3.8	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	140.7	6.25%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Cognizant Technology Solutions
Alibaba Group	Facebook
Allergan	Monster Beverage
Alphabet (Cl. A & C)	Newell Brands
Automatic Data Processing	Priceline Group

Sectoral Breakdown	% of Assets
Information Technology	44.3%
Health Care	23.6%
Consumer Discretionary	19.4%
Financials	4.8%
Consumer Staples	3.9%
Industrials	3.1%

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	14.9
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.7	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.0	

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.

France - Centralizing Correspondent as defined by French Regulation:
Société Générale - Order Desk, 32, avenue du Champ de Tir, BP 81236, F-44312 Nantes Cedex 3
Phone: +33/2.51.85.66.40, Fax: +33/2.51.85.58.71

Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
Société Générale, Zurich Branch, Talacker, 50, P.O. Box 1928, CH-8021 Zurich
Phone: +41/58.272.34.18 Fax: +41/58.272.35.49

This document is for information purposes only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined for each investor, and this fund may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Investors should consult professional advisers to evaluate this information. An investment should be made only on the basis of the Prospectus, the annual and any subsequent semi-annual reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained from the Fund, from BSI Fund Management S.A., 44F, rue de la Vallée, L-2661 Luxembourg, and any distributor or intermediary appointed by the Fund. No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Earnings projections are not guarantees of future results and there is no representation that the securities discussed were or will be profitable. Investors should be aware that the value of investments can fall as well as rise and that they may not recover the full amount invested. Past performance is no guide to future performance. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the Prospectus of the Fund. While great care is taken to ensure that this information is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document. Full details of the investment policy and objectives are stated in the Prospectus.